

Treasurer's Report to the 2021 AGM

This annual report covers the financial year from April 2020-March 2021 (denoted '2020/21' in this report). As you will no doubt be aware, the COVID-19 pandemic has resulted in a number of hugely significant changes to our ways of working. As indicated in our last report, we have been forced to move all of our meetings online, ranging from our smaller Focus Meetings right through to our flagship events DDL and EAC. This has of course also had a significant impact on Society finances. As a result, the Aerosol Society has made a net loss of £140,614 for 2020/21, compared with a profit of £111,272 in 2019/20.

This was largely as a result of greatly decreased sales, in particular for DDL 2020 which under normal circumstances comprises a substantial part of the total income of the Society, compared to previous years (£109,369 in 2020/21 compared with £740,263 in 2019/20). This was due in large part to the decisions to make most events free for Society members or (in some cases) all attendees, which the event organisers and Society Committee overall felt was vital in facilitating continued scientific discourse and networking in a safe and accessible manner during this difficult period. There was also reduced opportunity for recouping costs via sponsorship for virtual compared to in-person events, though we note that without the hard work of the event organising committees and administrators and the valued support of commercial partners, even these levels of income would not have been achieved. Costs associated with running these events were also significantly decreased (£132,691 in 2020/21 compared with £449,893 in 2019/20) but only by about half of the amount of decreased sales, resulting in an overall gross trading loss from events of £23,111 in 2020/21 compared with a profit of £290,937 in 2019/20.

General running costs of the Society were decreased in 2020/21 (£116,655) compared to 2019/20 (£174,520). Almost half of this decrease was as a result of moving DDL and Society Committee meetings online, providing a cost saving of £24,423, and there was also a substantial reduction in administration costs (£66,903 in 2020/21 compared with £84,987 in 2019/20). Technical and website costs (excluding event-associated support) also slightly reduced, saving £5,096. Our support for students and early career researchers, a key goal of the Society, has continued with £19,000 awarded through our Grants and Awards schemes in 2020/21. This is a reduction from 2019/20 (£25,651) reflecting both reduced numbers of applications, and difficulties in arranging (in particular, experimental) work for already-agreed awards, during the pandemic.

It should be noted that the financial year 2019/20 was a record year for the Society in terms of both sales and profit from events. This further accentuates the negative impact of the pandemic on our year-to-year finances, but also means that, thanks to the excellent financial performance in this and earlier years, the Society was in a strong position to absorb the losses arising due to this unprecedented situation. Our overall financial position remains solid despite these challenges, with net assets of £383,074 (down from £523,688 in 2019/20) and our long-term cash reserves (£162,364) fully remaining at 2020/21 year end. We are still seeking a solution to the issue of new savings accounts which we reported on last year, with the aim to reduce the balance in any one account to below the £85,000 level of protection offered by the Financial Services Compensation Scheme. Progress has been hampered by the banks not accepting applications for new accounts.

Looking forward beyond the financial year ending March 2021, we feel it is important in these unusual circumstances to update the Society membership on our ongoing activities and how this is projected to impact on the Society's financial position and long-term sustainability. At the time of our previous report we were unable to predict how long restrictions relating to the pandemic would last, in terms of both legal requirements and health and safety considerations preventing us from holding in-person meetings, and practical financial matters i.e. would there be sufficient domestic and/or international attendance to make an in-person meeting viable. Despite easing of restrictions within the UK and on international travel, both the Society Committee and DDL Sub-Committee took the view that running large in-person events during 2021 was still not feasible. Hence, EAC 2021 (in August/September 2021) was moved online and the upcoming DDL 2021 meeting (December 2021) will again be virtual.

As the opportunity for the Society to host the EAC only occurs approximately every ten years, it was hugely disappointing to be unable to host the European and international aerosol science community in the UK in person. The obligation to run the event during the pandemic also posed a significant financial risk to the Society, as the event (under normal circumstances) would be expected to turn a substantial profit but has large associated expenditures, which legal advice strongly indicated we may still have been liable to pay even in the event of cancellation. However, thanks to the hard work and tenacity of our Society Administrators, Society Committee Members and EAC Organising Committee, we were able to significantly mitigate the financial impact of switching EAC online, largely through recouping costs already paid or reducing our liability to host venues for the conference itself, welcome event and Conference dinner. Combined, this resulted in a reduction in expenditure of around £120,000. There were additional costs incurred associated with the virtual conference platform and conference website, but these were more than offset by the decreased expenditure outlined above. Sales for the conference, both delegate fees and sponsorship income, were above projections and as a result, the event made a significant profit. As part of our agreement with the conference venue, and subject to the conditions around the pandemic prevailing at the time, we will be holding the Annual Aerosol Science Conference in 2022 and 2023 at the Birmingham International Conference Centre, and we are also investigating the possibility of 'hybrid' meetings going forward. This will result in slightly increased costs for the meeting compared to previous in-person events, but this new venue also provides us with the flexibility and opportunity to grow the meeting from its current base, to further the Society's aims and increase our income. Complete financial details will of course be included in the report for the next financial year at the 2022 AGM, and meanwhile do please note that the figures disclosed above are indicative only. However, in view of the significant loss made in this financial year, we considered it important to provide an overview of this information to the Society membership at this earlier stage to demonstrate the work we have been doing to mitigate the longer term financial impact to the Society.