

International Glaciological Society Treasurer's Report for the Year 2015

In previous years, an income of > £500k required us to have a full Audit rather than a less detailed (and less costly) Independent Examination. A change in UK Government rules now has this threshold at £1million. Our income was ~ £512k and we opted for an Independent Examination this year. Throughout this report, I will make reference to the Society's fully audited accounts for the year 2015 and refer to the relevant page numbers.

The Society's finances are summarised by considering the changes from 1 January 2015 to 31 December 2015, 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: increased by £118 from £5,947 to £6,065 as a result of the interest on investments; no Seligman Crystal was commissioned in 2015.

Unrestricted Funds: increased by £35,579 from £490,797 to £526,376 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 £36,047 resulting in the positive movement in the Society's funds of £35,697 in 2015, compared to £97,204 in 2014, £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 fourth year in a row, the second biggest annual profit for over 10 years. The last four years have seen a cumulative profit of £169,470 which has now almost made up for the periods of loss between 2008 and 2011. Since 2007, we have a cumulative deficit of just £36,311. I hope the Society can close that entirely over the next year by turning in another modest profit similar to this year, for 2016. Our total funds at the end of the year were £532,441 and our average annual expenditure for the last three years has been £508,083. As I've stated in previous reports, I would like to see our total funds equal to our annual expenditure and I'm pleased to report that for the first time in 10 years we have achieved that.

In more detail, income is itemised in notes 2-7, and expenditure is listed in notes 3 and 8-10 on pages 18-22. 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. Donations were £92 in 2015 compared to £10 in 2014. There were no Grants received in 2015. Note Royalty income which used to feature here, now features in a separate Note 7.

Note 3. Trading activities associated with the sale of IGS merchandise turned in a very small profit of £154 in 2015 compared to a bigger profit of £709 in 2014. Over the last four years, the cumulative profit associated with trading of t-shirts, fleeces, hats, etc. has been £1,130!

Note 4. Income from interest on investments increased slightly in 2015 compared to 2014: up £2,096 from £7,795 to £9,891. Income from this source has been rising steadily for the last few years showing that our choice to invest in a particular "higher interest" but still "low risk" investment account has been a good one. The particular account to invest in is reviewed each year.

Note 5. Income associated with *Journal*, ICE & Books was down slightly by £14,055 from £307,137 in 2014 to £293,082 in 2015. This fluctuates somewhat from year to year (e.g. it was up by £56,457 between 2013 and 2014). Some of this decrease was due to reduced membership subscriptions, mentioned below the table in Note 5, where we see that membership income dropped by £3,637 from £68,077 to £64,440. The remaining decrease 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 slightly by £3,844 from £123,960 in 2014 to £120,116 in 2015. I discuss this further below too with respect to Note 6. Income from Meetings & Symposia was down substantially by £117,136 from £202,636 in 2014 to £85,500 in 2015. This is despite the fact that only two Symposia took place in 2014 (Hobart & Chamonix) whereas three occurred in 2015 (Kathmandu, Iceland & Cambridge). This is to some extent offset by the lower costs of running the Meetings / Symposia in 2015 cf. 2014 (see note 8 below). As mentioned in my report last year, and as borne out again here, 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 (although I accept that there are other ways of measuring "success" of a conference). Comparing the Meetings/Symposia items of Note 5 (Income) and Note 10 (Expenditure), we see the symposia made a net loss of £10,215 in 2014 (Hobart & Chamonix) and a bigger net loss of £39,579 in 2015 (Kathmandu, Iceland & Cambridge). These differences reflect the fact that: i) the Hobart & Chamonix meetings were large and therefore relatively inexpensive due to the benefits of "economies of scale"; ii) the Iceland meeting, by contrast, was small and therefore relatively costly; iii) the Chamonix meeting attracted an EU grant €10k to help fund some delegates; iv) many delegates attending the Kathmandu conference were charged at a concessionary rate. Thus, the IGS should try to ensure that a significant number of its Meetings / Symposia will attract large numbers and, where possible, the IGS and the local organising Committees should try to obtain external sponsorship where possible.

Note 6. Income from *Journal* sales to libraries and other organisations was up significantly by £13,600 from £91,348 in 2014 to £104,948 in 2015. This reflects the increased subscription rates that were implemented in 2015. For example the cost of the volume in 2014 was £357 and in 2015 was £414. Conversely, income from page charges dropped by £19,427 from £106,501 (2014) to £87,074 (2015) and the income from the Open Access Fee dropped from £34,500 (15 papers) in 2014 to £31,122 (13.5 papers) in 2015. Taken together, income to the *Journal* from authors dropped by £22,805. The number of pages published dropped only slightly between 2014 and 2015 (1231 pages to 1205 pages) and much of this apparent drop in income is not real, but associated with a difference in the timing of invoicing between the two years. Of course the income stream associated with publication of the *Journal* will be completely different in future years now that it has gone fully Open Access and is being published in collaboration with CUP.

As mentioned above, total income from *Annals* is down between 2014 and 2015. This decrease in *Annals* income largely reflects a drop in page charge income of £15,302 and a drop in Open Access Fee income of £2,300. This reflects the smaller number of *Annals* issues published in 2015 cf. 2014 (4 issues in 2014; 2 issues in 2015).

Expenditure:

Note 8. This section of the accounts is presented slightly differently from previous years with "governance costs" (largely accountancy costs and the salary of our Secretary General) being added to "support costs" (largely office rental, outgoings associated with Symposia, and salaries of the Membership & Accounts Manager and the Publication Team) and apportioned across the three main areas of IGS activity as appropriate. The totals for 2014 have been adjusted with respect to how they appeared in last year's accounts to reflect the current changes. Thus, expenditure associated with *Journal*, Ice and Books is up slightly by £11,888; outgoings associated with *Annals* are up slightly by £599; but payments associated with Meetings/Symposia were down substantially by £90,210. These are discussed in more detail below.

Note 9. Printing costs have dropped by £16,206 reflecting both the publication of two fewer *Annals* volumes in 2015 cf. 2014 and the fact that more members and libraries are subscribing to online only. This latter continues a trend over recent years. Online submission fees rose by £3,587. Wages and salaries associated with these activities dropped by £3,240 as one less *Annals* issue was produced in 2015 cf. 2014. However, proof reading and editorial costs remained the same, despite one less *Annals* volume being produced. Editorial fees and expenses dropped back to 2013 levels as the Chief Editor's travel expenses dropped cf. 2014.

Note 10. The total support costs associated with *Journal*, *Annals* and Meetings / Symposia activity decreased by £72,855 from £368,104 (2014) to £295,249 (2015). This is largely associated with the decreased costs associated with running the Kathmandu, Iceland & Cambridge Meetings compared to running the Hobart & Chamonix Symposia (a decrease of £110,539). This is to some extent offset by the

decreased income associated with Meetings/Symposia (£117,136) – see note 5 above. Telephone, stationery & postage costs continue the falling trend of previous years as fewer paper copies of the *Journal* and *Annals* are posted.

The hike in Computer costs of £8,066 is due to extra costs incurred this year associated with the move to CUP, notably ~£11k paid to the company Newgen to convert back issues of the *Journal* to appropriate .xml format, and ~£8k to our (then) website hosts Ingenta. These increases are offset by a saving of ~£10k compared to last year, as last year there had been a ~£10k hike due to a change in the date on which prepayment for website hosting occurred cf. previous years (as mentioned in my report for last year).

Travel and subsistence costs (largely the “out of Cambridge” costs of our Secretary General) has undergone a hike of £7,468. This represents a modest rise of £1,687 against Meetings/Symposia (understandable as there were three in 2015 cf. two in 2014) but a more substantial rise of £5,781 against the *Journal*, *Ice & Books* column, largely representing expenses of attending Branch meetings, AGU and EGU. As one of the reasons for our Secretary General attending the AGU is to participate in a Council Meeting, a saving could be made here, should the Society wish it, by investigating the option of Virtual Conferencing. This would have an added benefit of enabling the majority of Council members to participate, without the need for co-options.

Wages and salaries increased by £10,140, comprising a very small drop of £275 under the *Annals* heading (1 fewer *Annals* volume produced) a rise of £8,022 under the Meetings heading (1 more Symposium organised) and a rise of £8,266 against the *Journal* (largely associated with the extra work associated with the move to CUP).

A key item on this year’s account sheet that was not on last years is under the heading of Termination costs. This is, of course, the costs of terminating the contracts of our three valued production staff, Craig Baxter, Sukie Hunter and Rachel Brown following our partnership with CUP. Their contribution to the Society over the years is commemorated in the IGS News Bulletin, ICE, Number 169.

Governance support costs associated with running the Society increased by £13,965 in 2015 cf. 2014. This largely reflects an increase in professional fees (associated with consultations about contract termination and the partnership agreement with CUP).

Salaries associated with Governance dropped for the first time in many years by £4,348 (although, as mentioned above, this is more than offset by the rise in the salaries under the general support costs).

Note 11. Overall staff costs went up by £4,883 in 2015 cf. 2014 (2.7%) compared to £5,696 (3.7%) in 2014 cf. 2013. This partly represents the annual increment linked to inflation (the RPI was 1% in 2015) but also slightly more hours worked by staff in the lead up to the switch of production to CUP.

Summary

The Society’s finances are in good shape and continuing the trend of recent years, with the second largest annual profit since before 2007. We ran a significant surplus in 2015 (~7% of funds). This compares with a more substantial surplus in 2014 (~20% of funds), a very small surplus in 2013 (~2% of funds), a comparable 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 few years is that we have largely closed the deficit accrued over the years before that. Our funds now approximate our annual expenditure which is a healthy place to be in. Given the uncertainties that we face over the next few years associated with the two main (and related) changes we have made – notably going fully Open Access with the *Journal* and *Annals* and partnering with CUP for their production – I suggest we wait a few years to see what the new arrangement means for the finances of the Society before we make any other major changes to the way we function which may reduce our income or increase our outgoings.

Future accounts will be very different to the ones I’ve been involved with since I became Treasurer. Our contract with CUP means that a certain income from publication will be guaranteed and may be steady for the next few years unless we can substantially increase the number of articles processed (which I hope we can) and CUP can market and sell more hard copies to more libraries (which might be difficult as we go OA). If so, our income will rise above the minimum we have been guaranteed by CUP. Similarly, major

items of expenditure, notably wages for production staff, proof reading, and printing of the *Journal* and *Annals* (ICE will continue to be printed) will disappear from our accounts.

Given the uncertainties associated with the *Journal* and *Annals* income and expenditure, it will be important for the Society to improve its budgeting and to investigate further the finances surrounding running its Symposia. Preliminary analysis given in my report from last year, and referenced again above in this report, shows that our Symposia have been running at a loss for the last few years, when overheads (i.e. support costs and governance costs) are factored in. The extent of the loss depends primarily on the number of delegates at the meeting (big meetings loose less) and whether external sponsorship (for example the €10k grant that was secured from the EU social Fund for the Chamonix meeting) is obtained.

A key support cost, notably Office Rent and associated costs, will be substantially reduced from 2017 onwards as the IGS office is rehoused within the British Antarctic Survey (currently scheduled for Sept. 2016) and this should help us move towards less loss making (preferably slightly profitable) symposia. Costs associated with the move, however, will fall within the 2016 accounts year.

Other challenges for the Society which will affect our accounts are whether we can maintain an income through a (presumably reduced) membership fee in future years. I hope substantial numbers will want to pay a subscription fee but members will need to know what the benefits of membership are now that our publications are OA, and especially once the entire backlog of the *Journal* and *Annals* are made available freely online.

We should continue to ensure that wage inflation and travel and subsistence are kept in check.

Brexit

It is very difficult (essentially impossible) for me to judge right now what the implications of the UK Brexit vote will be for the finances of the Society. I do not think we will be affected in a major way and it will depend on precisely what deal may eventually be struck by the UK government with the EU parliament and how the UK and EU economies fare over the coming months / years.

Immediate effects are that the value of the £ has dropped against the €, and even more against the \$ and certain other currencies. This will make our goods/services (membership, page charges, library subscriptions costs) appear cheaper to people and organisations outside the UK. I do not imagine this will have any major impact on the Society though. Subsistence costs will be more expensive for UK citizens abroad but cheaper for non-UK citizens coming to the UK. Perhaps the Society should organise another large Symposium in the UK soon!

If the UK economy shrinks (and especially if it goes into recession) then interest rates will likely drop even further than they are which will reduce our income from this stream slightly, although it is already quite low. Conversely, inflation will be lowered even more affecting the RPI and therefore annual wage increments. Again, this is not going to affect the Society in a major way.

Down the line, depending on precisely what is negotiated between London and Brussels, UK citizens may not have access to EU funds, for example the Social Fund grant that the organisers of the recent Chamonix Conference managed to secure. More money for subsidised conference attendance / travel to students from countries remaining in the EU; non for UK students. Sorry to end on a down-note. It's generally how I've been feeling since Friday 24th June.

Ian C. Willis, Treasurer

4th July 2016

