

4 The Society's Finances – A Perspective

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One of my most vivid early memories of Society Meetings, when still a very new member, occurred at noon, usually on the second day of the Meeting. Several senior figures, not only of the Society but of pathology in general, quietly rose from their seats at or near the front and left the Meeting in ones and twos. Indeed, the speaker was still at the podium! Then, around three o'clock, most returned again in dribs and drabs. The readily observable red noses could not be totally accounted for by either the cold at the Winter Meeting or the sun at the Summer Meeting. Eventually, I discovered that they had been attending the *Journal of Pathology and Bacteriology* Editorial Board lunch and that such refectation was their sole compensation for serving as Associate Editors.

Next day, there followed the AGM when it was announced with neither aplomb nor apology that the Society was compensating the publishers to produce and distribute the Journal. It was not until the early 1970s that losses on the Society's publications were reversed and this debt repaid. It is interesting to read in the historical records that this was by no means the first time that the publication of the Journal had resulted in the Society incurring debts to publishers. Such was the case on several occasions in the 1920s and again in the 1930s.

The position of Treasurer throughout the life of the Society has been the least visible of the Society's posts. If successful, it provides the bedrock for advancement and future development. Without a positive balance in the coffers no new initiatives, positive responses to members' suggestions (even if the Committee were prepared to implement them) or proposals to advance the objectives of the Society and pathology in general would be feasible.

From the late 1970s, pathology entered a further phase in its development brought about largely by the discovery of new methods in immunology, genetics and cell biology. Attendance at Society meetings was rising. The research quality was also improving and the results most exciting. It was essential to adapt and encompass these opportunities and provide a forum and leadership for this significant research challenge. Yet the Society's assets some 75 years after its founding were only of the order of £200 000 and had remained at this rather static level over a prolonged period, despite a modest surplus being recorded from time to time. It was vital for the Society to meet these challenges. Accordingly, it had to adopt a more business-like attitude and approach to all aspects of its affairs – scientific, clinical, financial and administrative. Thus, attention focused on finances first because without the wherewithal further advances and initiatives would not be feasible.

Seldom, if ever, are major bequests or donations made to the Society, although the generosity of members themselves at its inauguration in the early part of the century and then occasionally thereafter were contributions of great value. Regretfully, the pharmaceutical industry, through failure to understand the role that pathology could play and is playing in the development of modern techniques for diagnosis and therapy, has not been a traditional supporter. From time to time, members in their enthusiasm to suggest ways of improving the finances have suggested that funds be deployed in the Irish Sweepstake, the Lottery or Ernie's Premium Bonds. Wisdom,

however, prevailed with the recognition that an integrated and long-term positive programme was needed that focused upon the Society's own resources and ingenuity rather than on outside assistance in the first instance.

The first decision in this new programme was to appoint, over the last quarter of the century, a series of Scottish Treasurers. Members came to regard their miserly spending attitudes with dismay. They exhibited a reluctance to part with any financial gains. By comparison, Scrooge (indeed even Aberdonians) appeared magnanimous. However, their parsimonious resolve in those early stages was crucial to the success later to be attained. The Society's publications in financial terms were performing poorly, being only marginally profitable through the 1970s. The *Journal of Pathology and Bacteriology* and more recently its successors, *Journal of Pathology* and *Journal of Medical Microbiology*, have always played an important role in the Society's finances but not always to its advantage, as has been alluded to previously.

The *Journal of Pathology and Bacteriology* was originally purchased in instalments from Professor Sims Woodhead for the sum of £550 in 1907 (a tidy sum in those days), having been founded and edited by him since 1892. Once the total sum had been repaid, ownership of the Journal passed to the Society. An Editor and Editorial Board were then appointed. The Committee of the Society at that time agreed that any profits were to be returned to the Journal, mainly to defray the cost of illustrations (a familiar tale). The Editorial Board was responsible to the Society's Committee and Membership for its affairs, including finances. Out of the annual dues of £2.00 paid by Members, £1.75 was transferred to the Journal. All seemed to be well initially with this arrangement but in time the Journal ran into financial trouble and was initially bailed out by the publishers but latterly even they were no longer prepared to foot the debts that were incurred in printing and distribution. Significant repayments had to be made on several occasions out of the Society's funds. In fact the debts were not fully repaid until 1974.

In 1967, it had been decided to separate the Society's publications into two, namely the *Journal of Pathology* and the *Journal of Medical Microbiology*. However, their publication had been left in the hands of the original publisher. These journals were the window to the world presented by the Society and their value, both medically and financially, needed to be truly realised to a far greater extent. A new strategy was required because if a reliable profit could be achieved from their publication this would give the initial boost to the finances that was becoming so necessary. Accordingly the publication of the two journals was put out to tender. Following competitive bids, a different publisher was chosen for each journal and new profit-sharing five-year contracts renewable only in principle were signed. With this more professional approach the returns to the Society increased dramatically, with five- and even six-figure sums being received annually. The quality of the journals improved greatly due to the efforts of the Editors and their Boards, whose services were given freely or at minimal cost so that the profits in very large measure passed directly through to the Society coffers. A third journal, *Reviews in Medical Microbiology*, was started in 1990 by the *Journal of Medical Microbiology* publishers in association with the Society, which added small amounts of further revenue.

Could this improved state of affairs have been realised earlier in the Society's life? Probably not, because the *Journal of Pathology and Bacteriology* had lost much of its appeal and had been overtaken by and was in competition with other related publications. Additionally, having two journals enabled the Society to seek competitive quotes from several publishers for the respective contracts. This change in attitude of the Society to its publications and publishers provided the basis to tackle the next avenue of increasing revenue, namely an investment policy with the aim of long-term capital growth. This was undertaken with professional help together with financial planning advice from a different set of accountants and auditors.

It is interesting to compare and note *en passant* that a sound investment strategy bears resemblance to any new academic venture. Both typically take the first five years to get off the ground, the next five to see the early fruits of the endeavour, and thereafter hopefully to witness

significant benefit. This is the case with the Society's investments, helped by the tax-free status of being a Charity and the progressive rise in the value of the market itself. From around £100 000 in the late 1970s and early 1980s, with the ability to add annually to the capital and the collective unwillingness of Treasurers to allow significant raiding of the potential nest egg too early, assets of the order of £6 million were achieved by the start of the New Millennium. The dramatic reversals of the stock market in 2001 made large inroads into this but the situation has improved dramatically and reserves are now (December 2005) around £5 million. Additional sources of income include Members' subscriptions and, since 1991, Meeting registration fees, although the latter are largely or totally consumed by the cost of the meetings in question. The results of these investment and fiscal policies are of fundamental importance to the Society, which now finds itself in a position such that, through judicious use of the interest received from the capital, it is capable of being self-sufficient and able to dispense some of the largesse to the benefit of pathology (as will be outlined later) while still retaining flexibility to meet new challenges as perceived from time to time.

Society history reveals, as recounted 50 years ago by Professor Dible and reprinted elsewhere in this book (Chapter 2), several most gratifying aspects of benevolence despite the Society's limited finances of the 1920s. Support for young dependents whose Member fathers had died prematurely, leaving the family in straightened circumstances, was provided on several occasions to support their education, mostly at Epsom College, Surrey. Additionally, not insignificant donations were made to the College itself to benefit the Member's children or put at the disposal of the Council of the College. This College was a notable source of future medical students throughout the country; most of them seem to have ended up at St. George's Hospital Medical School. Just imagine such an item on the AGM Agenda for the Business Meeting in 2006!

Although occasional sponsorship for pathologically related meetings by smaller bodies or societies has always been a feature of the Society's affairs, even early in its existence, today it is young investigators, usually pathologists, who are the main beneficiaries either of awards in recognition of their achievements or of support to further enable their research. The first significant new venture was the establishment of the C.L.Oakley Lectureship in honour of a former editor of the *Journal of Pathology and Bacteriology*. Building on this success, the Society extended its gifting to support intercalated BSc students in pathology each year, together with a rolling three-year PhD Fellowship programme with Society members acting as the sponsors and supervisors. More recently a scheme for clinical trainees has been instituted. The ready ability to travel to other prestigious laboratories or departments to learn new techniques and to return with them to their base is an area in which it has always been difficult to obtain funds. This has been a most important gap filled by the Society establishing a Travelling Fellowship Fund available to any UK-based scientist or clinician, not just Society members. In recent years, the Society has been able to recognise formally the accomplishments of more established investigators. One, the Doniach Award, is given to Senior Members who have made a substantial contribution to cellular pathology and the Society, while the other, the Goudie Lecture, is to someone not necessarily a Member who has made a seminal contribution to pathological science. These are wise policies with far-reaching consequences, albeit small in number compared to the country as a whole. However, their focus on laboratory science and medicine makes them unique and highly laudatory.

In the late 1970s–1980s, a dramatic increase in the size and complexity of the Meetings occurred that resulted in the officers no longer being able to attend to the Society's day-to-day affairs on an ad hoc basis. The smooth running of the Society and ensuring the best use of all its resources was achieved through leasing space for an administrative headquarters within the premises of the Royal College of Pathologists at 2 Carlton House Terrace. The events leading to this are considered in Chapter 5 by Eric Walker. This has ensured, at minimal cost, the interaction between both bodies for the benefit of all concerned. The lease has been extended (see Chapters 6 and 7) to 2024.

At this time of Centenary celebrations, the Society finds itself in a comfortable but not rich situation with the ability to carry out its current programme of activities largely, if not wholly, through the use of the annual proceeds derived from its current capital assets. The investment portfolio, while showing variations with time, will invariably rise with the market and keep ahead of inflation. However, to be complacent and rest solely on this source of income would be far from prudent. Nevertheless, it is gratifying to know that the Society is, at the time of its Centenary, able to offer substantial grants and awards to promote the discipline and help the Members.

Treasurers inevitably research other means of increasing revenues. Could Members, other than through their subscriptions or the proceeds from the *Journal of Pathology* (the sole Society publication having divested itself of the microbiology journals), be benefactors themselves? There is a marvellous reference in the historical notes to a 'Stains Subcommittee', which, with Members' help, had prepared, validated and distributed a series of special stains to other laboratories. Proceeds from this venture were donated to the Society. Looking ahead, is there a way in which a proportion of the profits from the sale of the monoclonal and other antibodies, cell lines, gene probes, array systems and the like, prepared by members and sold under licence by industry worldwide, could find their way to advance the Society's finances?

Academic medicine and pathology in particular are experiencing difficult times, here and all over the world, that may not be transient. The Society has a role to play in stimulating new endeavours and supporting the continuity of those of current value. The wise use of its funds, perhaps on occasions in a rather selfish, egocentric manner, will enable it to build on its achievements to date and fulfil a small but important role in all future aspects of pathology.

Close encounters

I had just finished my DPhil thesis and Florey, my supervisor, thought it might be a good idea if I presented my stuff at a forthcoming meeting of The Pathological Society that was due to take place in London. Both Florey and Fleming were at the meeting. I strutted my stuff – it was about a new trace technique for studying chemotaxis of leucocytes. After my talk Florey came over and asked if I'd like to meet Fleming. It was clear he wanted me to meet him and so I let him wheel me over to the man in the bow tie. He introduced me and went off immediately. I hoped Fleming might say something but as nothing emerged I ventured a few words. He made no answer, so I took that as my clue to clear off, which I did. I met Fleming again on another occasion, but couldn't get a word out of him then either. But that incident isn't graven in my mind as sharply as our first encounter.

Henry Harris

Exit stage right?

My first poster at Pathsoc – 'Granulomatous vasculitis: the cause of Crohn's disease'. We blew up a beautiful picture of a granulomatous vasculitis in Crohn's disease to full poster size. Muggins, a fresh-faced SHO, stood there and got torn to shreds, while senior authors made a rapid exit to the bar!

Marco Novelli