



The
Geological
Society

Report and Financial Statements

Year ended

31 December 2008

The Geological Society of London
Registered Charity Number 210161

THE GEOLOGICAL SOCIETY OF LONDON

Annual report and financial statements for the year ended 31 December 2008

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THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008

Legal and Administrative Information

Object of the Society

The Geological Society of London was instituted in 1807 for the purpose of investigating the mineral structure of the Earth.

Governing Instrument

The Society was incorporated by Royal Charter in 1825, amended by a Supplemental Charter in 2005. On 3 May 2000, the Fellows of the Society in General Meeting approved and adopted revised Bye-Laws to govern the future activities of the Society.

Bankers

Coutts & Co, 440 Strand, London, WC2R 0QS

Solicitors

Bristows, 3 Lincoln's Inn Fields, London WC2A 3AA

Auditors

BDO Stoy Hayward LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

Investment Advisers

UBS Wealth Management, 1 Curzon Street, London W1J 5UB

Head Office

Burlington House, Piccadilly, London W1J 0BG

Registered Charity Number

210161

Office Hours

09.30 - 17.30 Monday to Friday

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

<i>President:</i>	Prof Lynne Frostick
<i>Vice Presidents:</i>	Dr Iain Bartholomew Prof Martin Culshaw
<i>Secretaries:</i>	Dr Nick Rogers Prof David Manning Prof Tony Watts
<i>Secretary, Foreign & External Affairs:</i>	Prof Edward Derbyshire
<i>Treasurer:</i>	Prof Andrew Fleet

The Council submits its annual report and financial statements for the year ended 31 December 2008.

Charitable Objectives

The Object of the Society as set out in its Charter is “to investigate the mineral structure of the Earth” which is interpreted to mean

- i. improving knowledge and understanding of the history, structure, constitution and dynamics of the Earth and its process;
- ii. promoting all forms of education, awareness and understanding of the Earth and their practical applications for the benefit of the public globally; and
- iii. promoting professional excellence and ethical standards in the Earth sciences for the public good.

In meeting this Object the Society provides public benefit by advancing Earth sciences education at all levels, and by promoting knowledge of the Earth and professional standards so as to advance environmental protection and improvement of human health, and to guard against natural hazards. Specifically the Society provides:

Induction into the profession through Candidate Fellowship

During 2008, by supporting 390 undergraduates to become professional geologists at low subsidised cost.

Chartered status (CGeol, CSci, Eur Geol)

During 2008, 31 Fellows were awarded CGeol status bringing the total to 2,147. By encouraging continuing professional development, controlling entry standards and monitoring chartered status, the Society assures the quality of professional work in the geosciences for the public good.

Representing the science

By acting as the UK voice in representing the geosciences and their application.

Media contacts

By linking to the media and providing authoritative information and contacts.

External relations

By responding actively to requests for information or comment from government, opinion formers and the public as exemplified by submissions on radio active waste management.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

Charitable Objectives (*Continued*)

Education

By working with others to set standards to improve the quality of education in the geosciences at all levels, and by developing teaching resources. During the year the Society made progress in developing an online primer at KS 3 level which was launched in May 2008; and accredited 30 undergraduate programmes bringing the number to 132, and introduced a scheme for the accreditation of taught MSc courses. The Society also funded some £15,000 in research grants and provided financial support for fieldwork.

Library

By maintaining a nationally important collection of geological maps, books and journals which is open to the public at a subsidised rate; and by launching in May 2007 a complete online catalogue with a GIS interface to index level data for its map holdings

Website

By hosting a diverse range of electronic geological content with links to other significant websites, which is free to use. A new website was launched in 2007 built to meet international standards for disability access.

Journals and books

By publishing four of its own journals and four journals on behalf of other learned societies as well as 27 books, which are an important resource of information for geoscientists the world over, and are widely available in libraries. The recent creation of *GeoScienceWorld* (an electronic aggregate of many learned societies' journals) has allowed direct access to journals through the Web. The *Lyell Collection* provides an online portal to most of the books and journals ever published by the Society.

Scientific meetings

The Society held a number of Flagship meetings during the year:-

Lyell meeting 2008 - *Marine climate and change: past and future* (all day event with a number of speakers)

William Smith meeting 2008 - *Studying past and present sea-level changes to make more confident future predictions of future changes* (Jerry Mitrovica, University of Toronto)

The De Beers Group sponsored a one day event -

Carbon: the deep geological cycle and its effect on the air we breathe followed by a lecture *Ghosts of continents past, diamond mines of the future* (Hielke Jelsma, De Beers)

The Society hosted two Burlington House Lectures -

Archbishop Ussher and the Age of the Earth (Prof Graham Parry, University of York and Dr Patrick Wyse-Jackson (Trinity College Dublin)

Under the volcano – Sir William Hamilton and Mt Vesuvius (Dr Chris Kilburn, University College London and Dr Jill Cook, British Museum)

Shell continued to sponsor the Shell London lectures, a programme of 10 free lectures for the general public which were held in the lecture theatre in Burlington House.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

Charitable Objectives (*Continued*)

The *Mapping Mountains* exhibition was held at the Society from 6 – 29 February with three lectures given on the first day:- *Secret of the Highlands – 19th Century scientific discovery and why it is still important today* (Bob Butler, University of Aberdeen); *Lines of Enquiry – The art of geology and science communication* (Kate Foster, Artist in Residence, University of Glasgow); *Geological mapping and its 21st century importance* (Alan Gibbs, Midland Valley Exploration)

In addition the Society organizes about one hundred scientific meetings annually, of which about 80% are held outside London. These meetings are open to all. The Society assists in meeting the costs of student attendees at some scientific meetings and field excursions.

Council

The members of the Council - trustees of the charity - during the year were:

*Prof P A Allen⁷; Dr I D Bartholomew^{1,2,4}; Mr A M Carbray^{3,5}; ~Mr G T Cayley⁷; Prof M G Culshaw^{1,4,5}; *Dr M Daly²; Prof E Derbyshire^{1,2,4}; Prof A J Fleet^{1,3,4,6}; ~Dr R A Fortey^{1,4}; Prof C M R Fowler²; Prof L E Frostick^{1,4}; ~Prof P Henderson^{1,4}; *Dr R Herrington⁷; Prof R E Holdsworth⁶; *Dr A Law^{4,5}; *Prof A Lord^{2,7}; *Prof J Ludden²; *Prof D A C Manning^{1,4,5}; Prof J D Marshall⁶; Dr M O Rivett^{5,6}; Dr N W Rogers^{1,3,4,6}; ~Mr D T Shilston^{1,4,5}; Mr G Tuckwell^{1,3,5}; *Dr J P Turner⁶; ~Mrs J H E Turner⁵; ~Prof J A Underhill²; ~Dr E Valsami-Jones⁷; Prof A B Watts^{1,4,7}; Prof R S White^{1,2}; Dr R A W Wood⁷

* New members elected at the AGM on 4 June 2008

~ Council members who retired at the AGM 4 June 2008

Membership of the Standing Committees

¹ Elections; ² External Relations; ³ Information Management; ⁴ Management and Finance; ⁵ Professional; ⁶ Publications; ⁷ Science.

Method of Election of Trustees

Trustees are elected by the Fellowship in Annual General Meeting by ballot of Fellows present on a list of candidates. New trustees are annually invited to an *induction day* in order to obtain an understanding of the Society's affairs and what tasks they will undertake as a member of Council. They also receive written guidance on their responsibilities as trustees.

Audit Panel

The Audit Panel reports directly to Council. Members of the Audit Panel are: Prof J C W Cope, Mr D Fenwick, Prof A J Fleet, Prof J D Mather, Prof D G Murchison, Mr M H Pattison, Dr R Stabbins (*Chair*).

Risk Management

The Trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining free reserves at the levels stated on page 8, combined with annual review of the controls over key financial systems provide sufficient resources in the event of adverse conditions. The Trustees have also examined other operational and business risks faced and confirm that they have identified actions and established systems to mitigate the significant risks.

President's Report 2008

Going public

From Professor Lynne Frostick, President

One of the things that our science teaches us is that, in a counterintuitive way, the only remotely reliable way to understand what the future might bring is to study the past. So, since those who do not know their history are doomed to repeat it, I was interested to read about what happened after the Society's Centenary celebrations were over. We always concentrate on what happened in 1907. But what of 1908?

Our history, described so colourfully in the book by Gordon Herries Davies, reveals a rather worrying precedent – worrying, at least, for me as your Bicentenary President's successor. It seems that such was the effort required in 1907, and so delighted was everyone with the result, that the Society seemed to collapse like a swimmer on a river bank only barely gained, and there rested, beached, for more than a decade.

I was determined that this should not happen again, and I am pleased to say that thanks to the way in which we used the Bicentenary as a springboard for change, we have put in place the right mechanisms to ensure that the successes of that important year are the foundation for sustained improvements over the coming decade. Part of our mission was to leave legacies of that great birthday, and I think that one of the most significant will be one that only dedicated society historians will ever know about – namely, the Council's 10-Year Strategy.

It is my job as President to see that this strategy, which I had a hand in shaping, is implemented; and the Annual Report, which I commend to you, shows the many ways in which real progress is now being made.

I call this introduction *Going Public* because, if any phrase could be said to sum up what the Strategy means, that is it. Going public in Parliament, to government, in the media, and directly before the general public itself; bearing at the forefront of our minds at all times the fact that we, as a registered charity, exist to serve the public good. This means turning our attentions outward, and restructuring ourselves and all that we do to ensure that public benefit is served, and amply demonstrated.

This report shows you how we are doing this. We are issuing more media releases and responding to more consultations; we have written briefings and organised meetings to raise geoscience's profile among policy makers. We have, with the help of our generous sponsor Shell, brought more Earth science issues to the public through our London lectures, and via the Web, to the whole world. We have taken these talks to the regions, and are raising our profile in universities and in the corridors of power through such bodies as the Parliamentary and Scientific Committee. We are also making our rich written heritage available to the world through the Web via the very successful *Lyell Collection*, and we are spreading and strengthening our accreditation processes, both for University degree courses at home and abroad, and for our Chartered Fellowship.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

When you read this report, which is shorter than in previous years to make it more digestible (though full information remains available in the online version) I think you will agree that as a Society we are not lying stranded and breathless on our Bicentenary laurels. Richard Fortey said in his final Annual Report (2007): “it is time for our next 200 years to begin”.

We have begun them with vigour, dedication and imagination.

Lynne Frostick

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

Treasurer's report 2008

Planning for uncertainty

From Andy Fleet, Treasurer

Narrowly the year 2008 was another financial success for the Society, with a small surplus of about £35,000, an outturn of approximately £259,000 better than the planned budget. However that result is only a minor, though pleasing and hard-worked for, feature of the financial landscape seen from the Society.

Inevitably, as the year went by, attention focused on the rapidly changing global financial climate and the impact this would have on the Society. The initial budget for 2009, drafted in June, had to undergo a series of changes in response to the ever changing financial outlook in order to come up with a realistic and affordable budget for Council's consideration in November. This involved an immense amount of extra work for the staff of the Society for which I would like to record my thanks.

The resulting budget still makes provision to draw on reserves to implement actions in the business plan resulting from the Society's strategy; but planned further refurbishment of Burlington House has had to be postponed.

Uncertainties about the financial future obviously neither went away nor became any better defined during the second half of 2008. As a result the staff, committees and Council began to monitor the Society's income streams and committed expenditure more frequently in the latter part of 2008.

The Society's investments suffered in line with the market with unrealised losses of £ 814,000. With the advice of the Society's investment managers, the investment portfolio had been restructured and diversified over the previous two years with the intention of safeguarding as far as possible against market fluctuations. Unsurprisingly this has not been sufficient to mitigate the extraordinary drop in the market; but it is hoped it will pay dividends in the longer term. In the short term, annual investment income is expected to be no more than 60% of that generated in recent years.

How income streams other than that from investments may vary in the future is not predictable with any certainty. Precautionary small reductions have been made in the budget against each income stream. Over the coming year we will need to monitor trends in both income and expenditure and be prepared to take corrective action as necessary.

One discernible change in 2008 was a reduction in income from book sales. There were indications that more of the Society's books are being accessed on line and subscriptions for the *Lyell Collection* were ahead of budget. Changes in the way people access our publications were expected when the Lyell Collection was first developed; but the rate and form of the change was seen as unpredictable. In addition, how the community publishes in books and uses them was seen as being in a state of flux. These two types of change, together with the effects of the shifting financial climate on library and personal book buying habits, will probably continue to provide uncertainty in publication income over the next few years.

Despite this, in 2008, the Publishing House achieved a surplus of £348,000, another good performance for which I thank all the staff in Bath. I would end by also thanking all the staff in Burlington House and Fellows who similarly contributed to the welcome, overall surplus.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

We hope that we can continue, with caution and careful ongoing review, to operate as usual in 2009; investing in actions to carry the Society's business plan forward. However, ultimately overshadowing the 2008 accounts and the 2009 finances must be the global financial turmoil and all the uncertainties that flow from it.

Andrew Fleet

Investment Policy and Performance

In accordance with the Bye-Laws of the Society, the Treasurer ensures the proper management of the Society's real estate, investments and funds on deposit. This is achieved through the actions of an Investment Panel, in conjunction with the Society's Investment Managers. The Society's investment policy is as follows;

“The primary responsibility of the investment portfolio is to provide income and capital resources to support the current and future aims of The Geological Society of London.

However, the Trustees, whilst having regard to the need to adhere to the requirement of charity law to maximise the return consistent with commercial prudence, will seek to ensure that investments are not made that are judged likely to alienate benefactors of the charity, and also encourage their fund manager to consider investments in companies which positively contribute to the communities and environments in which they operate their business.”

The Investment Panel aims to ensure the delivery of a budgeted level of income in each year and to continue the investment policy of the Society. Further details of performance are contained within the Treasurer's Report.

Reserves Policy

To undertake the continued development and reinvestment in the Society's publishing, educational and other activities, and to hold a contingency sum in respect of the significant redecoration costs that the Society is obliged to meet, in the light of the lease with our landlord, the Department of Communities and Local Government (DCLG) at Burlington House. The Society considers its free reserve sufficiency to be in the range of between £800,000 to £1,200,000, which would be required to meet its short term operational requirements as well as to provide some contingency in any temporary shortfalls of income. Free reserves, as defined by the Charity Commission, at 31 December 2008 stood at £1,160,464 (2007: £1,385,569).

From the Executive Secretary

Doing more, reaching further

From Edmund Nickless, Executive Secretary

Attentive readers of this annual report will notice that we have returned to the single volume format this year. However, lest this suggest that we have been less busy or tried less hard than in previous years, I should disabuse you straight away. Rather, mindful of the need for economy, we have found a way to benefit from the synergies of simultaneous print and online publication, and present here a condensed version of our full (online) report, in the form of a Review. Those wishing to read more about our groups and commissions, as well as inspect the full Annual Accounts, may do so by going to www.geolsoc.org.uk/annualreports.

Last year, the Society set about bringing to reality the greatest ambition of its Bicentenary Year – namely that the Big Birthday should not have just been an enjoyable - but ultimately ephemeral – event. Rather, it should also give rise to a living legacy, for generations to come. We wanted our Bicentenary to be a springboard for change - change we knew to be necessary; change that in 1908 perhaps failed to happen, leading then to decades of stagnation in the face of a rapidly changing world. So, after the celebrations, more work! In this Review you will find things that may lack the glamour of a Bicentenary Dinner or the excitement of a balloon launch; but reports of progress that will, I hope, do as much to excite admiration.

Our 10-year Strategy demands above all that the Society become a more outward facing, active body, engaging various publics in pursuit of its central mission and its duty as a Registered Charity to work for the public good. We have therefore taken steps to increase our involvement with government and Parliament through stepping up our responses to their consultations, coordinated by the External Relations Committee and its staff. We have invested in greater promotion to the media of our many cutting-edge publications and conferences. We have sought to take an active part in international activities through our overseas contacts and to conduct all those relationships on a more organised basis. We have, through the Education Committee, brought about major changes to the way we interact with and influence education at all levels.

Through the Science Committee we have begun to advance our science not only by conversing with one another, but also with the public and policy makers. We are engaging directly through the Shell London Lectures and the University Lecture Series, as well as with our Courtyard neighbours in the Burlington House Lectures. These discipline-crossing events have treated subjects like Sir William Hamilton, the first scientific observer of volcanoes in the modern age, but also a key player in the archaeology of Pompeii and Herculaneum.

All these lectures have proved immensely popular, proving that there truly is an unmet need out there for the real experience of receiving quality information, presented live in the gloriously restored surroundings of Burlington House. Even more encouragingly, our surveys reveal that the audience for these events is indeed a diverse one, reflecting the diversity of subjects on offer. Those attending our public events are by no means “the usual suspects”, and the demand for tickets twice exceeds the capacity of the lecture theatre.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008 (*Continued*)

For those unable to attend in person our lectures are available as webcasts. In the same way, we are also publicising our engagement with policymakers, by posting presentations from our meetings with them online, as soon as we can – for example, the open meeting on October 24 to discuss the management of radioactive waste which grew out of discussions with CORWM and the NDA. And as we have done for the past 10 years, our consultations received continue to be advertised in *Geoscientist* and, when permission is given, posted on the website for all to examine – and comment on.

Raised profile brings pay-offs in all kinds of areas, not least I suspect in the retention and recruitment of our Fellows. The year 2008 saw an unprecedented rise in Fellow numbers and, with the help of a growing and vibrant constituency, I trust that we will go on to provide an even better-targeted service, during good times - and the not so good. In fact, as we enter a period of economic retrenchment, the continuity and networking that we as a Society offer to our Fellows will be ever more important and, I hope, appreciated by those who benefit from it.

Foremost among our services to working geologists are those provided through the Professional Committee, and I am particularly pleased by the vigour and tenacity with which these activities are now being taken forward, strengthened, and made ever more transparent and user-friendly. The development and integration of our aspirational grade of Fellowship, Chartered Geologist, with those of other bodies like the Science Council (CSci) and the EFG (EurGeol), are a sure way of helping to enable Fellows to demonstrate their excellence - to public and employers alike. In this way I believe that they will find themselves better able to weather whatever economic storms and political difficulties they may face during their careers. Only by asking Fellows what they want and by responding in a timely and appropriate way will the Society continue to thrive, and the Professional activities of the society stand as a model in this regard.

I therefore join with the President in commending the Annual Review 2008 to you, as well as in thanking our sponsors and Corporate Affiliates, our volunteers across the country and overseas, and of course (and not least) our faithful staff.

Edmund Nickless

THE GEOLOGICAL SOCIETY OF LONDON

Report of the Council for the year ended 31 December 2008(*Continued*)

Trustees' responsibilities

Charity law requires Council, who are the Trustees, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with law applicable to charities. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Professor Lynne Frostick

President

Professor Andrew Fleet

Treasurer

22 April 2009

THE GEOLOGICAL SOCIETY OF LONDON

Report of the independent auditors for the year ended 31 December 2008

Report of the independent auditors to the Council of The Geological Society of London

We have audited the financial statements on pages 14 to 31 which have been prepared in accordance with the historical cost convention, as modified for the revaluation of investment assets and the contents of the library, and the accounting policies set out therein.

Respective responsibilities of Trustees and auditors

The Trustees' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the group is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Charities Act 1993 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Charities Act 1993 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland), issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming an opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Report of the independent auditors for the year ended 31 December 2008 (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group as at 31 December 2008 and of its incoming resources and resources expended, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Charities Act 1993. The information given in the Trustees' report is consistent with the financial statements.

Financial Statements are published on the Society's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Society's website is the responsibility of the Trustees. The Trustees' responsibility also extends to the ongoing integrity of the financial statements contained therein.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Epsom, Surrey, England
22 April 2009

THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Statement of financial activities for the year ended 31 December 2008

	Note	Unrestricted Income Funds	Restricted Income Funds	Endowment Funds	Total 2008	Total 2007
Income and expenditure		£	£	£	£	£
Incoming resources from generated funds						
<i>Voluntary income</i>						
Donations, legacies, gifts and similar incoming resources	2	12,597	10,389	-	22,986	293,524
<i>Activities for generating funds</i>						
Hire of rooms		100,682	-	-	100,682	94,857
Catering support services		144,243	-	-	144,243	143,008
<i>Investment income</i>	4	134,782	98,313	-	233,095	274,670
Incoming resources from charitable activities						
Publishing income	3	1,682,219	-	-	1,682,219	1,669,655
Conferences and events	3	749,425	-	-	749,425	463,871
Fellowship income	3	1,237,369	-	-	1,237,369	1,113,479
Bicentenary activities	3	6,138	-	-	6,138	1,682,357
Total incoming resources		4,067,455	108,702	-	4,176,157	5,735,421
Outgoing resources						
<i>Costs of generating funds</i>						
Investment management costs		4,376	17,266	-	21,642	39,541
Catering support services		139,450	-	-	139,450	122,491
<i>Charitable activities</i>						
Publishing activities	5	1,475,146	-	-	1,475,146	1,254,548
Conferences and events	5	939,726	-	-	939,726	668,388
Fellowship services	5	1,485,180	22,260	-	1,507,440	1,290,752
Bicentenary initiatives	5	-	20,375	-	20,375	1,186,627
<i>Governance costs</i>	6	37,310	-	-	37,310	25,546
Total charitable expenditure		3,937,362	42,635	-	3,979,997	4,425,861
Total resources expended		4,081,188	59,901	-	4,141,089	4,587,893

The notes on pages 19 to 31 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Statement of financial activities for the year ended 31 December 2008 *(Continued)*

	Note	Unrestricted Income Funds £	Restricted Income Funds £	Endowment Funds £	Total 2008 £	Total 2007 £
Net (outgoing)/incoming resources before transfers		(13,733)	48,801	-	35,068	1,147,528
Transfer between funds		-	-	-	-	-
		(13,733)	48,801	-	35,068	1,147,528
Other recognised gains and losses						
(Loss)/gains on investment assets		(170,189)	(709,564)	37,978	(841,775)	(39,101)
Net movements in funds		(183,922)	(660,763)	37,978	(806,707)	1,108,427
Fund balances brought forward At 1 January 2008		16,700,088	2,632,865	1,026,443	20,359,396	19,250,969
Fund balances carried forward at 31 December 2008		16,516,166	1,972,102	1,064,421	19,552,689	20,359,396

All amounts relate to continuing activities. All gains and losses recognised in the year are included above.

The notes on pages 19 to 31 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Balance sheet at 31 December 2008 - Group

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	15,401,873	15,356,516
Investments: Listed and unlisted	9	3,265,092	3,990,202
Portfolio cash		917,588	220,394
		<u>19,584,553</u>	<u>19,567,112</u>
Current assets			
Stocks: Finished goods		232,820	205,172
Debtors	10	618,009	639,689
Cash at bank and in hand		958,653	1,456,239
Held by specialist and regional groups		134,580	112,870
		<u>1,944,062</u>	<u>2,413,970</u>
Creditors: amounts falling due within one year	11	510,536	463,265
Deferred income	12	1,465,390	1,158,421
		<u>1,975,926</u>	<u>1,621,686</u>
Net current (liabilities)/assets		<u>(31,864)</u>	<u>792,284</u>
Net assets		<u>19,552,689</u>	<u>20,359,396</u>
Unrestricted funds:			
General purposes	13	1,746,649	1,697,364
<i>Designated</i>			
Constituted and regional groups	13	194,642	201,500
Revaluation reserve	13	13,208,312	13,208,312
Burlington House Redecoration Fund	13	335,573	418,548
Bicentenary Project Fund	13	468,907	559,364
Lyell Centre Fund	13	187,846	250,000
Educational Outreach Fund	13	175,000	175,000
Alan and Charlotte Welch Fund	13	199,237	190,000
Restricted income funds	14	1,972,102	2,632,865
Endowment funds	15	1,064,421	1,026,443
	16	<u>19,552,689</u>	<u>20,359,396</u>

The financial statements were approved by the Council on 22 April 2009

Professor Lynne Frostick (**President**)

Professor Andrew Fleet (**Treasurer**)

The notes on pages 19 to 31 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Balance sheet at 31 December 2008 – Charity

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	8	15,401,873	15,356,516
Investments: Listed and unlisted	9	3,265,092	3,990,202
Portfolio cash		917,588	220,394
		<u>19,584,553</u>	<u>19,567,112</u>
Current assets			
Stocks: Finished goods		232,820	205,172
Debtors	10	656,141	687,961
Cash at bank and in hand		919,021	1,407,111
Held by constituted and regional groups		134,580	112,870
		<u>1,942,562</u>	<u>2,413,114</u>
Creditors: amounts falling due within one year	11	509,036	462,409
Deferred income	12	1,465,390	1,158,421
		<u>1,974,426</u>	<u>1,620,830</u>
Net current (liabilities)/assets		<u>(31,864)</u>	<u>792,284</u>
Net assets		<u>19,552,689</u>	<u>20,359,396</u>
Unrestricted funds:			
General purposes	13	1,746,649	1,697,364
<i>Designated</i>			
Constituted and regional groups	13	194,642	201,500
Revaluation reserve	13	13,208,312	13,208,312
Burlington House Redecoration Fund	13	335,573	418,548
Bicentenary Project Fund	13	468,907	559,364
Lyell Centre Fund	13	187,846	250,000
Educational Outreach Fund	13	175,000	175,000
Alan and Charlotte Welch Fund	13	199,237	190,000
Restricted income funds	14	1,972,102	2,632,865
Endowment funds	15	1,064,421	1,026,443
	16	<u>19,552,689</u>	<u>20,359,396</u>

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The notes on pages 19 to 31 form part of these financial statements.

THE GEOLOGICAL SOCIETY OF LONDON

Consolidated Cash flow statement for the year ended 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Net cash inflow from operating activities	17		434,629		274,126
Returns on investments					
Bank interest received		109,868		116,684	
Investment income received		123,227		157,986	
			233,095		274,670
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(329,741)		(706,145)	
Disposal of fixed asset investments		-		-	
Transfer to investment portfolio		(851,837)		(359,617)	
			(1,181,578)		(1,065,762)
Net cash outflow before management of liquid resources			(513,854)		(516,966)
Management of liquid resources					
Money held on short-term deposits		(325,333)		251,525	
			(325,333)		251,525
Net cashflow before financing			(839,187)		(265,441)
Financing					
Net movement in cashflows attributable to endowment fund investments		37,978		41,921	
			37,978		41,921
Decrease in cash in the year			(801,209)		(223,520)
Net cash resources at 1 January 2008			1,024,634		1,248,154
Net cash resources at 31 December 2008	18		223,425		1,024,634

The notes on pages 19 to 31 form part of these financial statements

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with exception of investments and library costs which are included at market value. The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice, Accounting and Reporting by Charities ("the SORP"), published in March 2005 and which the Society has adopted.

The financial statements consolidate those of the charity and its wholly owned subsidiary trading company: Geological Trading Limited. The results, assets and liabilities of Geological Trading Limited are shown in Note 19. A separate Statement of Financial Activities for the charity itself is not presented as allowed by paragraph 397 of SORP 2005. The income of the parent charity was £4,166,895 (2007: £5,552,013) and the expenditure was £4,131,827 (2007: £4,404,485). The results, assets and liabilities of the constituted specialist and regional groups are also consolidated into the Society's financial statements.

Income

Income is accounted for on an accruals basis. Any tax credit arising on income received net of tax is accrued as part of the income arising. Legacies are recognised at the point of entitlement, certainty of receipt, and when it is measurable with sufficient reliability.

Expenditure

Expenditure is recognised on an accruals basis. Where expenditure cannot be wholly identified under the main categories shown in the statement of financial activities, it is apportioned over cost headings on the basis of staff employed. The costs of the Society's headquarters have been allocated between the associated charitable activities.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (*Continued*)

1 Accounting policies (*Continued*)

Designated funds

Council may, at their discretion, set aside unrestricted funds for specific future purposes. Where such funds are no longer required for the intended purposes they are released to general funds. The following designated funds have been created:

Constituted and Regional Group Funds

The Geological Society of London allocates a proportion of its income to its Constituted and Regional Groups. These groups also raise their own funds through course fees, publications and other sundry income. The Trustees have agreed that any accumulated reserves in respect of the Groups should be designated as Group Funds. These funds are held as cash and short term investments.

Burlington House Redecoration Fund

As a consequence of the lease agreement with the Department of Communities and Local Government (DCLG) the Geological Society of London is required to undertake extensive decorations to Burlington House. Given that this financial undertaking is significant, the trustees have agreed to set aside funds from general reserves in advance of these costs which will occur in the ensuing years.

Bicentenary Project Fund

As a part of the bicentenary sponsorship activities, the Geological Society of London received sponsorship in order to embark on a number of projects, which culminated in the creation of the *Lyell Centre*. All income is being recognised in the financial statements in the year of the Bicentenary, but the costs will only appear as expenditure over a period of years, as most of the costs have been recognised as fixed assets. The Bicentenary Project Fund recognises and makes provision for the future costs to ensure that they continue to be funded from bicentenary sponsorship.

Lyell Centre Fund

Since the creation of the *Lyell Centre*, it is anticipated that these activities are ongoing and therefore require future funding. Both the Society's website and the publishing digitisation project will require further investment and therefore funds have been set aside in order to continue with these innovations.

Educational Outreach Fund

The Geological Society of London has set aside funds with respect to educational outreach activities, which commenced in the bicentenary year and which will continue in subsequent years.

Alan and Charlotte Welch Fund

The creation of the fund is to recognise the legacy of Mr Alan and Mrs Charlotte Welch. The purpose of this legacy is to fund geological research.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (*Continued*)

1 Accounting policies (*Continued*)

Restricted funds

Where income is received for purposes specified by the donor or the terms of appeal under which it was raised, that income is shown as restricted in the statement of financial activities. This includes income arising from endowment funds which is restricted in use. Expenditure for the specified purposes is shown as restricted fund expenditure. Any unexpended balance at the balance sheet date is carried forward as a restricted income fund.

The restricted funds are for the following purposes:

- i) Bicentenary
For activities relating to the Society's Bicentenary.
- ii) Coke
For general purposes other than the purchase of property.
- iii) Fermor
To further research into the origins of Precambrian rocks, ores and mineral deposits.
- iv) Pool C
To finance memoirs, publications and other general purposes.
- v) Trust Funds
For medals and awards.
- vi) Distinguished Geologists' Memorial Fund
To support professional training.
- vii) Mike Coward Memorial fund
To support fieldwork in structural and tectonic geology.

Endowments

Where funds are given to be held by the Society as capital, they are shown as endowment funds in the financial statements. Expendable endowments are those where the trust terms provide for conversion of capital to income under certain circumstances, permanent endowments are those for which the capital may not ever be applied as income. The value of the capital held in endowment funds is maintained by allocation of investment gains to the fund. Gains are allocated to increase the fund by the increase in the Retail Price Index for the year under review. The endowment fund is held as follows:

Fermor
To further research into the origins of Precambrian rocks, ores and mineral deposits.

Tangible Fixed assets

Tangible fixed assets are capitalised at cost and depreciated at the following rates calculated to write off the cost of each asset evenly over its expected useful life.

Leasehold properties	2% per annum
Leasehold improvements	10% per annum
Office equipment, fixtures and fittings	15% per annum
Warehouse equipment	20% per annum
Computer equipment	25-33 ¹ / ₃ % per annum

Library books, archives and journals have been capitalised at their market value as at 31 December 2000. All subsequent additions are stated at cost. The library is reviewed for impairment on an annual basis. As at 31 December 2008 there is no material change in the valuation of the library contents.

1 Accounting policies *(Continued)*

Investments

Fixed asset investments are stated at market valuation, where market value represents the mid market value at the cost on the last trading day before the year end. Investments purchased as part of treasury management, which are intended to be held for less than one year are shown as current assets; investments held to generate longer term income and capital growth are shown within fixed assets. Any unrealised or realised gains arising from investments are taken to the fund for which the investments are held.

Publications stock

The value of unsold publications is included in the balance sheet at the lower of cost and net realisable value less provision, which is charged against stock that is greater than one year old, to ensure that the stocks are fully written off within a thirty seven month period.

Pension costs

The Society makes contributions to a group personal pension scheme. The pension cost charge represents contributions payable by the Society to the scheme. Any difference between amounts charged in the Statement of Financial Activities and paid to the pension scheme is shown in the balance sheet as a liability or asset.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

Irrecoverable Value Added Tax

Value added tax on purchases and expenses disallowed under the regulations dealing with partially exempt schemes has been charged against management and administration costs during the year.

Intangible income

No value has been placed on the support given to the Society by way of volunteer assistance.

Deferred income

Income received in the year which relates to activities and benefits that occur in the following year is excluded from the Statement of Financial Activities and is included as deferred income in the Balance Sheet. All income of this nature will be released to the Statement of Financial Activities in the financial year that the activities and benefits occur.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

2 Donations, legacies, gifts and similar incoming resources

	2008 £	2007 £
Donations and gifts	3,360	2,232
Bicentenary donations	10,389	101,292
Legacy income	9,237	190,000
	<u>22,986</u>	<u>293,524</u>

3 Incoming resources from charitable activities

	Publishing £	Conferences £	Fellowship £	Bicentenary £	2008 £	2007 £
Publishing	1,682,219	-	-	-	1,682,219	1,669,655
Conferences and meetings	-	171,662	-	-	171,662	62,850
Fellowship income	-	-	1,190,941	-	1,190,941	1,073,425
Corporate affiliation	-	136,860	-	-	136,860	124,087
Library	-	-	29,936	-	29,936	31,208
Constituted and Regional Groups	-	440,903	-	-	440,903	275,384
Accreditation	-	-	14,700	-	14,700	7,600
Bicentenary income	-	-	-	6,138	6,138	1,682,357
Continuing Professional Development	-	-	-	-	-	1,550
Other	-	-	1,792	-	1,792	1,246
	<u>1,682,219</u>	<u>749,425</u>	<u>1,237,369</u>	<u>6,138</u>	<u>3,675,151</u>	<u>4,929,362</u>

4 Investment income

	2008 £	2007 £
Listed investments: UK and overseas	123,228	157,986
Interest received: UK	109,867	116,684
	<u>233,095</u>	<u>274,670</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (*Continued*)

5 Resources expended

	Publishing £	Conferences £	Fellowship £	Bicentenary £	2008 £	2007 £
<i>Charitable activity costs</i>						
Direct publishing costs	786,896	-	124,783	-	911,679	999,129
Scientific meetings	-	144,407	-	-	144,407	50,552
Education & committees	-	-	65,369	-	65,369	50,789
Library	-	-	68,214	-	68,214	36,025
Annual report	-	-	10,499	-	10,499	3,534
Constituted and Regional Groups	-	300,884	12,112	-	312,996	178,805
- Staff recharge	-	35,000	-	-	35,000	32,000
Grants, donations, awards and scholarships	-	-	46,927	-	46,927	37,681
Bicentenary costs	-	-	-	20,375	20,375	547,409
Staff costs						
- Library	-	-	200,234	-	200,234	180,818
- Scientific meetings	-	99,894	-	-	99,894	88,391
- Bicentenary	-	-	-	-	-	33,297
- Lyell Centre project	47,926	-	-	-	47,926	211,402
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	834,822	580,185	528,138	20,375	1,963,520	2,449,832
<i>Support costs</i>						
Staff costs – publishing	444,141	-	-	-	444,141	422,734
Publishing	196,183	-	-	-	196,183	178,016
Staff costs - Burlington House	-	88,516	483,631	-	572,147	507,832
Burlington House establishment costs	-	76,368	146,352	-	222,720	205,776
Burlington House costs - refurbishment	-	5,636	11,976	-	17,612	21,835
Operating and computer	-	90,910	162,102	-	253,012	237,334
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	640,324	261,430	804,061	-	1,705,815	1,573,527
<i>Management and administration</i>						
Establishment	-	37,919	80,578	-	118,497	107,754
Operating and computer	-	59,668	89,951	-	149,619	232,520
Legal and professional	-	524	4,712	-	5,236	36,682
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	98,111	175,241	-	273,352	376,956
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,475,146	939,726	1,507,440	20,375	3,942,687	4,400,315
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

6 Governance costs

	2008	2007
	£	£
Audit and accountancy	20,266	15,552
Trustees' expenses	17,044	9,994
	<hr/>	<hr/>
	37,310	25,546
	<hr/>	<hr/>
Included within expenditure are the following		
Auditors' remuneration – audit (included within governance costs)	20,266	15,552
Auditors' remuneration – audit (included within publishing costs)	9,204	8,000
Trustees' indemnity insurance (as permitted by bye-law 13.2)	1,575	1,575
	<hr/>	<hr/>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

7 Staff costs

	2008 £	2007 £
Wages and salaries	1,149,855	1,209,027
Temporary and agency staff	25,434	28,603
Social security costs	119,425	125,060
Pension contributions	76,313	79,262
Insurance contributions	21,857	17,459
Recruitment costs	6,458	17,063
	<u>1,399,342</u>	<u>1,476,474</u>
<i>Staff costs by committee:</i>		
Management and Finance	572,147	507,832
Library	200,234	180,818
Conferences	134,894	120,391
Publications	444,141	422,734
Bicentenary	-	33,297
Lyell Centre	47,926	211,402
	<u>1,399,342</u>	<u>1,476,474</u>

During the year employees earning in excess of £40,000 per annum, including taxable benefits, fell into the following ranges:

	Number	Number
£90,000 - £99,999	1	-
£80,000 - £89,999	-	1
£60,000 - £69,999	1	-
£50,000 - £59,999	1	2
£40,000 - £49,999	1	1
	<u>5</u>	<u>4</u>

The average number of employees (full-time equivalents) was as follows:

Burlington House	20	19
Publishing House	12	12
Library	5	5
Temporary project staff	2	4
	<u>39</u>	<u>40</u>

No member of Council received remuneration during the current and previous year. Expenses reimbursed for out of pocket expenditure totalled £15,602 (2007: £8,419) paid to 23 Council members. In addition to staff costs, the Society paid £56,150 (2007 - £45,400) to consultants.

The pension cost charged represents employer's contributions paid over to the Society's group personal scheme during the year. There was £9,210 outstanding to the scheme at 31 December 2008 (2007: £8,510).

Contributions are made to the scheme by employees at a minimum rate of 5% and by the Society at 10%.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

8 Tangible fixed assets – Group and Charity

	Library books, journals & maps £	Leasehold properties & improvements £	Equipment, fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2008	13,899,342	1,156,427	545,724	1,309,471	16,910,964
Additions	126,676	-	49,737	153,328	329,741
At 31 December 2008	14,026,018	1,156,427	595,461	1,462,799	17,240,705
Depreciation					
At 1 January 2008	-	301,950	345,154	907,344	1,554,448
Charge for year	-	79,170	43,572	161,642	284,384
At 31 December 2008	-	381,120	388,726	1,068,986	1,838,832
Net book value					
At 31 December 2008	14,026,018	775,307	206,735	393,813	15,401,873
At 31 December 2007	13,899,342	854,477	200,570	402,127	15,356,516

The contents of the library were re-valued at 31 December 2006 by an antiquarian bookseller who is also a Fellow of the Society.

9 Fixed asset investments – Group and Charity

	2008		2007	
	Cost £	Market value £	Cost £	Market value £
UK Equities	1,457,065	1,063,049	1,645,472	1,793,937
UK Fixed interest	1,541,940	1,384,708	1,285,351	1,256,380
Overseas equities	968,948	817,335	917,696	939,885
	3,967,953	3,265,092	3,848,519	3,990,202
			2008	2007
			£	£
Market value at 1 January 2008			3,990,202	3,721,918
Net additions in the year			116,665	307,385
Net loss on revaluation at 31 December 2008			(841,775)	(39,101)
Market value at 31 December 2008			3,265,092	3,990,202

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

9 Fixed asset investments – Group and Charity (continued)

Individual assets, and their market values at 31 December 2008, representing over 5% of the investment portfolio are as follows:

Overlook Performance Fund Unit Trust	£343,178
Opus Fund Unit Trust	£247,739
GE Capital UK Funding 4.75%	£291,407
General Electric Capital Corp 6.125%	£182,250

10 Debtors

Amounts falling due within one year	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	447,355	377,116	442,697	368,689
Sundry debtors	93,208	128,517	135,998	185,216
Prepayments	77,446	134,056	77,446	134,056
	<u>618,009</u>	<u>639,689</u>	<u>656,141</u>	<u>687,961</u>

11 Creditors: amounts falling due within one year

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Trade creditors	154,048	222,168	154,048	221,312
Sundry creditors and accruals	322,650	207,069	321,150	207,069
Taxation and social security costs	33,838	34,028	33,838	34,028
	<u>510,536</u>	<u>463,265</u>	<u>509,036</u>	<u>462,409</u>

12 Deferred income

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Fellowship fees	755,868	715,951	755,868	715,951
Journal subscriptions	500,087	324,066	500,087	324,066
Income contributions on unpublished books	29,223	11,867	29,223	11,867
Meetings and events	180,212	106,537	180,212	106,537
	<u>1,465,390</u>	<u>1,158,421</u>	<u>1,465,390</u>	<u>1,158,421</u>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

13 Unrestricted funds	At 1 Jan 2008 £	Incoming resources £	Outgoing resources £	Gains/ (losses) and transfers £	At 31 Dec 2008 £
General purposes	1,697,364	3,617,315	3,733,192	165,162	1,746,649
<i>Designated funds</i>					
Revaluation Reserve - library	13,208,312	-	-	-	13,208,312
Constituted and Regional Groups	201,500	440,903	347,996	(99,765)	194,642
Burlington House Redecoration Fund	418,548	-	-	(82,975)	335,573
Bicentenary Project Fund	559,364	-	-	(90,457)	468,907
Lyell Centre Fund	250,000	-	-	(62,154)	187,846
Educational Outreach Fund	175,000	-	-	-	175,000
Alan and Charlotte Welch Fund	190,000	9,237	-	-	199,237
	16,700,088	4,067,455	4,081,188	(170,189)	16,516,166

14 Restricted income funds	At 1 Jan 2008 £	Incoming resources £	Outgoing resources £	Gains/ (losses) and transfers £	At 31 Dec 2008 £
Bicentenary Fund	258,010	10,389	20,375	-	248,024
Fermor Fund	668,113	48,364	8,494	(368,355)	339,628
Coke Fund	1,046,372	30,623	5,378	(209,189)	862,428
Pool C	185,821	5,438	955	(37,149)	153,155
Trust funds	375,497	10,989	24,190	(75,069)	287,227
Distinguished Geologists' Memorial Fund	58,638	1,716	301	(11,723)	48,330
Mike Coward Memorial Fund	40,414	1,183	208	(8,079)	33,310
	2,632,865	108,702	59,901	(709,564)	1,972,102

The purposes for which the restricted funds are held are set out in the accounting policies on pages 21.

15 Endowment funds	At 1 Jan 2008 £	Incoming resources £	Outgoing resources £	Gains/ (losses) and transfers £	At 31 Dec 2008 £
Fermor Fund	1,026,443	-	-	37,978	1,064,421

The purposes for which the endowment funds are held are set out in the accounting policies on page 21.

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (*Continued*)

16 Analysis of net assets over funds	Tangible fixed assets £	Fixed asset investments £	Net current assets £	Total funds £
Unrestricted funds	15,355,702	1,482,348	(321,884)	16,516,166
Restricted income funds	46,171	1,635,911	290,020	1,972,102
Endowment funds	-	1,064,421	-	1,064,421
	<hr/>	<hr/>	<hr/>	<hr/>
	15,401,873	4,182,680	(31,864)	19,552,689
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

17 Reconciliation of surplus of income to net cash inflows from operating activities	2008 £	2007 £
Net movements in funds in the year	35,068	1,147,528
Less – investment income	(233,095)	(274,670)
Add – depreciation in the year	284,384	237,436
Increase in stock	(27,648)	(15,731)
(Increase)/decrease in trade debtors	(70,239)	381,272
Decrease in other debtors	91,919	11,664
Decrease in trade creditors	(68,120)	(56,137)
Increase/(decrease) in other creditors	115,391	(102,040)
Increase/(decrease) in deferred income	306,969	(1,055,196)
	<hr/>	<hr/>
	434,629	274,126
	<hr/> <hr/>	<hr/> <hr/>

18 Analysis of net cash resources	At 1 Jan 2008 £	Movement £	At 31 Dec 2008 £
<i>Cash at bank</i>			
Cash at bank and in hand	911,764	(822,919)	88,845
Held by specialist and regional groups	112,870	21,710	134,580
	<hr/>	<hr/>	<hr/>
	1,024,634	(801,209)	223,425
<i>Cash held as liquid resources</i>			
Monies held on short-term deposit	544,475	325,333	869,808
	<hr/>	<hr/>	<hr/>
	1,569,109	(475,876)	1,093,233
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE GEOLOGICAL SOCIETY OF LONDON

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

19 Geological Trading Limited

Geological Trading Limited, registered in England, company number 3522033, is a wholly owned trading subsidiary of the Geological Society of London, offering room hire and catering services. The company's results for the year ended 31 December 2008 are shown below:

	2008	2007
	£	£
Profit and Loss Account		
Turnover	13,808	198,450
Cost of sales	(6,262)	(177,931)
Selling and distribution costs	-	(4,195)
Administrative expenses	(3,000)	(1,282)
	<hr/>	<hr/>
Operating profit	4,546	15,042
Amount transferred to the Geological Society of London under gift aid	(4,546)	(15,042)
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>
	2008	2007
	£	£
Balance Sheet		
Debtors	4,960	8,427
Cash at bank	39,632	49,130
Creditors: Amounts falling due within one year	(44,590)	(57,555)
	<hr/>	<hr/>
	2	2
	<hr/> <hr/>	<hr/> <hr/>
Share Capital – 2 ordinary shares of £1 each, allotted and called up	2	2
	<hr/> <hr/>	<hr/> <hr/>

20 Capital commitments

As at 31 December 2008 the Society was committed to making the following payments under contractual obligations within the next twelve months.

	2008	2007
	£	£
Other – (website build)	-	40,310
	<hr/> <hr/>	<hr/> <hr/>

**The pages which follow do not form part of the audited
financial statements**

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008

Summarised Accounts

	2007 Out-turn	2008 Out-turn	2009 Core Budget	2010 Core Forecast	2011 Core Forecast
	£ (000's)	£ (000's)	£ (000's)	£ (000's)	£ (000's)
Income					
Book Sales	761	627	630	636	642
Other Publications	909	1,055	1,002	1,085	1,124
Fellowship fees	1,073	1,191	1,216	1,216	1,253
Corporate Affiliation, legacies and donations	418	160	143	143	147
Dividends and Interest	275	233	164	160	158
Conferences, events and other income	73	188	151	148	123
Bicentenary Income	1,682	6	-	-	-
Specialist and regional groups	275	440	257	297	306
Room hire and catering	238	245	229	240	252
Library	31	31	26	27	28
	5,735	4,176	3,818	3,952	4,033
Expenditure					
Direct Publication costs	774	912	879	890	820
Staff Costs - Publishing House	423	492	536	552	569
Staff Costs - Burlington House	777	872	979	988	1,017
Staff Costs - Bicentenary	245	-	-	-	-
Library	36	68	71	73	75
Conferences and events	173	284	212	207	212
Bicentenary costs	847	20	-	-	-
Education, committee costs & Annual Report	52	93	105	107	112
Grants, donations and awards	38	47	51	52	53
Establishment costs	223	240	226	229	233
Overheads	552	480	652	651	652
Depreciation	142	150	93	92	91
Depreciation - Bicentenary activities	95	135	193	193	143
Specialist and regional groups	211	348	160	175	180
	4,588	4,141	4,157	4,209	4,157
Net Surplus/(Deficit)	1,147	35	(339)	(257)	(124)
Realised & unrealised losses on investments	(39)	(842)	-	-	-
Net Surplus/(Deficit) after investment gains	1,108	(807)	(339)	(257)	(124)
Less/Add: Applied to Redecoration Fund	(129)	100	73	73	73
Less/Add: Lyell Centre Fund	(100)	62	81	81	81
Less/Add: Bicentenary Projects Fund	(559)	90	112	112	62
Add: Bicentenary Meeting Fund	200	-	-	-	-
Less: Educational Outreach Fund	(150)	-	-	-	-
Less: Alan & Charlotte Welch Fund	(190)	(9)	-	-	-
Less: Surplus of specialist & regional fund repatriation	(9)	(7)	-	-	-
Net Surplus/(Deficit) after designations	171	(571)	(73)	9	92

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008 (*Continued*)

Publishing House income and expenditure

	2008	2007
Income	£	£
Book sales	627,362	760,815
Journal sales	639,585	623,302
Lyell Collection sales	164,079	-
Other	218,221	254,713
	<hr/>	<hr/>
	1,649,247	1,638,830
Expenditure		
Cost of book sales	173,551	186,094
Journal costs	305,272	292,948
Lyell Collection	99,584	-
Other	79,828	76,073
	<hr/>	<hr/>
	658,235	555,115
Gross surplus	991,012	1,083,715
Staff costs - general	492,067	422,734
Building costs	29,081	24,040
Operating costs	157,898	127,809
Marketing and distribution	128,661	105,527
Audit and legal costs	9,204	8,000
	<hr/>	<hr/>
	816,911	688,110
Support surplus	174,101	395,605
Management and administration		
Operating and Computer costs	76,164	(11,323)
	<hr/>	<hr/>
Net surplus before Fellowship re-charge	250,265	384,282
Publishing House charge for supplying Fellows with journals	98,414	97,923
	<hr/>	<hr/>
Net surplus after Fellowship re-charge	348,679	482,205
	<hr/>	<hr/>

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008 *(Continued)*

Conference office income and expenditure

Income	2008	2007
	£	£
Corporate affiliation	136,860	124,087
Conference and meetings	171,662	62,850
Petroleum Group meetings and conferences	402,319	242,136
Continuing Professional Development	-	1,550
Hire of rooms	100,682	94,857
Catering income	144,243	143,008
	<u>955,766</u>	<u>668,488</u>
Direct expenditure		
Catering costs	139,450	122,493
Scientific meeting costs	144,407	50,552
Staff costs	99,894	88,391
Petroleum Group meetings and conferences costs	258,552	147,503
Petroleum Group staff re-charge	35,000	32,000
	<u>677,303</u>	<u>440,939</u>
Gross surplus	278,463	227,549
Support costs		
Staff costs - Burlington House	88,516	86,776
Establishment costs	76,368	69,503
Establishment costs - refurbishment	5,636	6,987
Operating and computer	90,910	82,683
	<u>261,430</u>	<u>245,949</u>
Management, administration and governance costs		
Establishment	37,919	27,766
Operating and computer	97,750	63,766
Legal and professional	524	219
Audit and accountancy	11,062	7,552
	<u>147,255</u>	<u>99,303</u>
Net deficit	<u><u>(130,222)</u></u>	<u><u>(117,703)</u></u>

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008 (Continued)

Specialist Group Income and Expenditure (excluding Petroleum Group)

	2008	2007
	£	£
Meeting and Conference Income	38,475	9,593
Meeting and Conference Expenditure	42,332	12,242
Net deficit	(3,857)	(2,649)
Bicentenary activities	2008	2007
	£	£
Donations Received	10,389	101,292
Sponsorship Income	6,138	1,682,357
	16,527	1,783,649
Direct expenditure		
Direct publishing costs	-	224,729
Education and committee costs	-	12,593
Bicentenary meeting and other event costs	20,375	547,409
Staff costs – Bicentenary	-	33,297
Staff costs - Lyell Centre Project	-	211,402
	20,375	1,029,430
Gross Surplus/(Deficit)	(3,848)	754,219
Support Costs		
Publishing	-	18,167
Establishment costs	-	4,485
Operating and computer	-	4,855
	-	27,507
Management and administration		
Establishment	-	20,986
Operating and computer	-	74,214
Legal and professional	-	34,490
	-	129,690
Net (Deficit)/surplus	(3,848)	597,022

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008 (Continued)

Fellowship Income and expenditure	2008	2007
	£	£
Income		
Fellowship Income	1,190,941	1,073,425
Donations	3,360	2,232
Contribution of costs from the Library	29,936	31,208
Accreditation	14,700	7,600
Geoscientist (included within publishing income)	32,972	30,825
Other income	1,792	1,246
Income arising from Regional Groups	109	23,655
	1,273,810	1,170,191
Costs of activities in furtherance of the charity's objects		
Geoscientist (included within direct publishing costs)	124,783	113,758
Education and committees	65,369	38,196
Library	68,214	36,025
Annual report	10,499	3,534
Grants, donations and awards (excluding Fermor)	24,667	5,234
Staff costs - library	200,234	180,818
Expenditure arising from Regional Groups	12,112	19,060
	505,878	396,625
Support costs		
Staff costs - Burlington House	483,631	421,056
Establishment costs	146,352	131,788
Establishment costs - refurbishment	11,976	14,848
Operating and computer	162,102	149,796
	804,061	717,488
Management, administration and governance costs		
Establishment	80,578	59,002
Operating and computer	128,033	83,217
Legal and professional	4,712	1,973
Audit and accountancy	9,204	8,000
Trustees expenses	17,044	9,994
	239,571	162,186
Deficit before Publishing House re-charge	(275,700)	(106,108)
Publishing House costs relating to providing Fellow Journal copies	(98,414)	(97,923)
Deficit for the year	(374,114)	(204,031)

The figures above do not include the annual cost of purchasing books and periodicals for the Library
 These costs amount to £126,726 (2007 - £94,769)

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008 (Continued)

Bye-laws instruct the Society to publish financial information relating to thematic meetings and to Chartered Geologists.

Thematic meetings held during 2008 (Bye-law 9.23)

Meetings – marginal costs ¹

	Income	Expenditure	Surplus/
	£	£	(deficit)
			£
William Smith	7,280	6,656	624
Lyell	990	3,396	(2,406)
Fermor	-	-	-
	<hr/>	<hr/>	<hr/>

¹ No allowance has been made for internal staff costs

Chartered Geologists

Income

	2008
	£
Validation fee @ £50 (Bye-law 3.1)	1,700
Annual registration fee @ £25 (Bye-law 3.2)	52,600
	<hr/>
	54,300

Costs

25,500

Surplus

28,800

THE GEOLOGICAL SOCIETY OF LONDON

Supplementary information to the financial statements for the year ended 31 December 2008 (Continued)

Analysis of Fund Balances

Unrestricted funds	At 01 January 2008 £	Incoming resources £	Resources expended £	Gains/ (losses) & transfers £	At 31 December 2008 £
General purposes	(541,489)	3,538,955	3,728,816	346,031	(385,319)
Dennis Curry Fund	1,763,483	61,722	4,376	(180,869)	1,639,960
Albert Curry Fund	475,370	16,638	-	-	492,008
<i>Designated funds</i>					
Revaluation reserve - library	13,208,312	-	-	-	13,208,312
Specialist & regional groups	201,500	440,903	347,996	(99,765)	194,642
Burlington House Redecoration Fund	418,548	-	-	(82,975)	335,573
Bicentenary Project Fund	559,364	-	-	(90,457)	468,907
Bicentenary Fund	250,000	-	-	(62,154)	187,846
Educational Outreach Fund	175,000	-	-	-	175,000
Alan and Charlotte Welch Fund	190,000	9,237	-	-	199,237
	16,700,088	4,067,455	4,081,188	(170,189)	16,516,166
Restricted income funds					
Bicentenary Fund	258,010	10,389	20,375	-	248,024
Fermor	668,113	48,364	8,494	(368,355)	339,628
Coke	1,046,372	30,623	5,378	(209,189)	862,428
Pool C	185,821	5,438	955	(37,149)	153,155
Trust funds (see below)	375,497	10,989	24,190	(75,069)	287,227
Distinguished Geologists' Memorial Fund	58,638	1,716	301	(11,723)	48,330
Mike Coward Memorial Fund	40,414	1,183	208	(8,079)	33,310
	2,632,865	108,702	59,901	(709,564)	1,972,102
Endowment funds					
Fermor	1,026,443	-	-	37,978	1,064,421
Total Fund Balances	20,359,396	4,176,157	4,141,089	(841,775)	19,552,689
Analysis of Trust Funds					
Barlow Jameson	3,140	92	202	(628)	2,402
Bigsby	12,726	372	820	(2,544)	9,734
Blandford	1,921	56	124	(384)	1,469
E Eastwood	3,277	96	211	(655)	2,507
W G Fearnside	29,852	874	1,923	(5,968)	22,835
E J Garwood	17,266	505	1,112	(3,452)	13,207
Gloyne Outdoor Geological Research	17,196	503	1,108	(3,438)	13,153
Annie Greenly	15,459	452	996	(3,090)	11,825
Bernard Hobson	7,394	216	476	(1,478)	5,656
Lyell Geological	25,108	735	1,617	(5,019)	19,207
E Matthews	44,423	1,301	2,862	(8,880)	33,982
Murchison Geological	22,317	653	1,438	(4,462)	17,070
Daniel Pidgeon	16,341	478	1,053	(3,267)	12,499
Prestwich	14,270	418	919	(2,853)	10,916
Thomas Jefferson	20,305	594	1,308	(4,060)	15,531
Sue Tyler Friedman	8,182	239	527	(1,636)	6,258
J B Tyrrell	31,619	926	2,037	(6,321)	24,187
Wollaston Donation	21,587	632	1,391	(4,316)	16,512
R G H Worth	40,477	1,185	2,607	(8,092)	30,963
The Gill Harwood Fund	9,063	265	584	(1,812)	6,932
British Sedimentary Research Group	13,574	397	875	(2,714)	10,382
	375,497	10,989	24,190	(75,069)	287,227