

**INTERNATIONAL GLACIOLOGICAL SOCIETY
TREASURER'S REPORT, 2010**

The state of the Society's finances is best summarised by considering the changes from 1 January 2009 to 31 December 2009, as shown on page 11 of the accounts. In the table, the Restricted Fund is money earmarked specifically for costs associated with the Seligman Crystal. The Unrestricted Funds is everything else.

Restricted Funds: increased very slightly from £8993 to £9059 due to the accrued interest of £66. No crystals were manufactured during 2009.

Unrestricted Funds: decreased by £122,565 from £566,249 to £443,684 showing that the income to IGS largely from membership, sales of the Journal and Annals, page charges and symposia attendance exceeded expenditure associated with Journal and Annals printing and publication, and associated office support, and office support for activities related to running symposia.

Total: The Society had net resources expended before revaluation of £123,603 resulting in the negative movement in the Society's funds of £122,499 in 2009 compared to a much smaller loss of £4,837 in 2008, a net profit of £11,327 in 2007 and a profit of £29,799 in 2006.

This gradual slide from profit to loss over the last 4 years should be of concern to the Society and one that it must try to reverse over the next few years, as continued loss is clearly unsustainable. Compared to 2008, the Society's income fell by £72,021 (19%) and its outgoing expenditure went up by £52,659 (14%).

In more detail, income is itemised in notes 2-5, pages 15-16 and expenditure is listed in notes 6-8, page 17. The accounts are presented slightly differently from previous years, but last year's figures have been recalculated to reflect new headings. These headings are: "Journal, Ice & Books", "Annals", and "Meetings/Symposia" to reflect the three main activities of the Society.

Income:

Note 2. Voluntary income increased slightly from £1,931 to £1,987 due to an increase in Royalties (which more than offset a decrease in Donations).

Note 3. As predicted last year, Investment Income shows a marked decline from £29,986 to £4,973 due to the poor interest rates this year compared to previous years. This reflects the global recession.

Notes 4 & 5. Compared with 2008, income from membership subscriptions, sales of the Journal, Ice & Books, sales of Annals, and conferences & symposia are all down in 2009.

Membership subscriptions are shown to be down by £3,211 from £48,080 to £44,869. Actually, membership numbers have remained stable (at around 610). The drop reflects the artificially high figure in 2008, when part of the 2008 income reflects back payments my members prior to 2008. Part of the 2009 figure also reflects back payments prior to 2009.

There was a drive by the IGS office to bring the membership payments up to date. Most of this happened in 2008 but this continued into 2009.

Journal sales to libraries and other organisations were up only slightly by £1,482 from £82,987 (2008) to £84,469 (2009). This is despite the Society moving to the publication of 6 Issues per year in 2009 from 5 in 2008, i.e. an increase of 20%. This reflects the increased cost to libraries / organisations increasing from £275 in 2008 to £313 in 2009, i.e. by less than 20%. It also reflects falling sales to libraries / organisations, some of whom are cancelling often long held subscriptions. We believe this is at least in part as a result of the recession.

Page charge income increased by £11,697 from £76,744 to £88,441 (i.e. an increase of 15%). This compares to an increase of £21,695 (2007-8) and a drop of £18,659 (2006-7). Page charges to authors remained the same from 2008 to 2009. The increased income of just 15% compared to an increase in pages published of 46% is because fewer authors were able to honour page charges in 2009 compared to 2008.

Total income from Annals is down by £31,155 from £95,790 to £64,635, down by about 30%. This is despite the fact that 4 issues were published in 2009 but only 3 in 2008. Income from sales to libraries / other organisations was down by £14,393 from £42,903 to £28,510. This mostly reflects a change in accounting procedures. Previously, Annals income was credited in the year the income was received, whereas now it is credited in the subsequent year, the year the libraries / organisations actually receive the Annals. Thus, the 2009 volumes were credited in the 2008 accounts, whereas the 2010 volumes will not be credited until 2010, leaving 2009 with an apparent, but not real, drop in income from this source. More worryingly, some of the drop in income from this source is due to some libraries / organisations cancelling orders for Annals. As with the Journal above, we believe this is at least in part as a result of the recession.

Page charge income was down from £36,657 to £28,892, despite 4 issues being published in 2009 compared with 3 in 2008, reflecting more pages printed in 2009 than 2008. As with the Journal, this reflects the fact that fewer authors honoured pages charges in 2009 cf. 2008.

Expenditure:

Note 6. The direct costs associated with editing, printing, publishing and distributing the Journal and Annals and material for Meetings / Symposia increased by £16,568 from £105,167 to £121,735 compared to a decrease of £9,513 (2007-8) and a decrease of £34,860 (2006-7) and a decrease of £12,269 (2005-6). Printing costs increased by 23% and wages and salaries increased by 30%, which partly reflects the increased number of Journal Issues published. As mentioned above, 1 more Journal issue and one more Annals were published in 2009 cf. 2008. In total, 46% more pages were printed in 2009 cf. 2008. The increased printing costs and salary costs reflect the increased numbers of pages produced. [Interestingly, proof reading and editorial costs declined by 19% suggesting the proof readers / editors were much more efficient in 2009 cf 2008!]

Note 7. The support costs associated with Journal, Annals and Meetings / Symposia activity have increased by £39,475 from £232,956 to £272,431, an increase of 17%. This compares with an increase of £77,793 (50%) from 2007-8. The big hikes are associated with:

i) telephone, stationery & postage, due mostly to having to post Journal issues separately to

members after the official distribution date due to late processing of membership dues (this will hopefully not recur in future now that members can renew online);

ii) computer costs, due to final implementation of the new MRM membership database system (training and software) and the scanning of back issues of the Journal;

iii) wages and salaries, mostly due to the employment of Trevor Margereson throughout 2009 (he was appointed part way through 2008) and the additional appointment of the equivalent of close to two full time student helpers. Trevor and the students were employed to clear up the existing membership database, put it in a format that could be imported into the new MRM software, and chase up those members who had not paid membership dues. These tasks have now largely been completed.

So, these three items of expenditure were “one off” items and should not recur in the future.

Travel and subsistence costs, largely the Secretary General representing the Society at various Meetings, have also increased. Symposia support costs have dropped by £6,894, from £28,072 to £21,178 (i.e. dropped by 25%) whereas the Society ran 2 Symposia in 2009 compared with 4 in 2008 (i.e. a 50% drop). The relative increase in support cost per symposia from 2008 to 2009 is because the remote location of one of the 2009 symposia (Manali, India) and because the IGS paid for an officer to represent us at the IACS council meeting the IACS/IAHS Montreal conference and to travel onwards to the Northumbria Symposium. The provision of doubtful debts has also decreased this year by £11,938, since substantial effort with a lot of success has been extended on chasing up aged debts. As note 16 on page 20 shows, net debtors (i.e. after the provision has been removed) amounted to £110,481 in 2008 whereas in 2009 this was £49,859. The reduction in the net debt and the provision for the debt is therefore a very good thing for the Society. The new management software system, MRM, including the members online payment facility, and the direct link between MRM and the accounts software, SAGE, should make invoice and membership dues processing much more streamlined and efficient in the future compared to the recent past.

Note 7. Governance costs associated with running the Society as a Charity have remained stable.

Summary

The Society's finances are still in fairly good shape but there would still appear to be room for improvement in the way the Society operates. We ran a not insubstantial deficit in 2009 (~27% of funds) compared with a small deficit in 2008 (<1% of total funds), a small profit in 2007 (~2% of total funds) and a bigger profit in 2006 (~5.5% of total funds). This year's accounts are, in many respects, a truer reflection of the health of the Society than previous years. In previous years, income appeared more than it really was, as many invoices were not actually paid. This led to the large “debtors” figure and the need to make a large provision for that debt, in case it was never received. This year, the “debtors” figure has been reduced and provision for the possibility that the debt will never be recouped have both dropped.

The basic problem, of course, is that our income has dropped (by 19%) and our expenditure has increased (by 14%) compared with the previous year.

On the income side, as the Society does not wish to increase page charges substantially, it

must work at increasing the proportion of authors who pay at least something towards the costs of publishing their articles, preferably the full amount. Faster invoicing and the ability to pay online may help with this. The Society should also work more at increasing membership. [This is already underway: current membership in June 2010 is 625 compared with last year's membership of 610]. The Society must also try to ensure that library subscriptions to the Journal and Annals do not continue to slip; ideally we'd like to see them increase. A big drop in income is due to the much poorer interest rates in 2009 cf. 2008. This is likely to continue to be an issue for the Society for several years. The Society should consider moving some of its investments into a higher yielding, but still low risk, account.

On the expenditure side, the Society should be somewhat encouraged that many of the items were "one off" payments in 2009. Total staff costs (note 12, page 19) were up by ~£32k and while ~£10k of this reflects an increase in direct costs associated with publishing extra pages in the Journal and Annals, ~£25k was associated with support costs, largely the employment of people to manage the membership data base, its transition to the new management software system, and the retrieval of aged debts from members and libraries / other organisations. Similarly, ~ 10k was due to increased postage of the Journal to members who had not paid their dues at the start of the year and who received their copies after the main mail out. Computing costs were up ~14k due to the final training in and implementation of the new management software system.

The poor management of the Society's accounts in recent years, particularly in terms of maintaining the membership database, processing membership payments, and sending out invoices and reminders promptly has cost the Society, both in terms of lack of income (some aged debts will now never be paid, hence the provision for aged debts in the recent accounts) but also in terms of extra expenditure (the employment of extra staff in 2008-9 to make amends and chase up some of the debtors).

Now that the Society has in place the new joint MRM-SAGE management & accounting system, it is in a perfect position to send out invoices and reminders promptly, process membership dues for the year at the end of each preceding year, and return its wages and salaries associated with support costs back to those it saw prior to 2008. Fast and efficient use of the MRM-SAGE system by all IGS staff will be crucial in this regard.

Ian C. Willis, Treasurer
14th June 2010