

International Glaciological Society Treasurer's Report for the Year 2016

The Society's accounts underwent an independent examination rather than a full audit this year. Throughout my report, I will refer to the Society's unaudited accounts for 2016, referring to the relevant page numbers.

The Society's finances are summarised by considering the changes from 1 January 2016 to 31 December 2016, as shown on page 12 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 £831 from £6,065 to £5,234 as a net result of the interest on investments (£122) and the manufacture of Richardson Medals (£953).

Unrestricted Funds: decreased by £58,378 from £526,376 to £467,998 showing that the income to IGS largely from i) membership, ii) its contribution of author processing charges and library income from Cambridge University Press, and iii) symposia attendance, was somewhat less than the expenditure associated with running the IGS office and paying the salaries necessary to manage the IGS affairs.

Total: The Society had its net resources before revaluation drop by £67,469 resulting in the negative movement in the Society's funds of £59,209 in 2016, compared to profits of £35,697 in 2015, £97,204 in 2014, £8,477 in 2013, £28,092 in 2012, and losses between 2008 and 2011.

This is somewhat disappointing as it is the first net loss for five years, and comes in the year in which the Society made big changes to its operations, downsizing its office and going into partnership with CUP for the publication of the *Journal* and *Annals*. I reported last year that the Society had a cumulative deficit of £36,311 running since 2007 and that I hoped to close that entirely this year. Unfortunately, we have now increased that cumulative deficit to £95,520. As a result of office downsizing, our expenditure is now of the order of ~ £310,000 and our total assets are ~ £473,000. In this respect, the Society is not in a bad place, but clearly it cannot continue to support the losses of the magnitude it has incurred this year into the future.

In more detail, income is itemised in notes 2-5, and expenditure is listed in notes 6-8 on pages 17-20.

Income:

Note 2. Donations were £20 in 2016 compared to £92 in 2015. There were no Grants received in 2016.

Note 3. Income from interest on investments increased slightly in 2016 compared to 2015: up £852 from £9,891 to £10,743. 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 4. Incomes associated with the *Journal*, ICE & Books and with *Annals* were down massively compared to 2015, of course, as a result of entering into the CUP partnership. These figures should be judged together with the CUP Royalty figure. Thus, in 2015 the Society received £228,642 from the direct handling of the *Journal*, ICE & Books, whereas this was only £12,407 in 2016 and (see Note 5 here) comprised the sale of ICE to libraries and members (still managed directly by the Society), the sale of paper copies of the *Journal* to members (still handled by the Society), and vestigial income from the processing/sale of the *Journal* before fully handing over to CUP). Similarly, the Society received £120,116 from the handling of *Annals* in 2015 but just £1,909 in 2016. This (again, see Note 5) was also associated with vestigial processing/sale of the *Annals* before CUP took over completely.

The CUP Royalty was £111,639 (this is not split by *Journal* / *Annals* but I will ask for this to be itemised in future).

Thus, if we look at the difference between the total *Journal*, ICE & Books and *Annals* income in 2015

(£348,758) and the same + the CUP Royalty in 2016 (£125,955), the discrepancy is £222,803. A reduction in this source of revenue is to be expected, of course, since CUP are now keeping a proportion of the article processing charges and income from hard copy sales to libraries, in return for producing the Society's key publications. Some of this disparity is due to slightly fewer Annals papers being processed in 2016 compared to 2015. More importantly, some of the difference is because since 2016 CUP have been collecting an article processing charge for both the *Journal* and *Annals*, whereas in 2015 the Society levied a page charge. This has resulted in less revenue per *Journal* and *Annals* volume in 2016 than previously. Returning to Note 4, income from Meetings / Symposia was down by £33,336 from £85,500 in 2015 to £52,134 in 2016. This reflects the fact that three symposia occurred in 2015 (Kathmandu, Iceland & Cambridge) but just one in 2016 (La Jolla). The La Jolla meeting was very successful in terms of income generated cf. the three meetings in 2015 (but see comments re expenditure below - Note 6).

Income from membership was down by £12,803 from £64,440 to £51,637. If this is a result of the move to Open Access and is the beginning of a trend, then this is worrying.

Expenditure:

Note 6. A summary of all expenditure shows that outgoings associated with running Meetings & Symposia were up by £11,194 from £113,743 in 2015 to £124,937 in 2016. This is despite the fact that only one Symposium was run in 2016 (La Jolla) but three (Kathmandu, Iceland & Cambridge) the year before. This increase is partly because two grants totalling £7450 were awarded in 2016 to support the Alaskan and the Argentinian Glaciological Summer Schools (see Note 7) whereas no grants were awarded in 2015. It is also partly the way the invoicing of the La Jolla meeting was organised compared to the 2015 meetings with a bigger proportion of the income and expenditure coming through the IGS bank accounts (see my comment above re La Jolla income – Note 4).

Looking at the income and expenditure solely for Meetings and Symposia (comparing Notes 4 and 6) and ignoring the grants of £7,450, we see that in 2015 the three meetings ran at a loss of £28,243 in 2015 (an average loss of £9,414 per meeting) but the La Jolla meeting in 2016 had a deficit of £65,353! This is not a reflection of the local organising committees and their local internal budgeting, but is due to the direct and support costs associated with running the IGS office which are assigned to Symposia/Meeting activity. I mentioned this in my report from last year, that the Society's symposia are running at a loss when the IGS office costs are factored in. Comparing the last two years suggests that there are considerable economies of scale to be made when the IGS can run three symposia rather than just one. It would also be beneficial if the IGS in combination with local organising committees could obtain additional grant income from sponsors to offset the direct and support costs associated with IGS office activity.

Note 8. Direct costs are down substantially in 2016 compared to 2015 as a result of the *Journal* and *Annals* going fully online open access and many former IGS activities now being undertaken by CUP. This is reflected in the reduced printing costs from 2015 to 2016 (IGS still prints ICE and circulars but not the *Journal / Annals*), distribution costs (again, IGS still posts ICE and circulars), online submission fees (IGS still manages this for symposia but not for papers); with the biggest reductions seen in the wages and salaries and associated national insurance and pension contribution costs. Proof reading / editorial costs have also dropped to zero, of course, as a result of these costs now being shouldered by CUP.

Many support costs are also down as a result of the CUP collaboration, notably telephone, stationery & postage, computer and web hosting, and wages and salaries and the associated national insurance and pension contribution costs. Office rent is comparable, although the IGS moved part way through the year to a smaller unit within the British Antarctic Survey. There may be savings on this item in subsequent years as a result.

Travel and subsistence costs (largely the "out of Cambridge" costs of our Secretary General) has undergone a modest reduction of £2,861 from £17,455 in 2015 to £14,594 in 2016, in part a result of the Society hosting two fewer symposia in 2016 vs. 2015.

Termination costs was a substantial item on last year's accounts; one member of the original valued production staff continued to work throughout January 2016 just after the transition to CUP and this is reflected in the modest termination cost of £2,797 for 2016.

The Independent Examination fee was less in 2016 than 2015 (a saving of £1000), largely a result of the

simpler accounting as the IGS has streamlined its activities with its partnership with CUP.

Professional fees were high in 2015 (associated with consultations about contract termination and the partnership agreement with CUP) and these were substantially reduced, therefore, in 2016.

Summary

The Society's finances are in reasonably good shape but the recent four year trend of turning in a profit has been reversed this year. We ran a significant deficit in 2016 (~11% of funds) compared to a surpluses in 2015 (~7% of funds), 2014 (~20% of funds), 2013 (~2% of funds), and 2012 (~7% of funds), and various deficits between 2008 and 2011 (ranging from ~1% to ~27% of funds). Despite this, our funds now exceed our annual expenditure, which is a healthy place to be in.

The Society will need to continue to monitor its income largely from CUP, membership fees, and symposia registration, and its outgoings associated with running symposia and running the IGS office.

It is increasingly important for the IGS to hold on to and attract new authors and have them submit articles to the *Journal* and to *Annals*. The more papers published, the greater the contribution the IGS receives from CUP. This is the main single revenue stream to the Society. It is also increasingly important for the Society to hold on to and attract new members, as membership fees are also a valuable source of income to the Society. It will need to think of innovative ways of making the Society more attractive, especially now that a major reason for joining (copies of the *Journal*) is no longer an incentive because of Open Access. It is difficult to see how individual Symposia registration fees can be increased as these are already relatively high compared to, e.g., EGU and AGU. But obtaining external grants to sponsor certain aspects of IGS Symposia and which therefore benefit the Society would be advantageous.

On the output side, the Society must monitor its expenditure associated with running symposia and with generally running the IGS. There are economies of scale to be made when the Society runs more than one symposium per year and it would be advantageous if the Society could run two or three per year rather than just one if possible. Salary costs (including NI and pension contributions) are by far the most expensive item of expenditure (totalling £117,299 in 2016, 38% of all expenditure). The Society should continue to ensure that salary inflation and travel and subsistence rates are sustainable.

Ian C. Willis, Treasurer

7th August 2017