

**International Glaciological Society
Treasurer's Report for the Year 2011**

Like last year, we opted to have our accountants undertake an Independent Examiner's Report rather than a full Audit this year.

The Society's finances are best summarised by considering the changes from 1 January 2011 to 31 December 2011, as shown on page 10 of the accounts. In the table, the Restricted Fund is money earmarked specifically for costs associated with the Seligman Crystal and the Richardson Medal. The Unrestricted Funds is everything else.

Restricted Funds: increased by £156 from £8,206 to £8,362 as a result of accrued interest. No Seligman Crystals nor Richardson Medals were awarded this year.

Unrestricted Funds: decreased by £19,355 from £373,964 to £354,609 showing that the income to IGS largely from membership, sales of the *Journal* and *Annals*, page charges and symposia attendance fell short of 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 £18, 434 resulting in the negative movement in the Society's funds of £19,199 in 2011, compared to the bigger loss of £70,573 in 2010, an even bigger loss of £122,499 in 2009 a smaller loss of £4,837 in 2008, and a net profit of £11,327 in 2007.

This continued reduction in the net loss of the Society since 2009 is encouraging but we still have a little way to go before we break even or turn in a small profit. We are heading in the right direction and if we continue along the recent trend we should produce a small surplus again in 2012. **This must be our major aim.**

In more detail, income is itemised in notes 2-6, and expenditure is listed in notes 3 and 7-10 on pages 14-18. The accounts are presented under the same headings that were introduced for 2009 of '*Journal, ICE & Books*', '*Annals*', and '*Meetings/Symposia*' to reflect the three main activities of the Society.

Income:

Note 2. Voluntary income was £1,522 in 2011 compared to £6,308 the year before. This reflects fewer Royalties associated with lower sales of individual articles through Ingenta and licensing fees (for copying individual articles) collected by the Publishers Licensing Society Ltd (PLS).

Note 3. Trading activities associated with the sale of IGS merchandise turned in a

tiny profit of just £33 compared to a small profit of £915 the year before. This largely reflects the cost of manufacturing hats and ties this year; merchandise that has not yet been sold.

Note 4. Due to the transfer of IGS reserves into medium term investment accounts in July 2011 (£200,000 into a two year account and £100,000 into a one year account) investment income is higher in 2011 (£7,842) than in 2010 (£4,800) and 2009 (£4,973). But interest rates are still very much lower than in 2008 when income from this source was £29,986.

Note 5. Income from membership subscriptions and sales of the *Journal*, ICE & Books to libraries and individuals is up by £17,420 from £242,880 in 2010 to £260,300 in 2011. Similarly, sales of *Annals* is also up by £70,286 from £69,632 in 2010 to £139,918 in 2011. Conversely, income from conferences & symposia is down by £83,362 from £133,393 in 2010 to £50,031 in 2011. These three points are considered separately below.

Membership subscriptions (see page 10) are up by £1,979 from £54,745 to £56,723. This continues the trend from last year. Membership numbers have continued to go up and payments have increasingly been received before the new subscription year or early in the year as a result of much better management of the membership database and sending out of renewal notices. See Membership and Accounts Manager report for more details.

Journal sales to libraries and other organisations (see page 16) were up slightly by £2,056 from £86,658 (2010) to £88,714 (2011), a rise of 2.4%. [A virtually identical rise occurred 2009-2010.] In 2010-2011, the annual subscription rate rose by 3.5% (£313 to £324). Together, this shows that the number of libraries subscribing to the *Journal* fell between 2010 and 2011. The Membership and Accounts Manager's report shows that *Journal* subscriptions to libraries were down by 12. This continues the trend from 2009-2010 and 2010-2011 and should continue to be a concern to the Society.

Journal page charge income increased by £14,553 from £99,425 (2010) to £113,978 (2011), an increase of 14.5%. This compares to an increase of £10,984 (2009-10), an increase of £11,697 (2008-9) and an increase of £21,695 (2007-8). Page charges to authors remained the same from 2008 to 2011. The increased income of 14.5% compared to an increase in pages published of just 1% shows more authors were able to honour page charges in 2011 compared to 2010. This is a good sign and continues the trend from 2009-2010. This should continue to be monitored.

Total income from *Annals* is up by £70,108 from £69,632 (2010) to £139,740 (2011), up by about 100%. [NB. This does not include income for the *Annals* from

delegates at conferences who essentially receive their copy 'free', i.e. this is accounted for under the income to meetings/symposia heading]. This item is dominated therefore by income from library subscriptions and page charges. These both increased in 2011 compared to 2010 since the number of volumes increased from 2 to 5 (NB. 51(56) from 2010 was actually delayed into 2011), and the number of pages increased from 513 to 961. There was also a generous £22,894 contribution towards the publication of *Annals* 53(61) from the Sakhalin Centre for Regional Marketing.

The reduction in income from meetings/symposia from 2010 to 2011 is primarily because we had three symposia in 2010 and only one in 2011.

Expenditure:

Note 7. The Society did not receive requests for support for meetings/symposia in 2011. This compares with two such requests in 2010 and the donations amounting to £3,212 associated with the sponsorship of the activities of UKPN and the Alaska Glaciology Summer School.

Note 8. The direct costs associated with editing, printing, publishing and distributing the *Journal* and *Annals* and material for Meetings / Symposia increased by £5,086 from £130,411 to £135,497. This compares to an increase of £8,676 (2009-10) an increase of £16,568 (2008-9) and a decrease of £9,513 (2007-8). Wages and salaries associated with these activities increased slightly, largely due to the extra time needed to work on the extra *Annals* volumes in 2011 cf. 2010. Editorial fees and expenses decreased, as did proof reading and editorial costs. This is despite the fact that the Society published more *Journal* and *Annals* pages in 2011 cf. 2010. This is a good sign, providing the quality of our publications has not suffered.

Note 9. The support costs associated with *Journal*, *Annals* and Meetings / Symposia activity have decreased by £61,664 from £354,185 to £292,521. This reverses the trend of year-on-year increases since 2008 (+£81,754 in 2009-10; +£39,475 in 2008-9 and +£77,793 in 2007-8). The decrease this year partly reflects the reduced costs associated with running one symposium rather than the 2 or 3 of recent years. But encouragingly, it also reflects a reduction under the “wages and salaries” heading associated with recent streamlining of work practices in the IGS office and the creation of the position of Membership and Accounts Manager. It also reflects a massively reduced cost under the “pensions” heading. The 2011 £9,021 figure represents the realistic annual cost of the pension scheme introduced the previous year. The inflated figure of £30,109 for 2010 reflects not only the contributions for 2010, but also the backlog contributions that Council agreed to pay to employees for the previous 2 years.

However, there are some big increases in costs in other areas and effort needs to be made to reduce these costs in the future. These include:

i) Telephone, stationery & postage. This increased by £6,157 (16%), largely as a result of increased mailing costs of our printers, Page Bros. This item might be expected to drop in future as more members opt to receive their copies of the *Journal* on line.

ii) Computer costs. These have increased by £9,630 (48%) largely due to the overdue upgrade of hardware and software and to the revamping of the website (including the setting up of the 'Members Only' section).

iii) Travel and subsistence costs. This increased again this year by £3,808 (20%). Previous years' increases were: £3,467 (23%) 2009-10; and £4,299 (40%) 2008-9. So the rate of increase of this item is coming down, but it is still increasing at well above background inflation nevertheless. This item was £10,843 in 2008 and was £22,417 in 2011, representing a doubling in 4 years. The costs are largely associated with our Secretary General (and occasionally other members of the office or editorial staff) representing the Society at meetings and symposia. So the increases reflect the greater number of meetings attended (symposia attendance was less in 2011 than in 2010), as well as, I suspect, the increased costs of air travel. It is important for our Secretary General to represent the Society at meetings, of course, but continued care must be taken to ensure this item of expenditure does not increase out of proportion with other support costs, which it has been doing of late.

The provision of doubtful debts represents a negative cost (credit) to the Society since continued substantial effort with a lot of success has been extended on chasing up aged debts. All debtors are now less than a few months old, rather than up to several years old as was the case a few years ago. As note 18 on page 21 shows, net debtors (i.e. after the provision has been removed) amounted to £22,888 in 2011. This continues the downward trend of £32,423 in 2010, £49,859 in 2009 and £110,481 in 2008. This continued reduction in the net debt and the provision for the debt is therefore a very good thing for the Society. The new online management / payment system together with restructuring of personnel within the IGS office has reduced net debtors within the year to sensible numbers. It is hoped that this can be reduced still further by continued prompt invoicing (and hopefully payments received).

Note 10. Governance costs associated with running the Society as a Charity increased slightly in 2011 compared to previous years, as a result of one-off-costs associated with professional advice and staff time taken up with dealing with the backlog of VAT payments that were due on page charges from UK tax payers over recent years [see also item under note 8 "Additional VAT on page charges"]. These payments are now factored in to the new page charging scheme and will not

represent a net expenditure to the Society in future.

Summary

The Society's finances are in much better shape than they have been for some years. We ran a moderate deficit in 2011 (5% of funds) which compares with a bigger deficit in 2010 (~18% of funds) a much bigger deficit in 2009 (~27% of funds), a small deficit in 2008 (<1% of funds), a small profit in 2007 (~2% of total funds) and a bigger profit in 2006 (~5.5% of total funds). The net result over the past six years is we have been running at a loss. Our assets are still £362,971 and so there is no need for major alarm, but clearly our recent position is unsustainable in the long term. The Society is now setting a budget on all key items of income and expenditure and is more closely monitoring each item on a weekly to monthly basis. If this improved budgeting continues to next year, and if the trends in income vs. expenditure continue, it is anticipated that the Society will turn in a small profit next year. **This should certainly be its major goal.**

The following paragraph is taken verbatim from my report last year. I repeat it here since it is still relevant, and contain thoughts that need to be explicitly addressed by council over the next year and beyond.

“On the income side, the Society has increased its paying membership recently and it is hoped that more people will be encouraged to join in the future. More innovative ways of attracting younger members and members from emerging industrialised nations, especially India and China, should be investigated. The Society must also try to ensure that library subscriptions to the *Journal* and *Annals* do not continue to slip and, again, investigate possible different ways of obtaining more income from sales/online access to libraries/institutions. The Society has recently moved some of its bank assets to a higher interest account, but until interest rates increase generally, the Society will continue to suffer from lack of revenue from this source. Perhaps the Society should investigate the possibility of obtaining grants from private industry sponsors to support some of its activities. Sale of merchandise online could also be investigated.”

On the expenditure side, the Society's expenses now look to have stabilised and been brought under control. A few big items of expenditure in recent years (purchase of the MRM management system and its integration with the SAGE accounting system; wages and salaries of extra employees brought in to oversee the transfer of database details from the old to the new management system; pension backlog; redundancy payment) are now behind us.

Ian C. Willis, Treasurer
18th May 2012