

International Glaciological Society Treasurer's Report for the Year 2014

As our turnover was > £500k in 2014, we were obliged to have a full Audit this year. Throughout this report I will make reference to the Society's fully audited accounts for the year 2014 and refer to the relevant page numbers.

The Society's finances are summarised by considering the changes from 1 January 2014 to 31 December 2014, as shown on page 11 of the accounts. In the table, the Restricted Fund is money associated specifically with the Seligman Crystal and the Richardson Medal. The Unrestricted Funds is everything else.

Restricted Funds: decreased by £1,015 from £6,962 to £5,947 as a result of the difference between interest payment income and expenditure on engraving the 1 Seligman Crystal presented in 2014.

Unrestricted Funds: increased by £98,219 from £392,578 to £490,797 showing that the income to IGS largely from membership, sales of the *Journal* and *Annals*, page charges and symposia attendance slightly exceeded expenditure associated with *Journal* and *Annals* printing, publication and associated office support, and office support for activities related to organising symposia and running the Society.

Total: The Society had net resources accrued before revaluation of £98,396 resulting in the positive movement in the Society's funds of £97,204 in 2014, compared to £8,477 in 2013, £28,092 in 2012, and losses between 2008 and 2011.

Thus, I am pleased to report that the Society's finances are in profit for the third year in a row and that we turned in the biggest annual profit for over 9 years. The last three years have seen a cumulative profit of £133,773 which has gone a good way to offsetting the periods of loss between 2008 and 2011. Since 2007, we have a cumulative deficit of £72,008. I hope the Society can continue to reduce that over the next year by turning in a modest profit again for 2015. Our total funds at the end of the year were £496,744 and our average annual expenditure for the last three years has been £551,472. As I've stated in previous reports, I would like to see our total funds equal to our annual expenditure and we are not quite realising that.

In more detail, income is itemised in notes 2-6, and expenditure is listed in notes 3 and 7-11 on pages 15-19. The accounts are presented under the headings '*Journal*, ICE & Books', '*Annals*', and 'Meetings/Symposia' to reflect the three main activities of the Society.

Income:

Note 2. Voluntary income was £9,453 in 2014 compared to £2,048 in 2013. This mostly reflects a grant of €10k from the European Social Fund to enable student bursaries to be given out for the Chamonix Conference.

Note 3. Trading activities associated with the sale of IGS merchandise turned in a small profit of £709 in 2014 compared to a smaller profit of £632 in 2013 and a small loss of £365 in 2012. Over the last few years, trading of t-shirts, fleeces, hats, etc. has made a small profit; it would be nice if this profit could be increased.

Note 4. Income from interest on investments increased slightly in 2014 compared to 2013: up £411 from £7,384 to £7,795. A few "higher interest" investments matured in 2014 and these were reinvested in similar low risk accounts but which yield a slightly higher interest than our regular bank account.

Note 5. Income associated with *Journal*, ICE & Books was up by £56,457 from £250,680 in 2013 to £307,137 in 2014. Some of this increase was due to increased membership subscriptions, shown separately on page 11, where we see that membership income increased by £6,589 from £61,488 to £68,077. The rest of the increase associated with *Journal*, ICE & Books is associated with sales to non-members, libraries and other organisations, and page charges. These are discussed further below with respect to Note 6. Income associated with *Annals* was down by £41,548 from £165,508 in 2013 to £123,960 in 2014. I discuss this further below too with respect to Note 6. Income from Meetings &

Symposia was up by £130,015 from £72,621 in 2013 to £202,636 in 2014. This is despite the fact that two Symposia took place in both 2013 (Beijing & Kansas) and 2014 (Hobart & Chamonix). This is to some extent offset by the higher costs of running the Meetings / Symposia in 2014 cf. 2013 (see note 10 below). A preliminary investigation suggests that the Society's Meetings & Symposia tend to make a small loss (when overheads associated with the IGS Office are factored in) and that the extent of this loss depends heavily on the "success" of the meeting as measured by numbers attending and degree of sponsorship that the local committee are able to muster. I accept that there are other ways of measuring "success" of a conference and the IGS should not lose sight of that. But, I would encourage Meetings / Symposia to be offered that are likely to attract significant numbers (as then the Society benefits from "economies of scale") and where extra funds are forthcoming wherever possible.

Note 6. *Journal* sales to libraries and other organisations were up slightly by £1,440 from £89,908 (2013) to £91,348. This reflects the increased cost of the *Journal* to libraries, which slightly offset the small drop in the number of library subscribers and an increase in the percentage taking online only (which is cheaper than the paper copy). [Since 2012, the number of library subscribers has dropped from 302 to 284 and the number taking online only has increased from 21 to 79. This needs to be monitored into the future, especially when the *Journal* goes Open Access in 2016]. Conversely, income from page charges dropped by £28,065 from £134,566 (2013) to £106,501 (2014). Income from the Open Access Fee increased from £2,300 (1 paper) in 2013 to £34,500 (15 papers) in 2014. Taken together, income to the *Journal* from authors rose slightly by £4,135. The Publications Committee and the Treasurer are currently trying to anticipate likely scenarios for the changing balance between income from libraries and income from authors over the next few years as the *Journal* moves to Open Access.

Note 6. As mentioned above, total income from *Annals* is down £41,548 from £165,508 in 2013 to £123,960 in 2014. This decrease in *Annals* income largely reflects the smaller number of *Annals* issues published in 2014 cf. 2013 (4 issues in 2014 – all single; 5 issues in 2013 - 1 single and 2 double). 6 authors opted to pay the Open Access Fee.

Expenditure:

Note 8. The direct costs associated with editing, printing, publishing and distributing the *Journal* and *Annals* and material for Meetings / Symposia decreased slightly by £5,444 from £137,717 (2013) to £132,273 (2014). This compares to bigger increases of £8,753 (2012-13) and £6,533 (2011-12). Printing costs are generally dropping as more and more members and libraries are subscribing to online only (and one less *Annals* issue was produced in 2014 cf. 2013). Wages and salaries associated with these activities dropped slightly by £2,165 as one less *Annals* issue was produced. Similarly, Proof reading and editorial costs dropped slightly. Editorial fees and expenses rose slightly as the Chief Editor's fees rose with inflation and he attended 2 conferences in 2014 cf. 1 in 2013 (albeit one was in his home city of Hobart).

Note 9. The Society paid out £3,187 to student members to help with their costs of attending IGS Symposia. [This is < the €10k income received for this purpose for the Chamonix Symposium (see note 2 above); the remainder was forwarded to be administered by the local organising committee].

Note 10. The total support costs associated with *Journal*, *Annals* and Meetings / Symposia activity increased by £56,384 from £301,823 (2013) to £358,207 (2014). This is largely made up of the increased costs associated with running the Hobart / Chamonix Symposia compared to running the Beijing / Kansas Meetings (an increase of £48,225). This is to some extent offset by the increased income associated with Meetings/Symposia – see note 5 above. Some of these year-to-year differences in income / expenditure of Meetings / Symposia reflect whether the IGS is involved in paying upfront for accommodation, banquet, etc. Telephone, stationery & postage costs continue to fall (as fewer paper copies of the *Journal* and *Annals* are posted). Similarly, Travel and subsistence costs (largely the costs of our Secretary General representing the Society at Meetings (not Symposia, which are accounted for elsewhere)) continues to fall. The big hike in Computer costs of £10,369 is related to a change in the date on which prepayment for website hosting occurred in 2014 cf. 2013. We should expect a similar drop in 2015 cf. 2014.

I am very pleased to report that there is no longer any need for a "provision for doubtful debts" item. How different the situation was a few years ago!

Note 11. Governance costs associated with running the Society increased by £5,751 in 2014 cf. 2013

(13.5%). (They also increased by £10,008 in 2013 compared to 2012 (27.6%)). These year on year increases are largely associated with increased salary costs.

Note 14. Overall staff costs went up by £5,696 in 2014 cf. 2013 (3.7%). This compares with an increase of £17,983 in 2013 cf. 2012 (partly due to a step pay rise for the Secretary General in recognition of his 10 years of service to the Society) and a fall of £11,107 in 2012 cf. 2011. The fluctuations from year to year largely represents: i) variations in the number of hours that production staff spend on producing the *Annals* (the number of issues of which varies from year to year); ii) staff changes and the extent to which there is overlap or a gap in continuity; iii) whether a student intern is employed in the summer.

Summary

The Society's finances are in quite a good shape and better than they have been in recent years, with the largest annual profit since before 2007. We ran a significant surplus in 2014 (20% of funds). This compares with a very small surplus in 2013 (2% of funds), a slightly bigger surplus in 2012 (~7% of funds), and various deficits between 2008 and 2011 (ranging from ~1% to ~27% of funds). The net result over the past nine years is that we have been accumulating a deficit although we have gone a good way to closing that over the last three years. I recommend that we strive to ensure that the surpluses of recent years continue for the next year or two.

On the income side, there are three pieces of good news: i) the Society's membership continues to be stable and has even risen slightly; ii) library subscriptions to the *Journal* and *Annals* are largely being maintained (although both have dropped slightly in recent years); and iii) authors are honouring page charges and more are paying the Open Access fee. The effects on these income streams of the journal going fully Open Access are unknown although the Publications Committee and I have been modelling various possible scenarios with the aim of presenting to Council suggestions for precisely what the Open Access fee ought to be and how to manage library subscriptions to back issues in future years. It is a balancing act not to set the Open Access fee too high to discourage authors, but neither to set it too low to cut off what will be the major income instream in the future.

On the expenditure side, the Society's costs have largely stabilised in recent years. Our key items of expenditure are, of course, employing a full time Secretary General, a part time Membership & Accounts Manager, and the equivalent of slightly less than two full time production staff; renting an office in central Cambridge; paying our Chief Editor; paying proof editors and producing hard copies of the *Journal* and *Annals*. Ignoring a one off step increase for the SG in 2013, wages and salaries are incremented each year by the UK Retail Price Index, which since 2007 has averaged 3.3%.

It is not immediately obvious from the way the accounts are presented, and it is not something that I've mentioned in my previous reports, or analysed here, but for the last three years (2012-14) the Society has made a loss on the running of Meetings / Symposia when income (largely from the conference fee charged to delegates) minus the expenditure (which includes a proportion of overheads associated with running the IGS office) associated with this area of IGS activity is considered separately from the two other main areas (i.e. producing the *Journal* and producing the *Annals*). Symposia have made an average annual loss of ~ £35k. Conversely, the *Journal* has made a profit of ~£45k and the *Annals* a profit of ~£33k.

Ian C. Willis, Treasurer

10th August 2015