

**INTERNATIONAL UNION OF
CRYSTALLOGRAPHY**

Report and Financial Statements

Year ended 31 December 2017

REPORT AND FINANCIAL STATEMENTS 2017

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INTERNATIONAL UNION OF CRYSTALLOGRAPHY

EXECUTIVE COMMITTEE MEMBERS

President:	Professor S Lidin
Vice-President:	Dr H A Dabkowska
General Secretary and Treasurer:	Professor L Van Meervelt
Immediate Past President:	Professor M L Hackert
Ordinary Members:	Professor W Depmeir Professor G C Diaz de Delgado Professor S Garcia-Granda Professor R Kuzel Professor J L Martin Professor M Takata
Executive Secretary:	Dr A Ashcroft

STATEMENT OF THE EXECUTIVE COMMITTEE'S RESPONSIBILITIES

The Statutes and By-laws of the Union require the Treasurer to exhibit a general statement of the pecuniary affairs of the Union with detailed accounts of the income and expenditure. In preparing these non-statutory financial statements, the Executive Committee is required to:

- i) select suitable accounting policies and then apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) state whether applicable accounting standards have been followed; and
- iv) prepare the non-statutory financial statements on the going concern basis unless it is inappropriate to presume the Union will continue in business.

These financial statements are to be audited by a professional auditor appointed by the Executive Committee.

The Executive Committee is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Union and to ensure that the non-statutory financial statements comply with the Constitution of the Union. They are also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a member of the Executive Committee at the date of approval of this report confirms that:

- i) so far as the member is aware, there is no relevant audit information of which the Union's auditor is unaware; and
- ii) the member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant audit information and to establish that the Union's auditor is aware of that information.

By Order of the Executive Committee

Professor L Van Meervelt
General Secretary and Treasurer

2018

Professor S Lidin
President

2018

Dr A Ashcroft
Executive Secretary

2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INTERNATIONAL UNION OF CRYSTALLOGRAPHY

Opinion

We have audited the non-statutory financial statements of the International Union of Crystallography for the year ended 31 December 2017 which comprise the income and expenditure account, the balance sheet, the cash flow statement and the related notes 1 to 11. These non-statutory financial statements have been prepared under the accounting policies set out therein.

In our opinion, the non-statutory financial statements:

- i) give a true and fair view, of the state of the Union's affairs as at 31 December 2017 and of its surplus of income over expenditure for the year then ended; and
- ii) have been properly prepared in accordance with the accounting policies stated in note 1 to the non-statutory financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the non-statutory financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of the audit report

This report is made solely for the exclusive use of the Union's members, as a body, in accordance with Section 11.1 of the Statutes of the Union for the purpose of showing the results of management's stewardship of the resources entrusted to it. Our report is not to be used for any other purpose, recited or referred to in any document, copied or made available (in whole or in part) to any other person without prior written express consent. We accept no duty, responsibility or liability to any other party in connection with the report or this engagement

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- i) the Executive Committee's use of the going concern basis of accounting in the preparation of the non-statutory financial statements is not appropriate; or
- ii) the Executive Committee has not disclosed in the non-statutory financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the non-statutory financial statements are authorised for issue.

Respective responsibilities of the Executive Committee

As explained more fully in the Statement of the Executive Committee's Responsibilities, the Executive Committee is responsible for the preparation of the non-statutory financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determines necessary to enable the preparation of the non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, the Executive Committee is responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intends to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the non-statutory financial statements

Our objectives are to obtain reasonable assurance about whether the non-statutory financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these non-statutory financial statements.

A further description of our responsibilities for the audit of the non-statutory financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PM+M Solutions for Business LLP
Chartered Accountants
Blackburn, United Kingdom

2018

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT Year ended 31 December 2017

			USD		
	Note	2017	2017	2016	2016
Income					
Membership subscriptions			168,604		161,707
Sales					
Journals, back numbers and single issues		3,145,918		2,764,957	
Books		<u>210,896</u>		<u>111,344</u>	
			3,356,814		2,876,301
Investment income					
Income from investments	7	22,313		21,297	
Bank interest		50		510	
Loss on disposal	8	<u>(9,934)</u>		<u>(11,718)</u>	
			12,429		10,089
Other income					
Royalties and copyright fees		10,052		27,159	
Advertising income		73,044		83,851	
STAR/CIF income		14,668		36,789	
Associate Programme		6,821		-	
Bragg Prize		<u>6,727</u>		<u>-</u>	
			111,312		147,799
TOTAL INCOME			<u>3,649,159</u>		<u>3,195,896</u>
Expenditure					
Journals					
Publication costs		340,126		376,765	
Editorial expenses		195,859		199,621	
Technical editing		1,102,117		1,150,328	
Subscription administration		<u>108,488</u>		<u>121,963</u>	
			1,746,590		1,848,677
Books					
Publication costs		17,252		23,333	
Editorial expenses		52,760		32,454	
Technical editing		<u>60,753</u>		<u>64,412</u>	
			130,765		120,199
Newsletter					
Publication costs		12,544		23,645	
Editorial expenses		<u>61,321</u>		<u>94,867</u>	
			73,865		118,512
International Year of Crystallography/Outreach			50,768		77,916
President's Fund and other Grants			18,718		-
Young Scientists' Support			133,853		209,996
General Assembly costs			8,490		33,491
Ewald Prize			31,441		-
Carried forward			<u>2,194,490</u>		<u>2,408,791</u>

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT (continued) Year ended 31 December 2017

		USD			
	Note	2017	2017	2016	2016
Brought forward			2,194,490		2,408,791
Committee meetings and expenses			105,105		81,490
Publications and journals development					
General		436,644		373,341	
IUCrJ development		98,159		129,482	
Business development		100,247		110,959	
Editors Meeting		2,635		12,218	
Promotion costs		107,574		118,407	
			745,259		744,407
Subscriptions paid			4,989		5,076
Visiting professorship programme			11,205		16,431
Administration expenses					
General Secretary and Treasurer:					
Honorarium to Treasurer		5,935		6,710	
Audit and accountancy charges		47,681		36,401	
Legal and professional fees		1,055		20,611	
Travelling expenses		2,054		9,371	
Bank charges		4,498		2,685	
			61,223		75,778
Executive Secretary's office					
Salaries and expenses		264,484		257,421	
Travel expenses of IUCr representatives		12,074		7,028	
Sponsorship of meetings		2,526		3,066	
IUCr/FIZ agreement		(14,894)		(15,017)	
Commission expenses		(102)		-	
			264,088		252,498
Depreciation			11,475		29,120
Total expenditure			3,397,834		3,613,591
Surplus/(deficit) of income over expenditure (before realised exchange fluctuations) carried forward			251,325		(417,695)

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT (continued)

Year ended 31 December 2017

			USD		
	Note	2017	2017	2016	2016
Surplus/(deficit) of income over expenditure (before realised exchange fluctuations) brought forward			251,325		(417,695)
Realised fluctuation in rates of exchange					
Exchange movement on trading activities			-		2,845
Surplus/(deficit) of income over expenditure (after realised exchange losses)			251,325		(414,850)
Movement in market value of investments in the year	5		120,776		6,565
			372,101		(408,285)
Unrealised fluctuation in rates of exchange					
Exchange movement on trading activities		(182,131)		(100,453)	
Investment activities	5	56,375		(68,216)	
			(125,756)		(168,669)
Total recognised gains/(losses) relating to the year			246,345		(576,954)
Opening fund accounts at 1 January			3,042,669		3,619,623
Closing fund accounts at 31 December			<u>3,289,014</u>		<u>3,042,669</u>

All the income and expenditure relates to continuing activities.

Historical cost results would only differ from above by the profit or loss on the sale of investments - see note 8.

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

Balance Sheet As at 31 December 2017

		USD			
	Note	2017	2017	2016	2016
Fixed Assets					
Tangible fixed assets	4		8,112		14,458
Investments at market value	5		2,216,626		2,594,950
			<u>2,224,738</u>		<u>2,609,408</u>
Current Assets					
Stock			68,673		77,175
Cash at bank and in hand					
Current accounts		40,879		46,065	
Deposit and savings accounts		1,091,943		748,977	
Cash with union officials		<u>15,071</u>		<u>13,548</u>	
			1,147,893		808,590
Debtors, accrued income and payments in advance			1,626,684		241,604
Subscriptions due from Adhering bodies			46,907		57,553
Total current assets			<u>2,890,157</u>		<u>1,184,922</u>
CREDITORS: amounts falling due within one year	6		(1,825,881)		(751,661)
NET CURRENT ASSETS			<u>1,064,276</u>		<u>433,261</u>
TOTAL ASSETS BEING TOTAL FUNDS			<u><u>3,289,014</u></u>		<u><u>3,042,669</u></u>

The financial statements were approved by the Executive committee on

2018

President

Professor S Lidin

General Secretary and Treasurer

Professor L Van Meervelt

Executive Secretary

Dr A Ashcroft

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

CASH FLOW STATEMENT Year ended 31 December 2016

		USD			
	Note	2017	2017	2016	2016
Net cash outflow from operating activities (see below)			(223,472)		(754,135)
Returns on investments					
Interest received		50		510	
Investment income	7	<u>22,313</u>		<u>21,297</u>	
Net cash inflow from returns on investments			22,363		21,807
Investing activities					
Purchase of fixed assets	4	(5,129)		(6,344)	
Purchase of investments	5	<u>(22,313)</u>		<u>(21,297)</u>	
Receipts from sale of investments		<u>567,854</u>		<u>517,140</u>	
			<u>540,412</u>		<u>489,499</u>
Increase/(decrease) in cash	13		<u><u>339,303</u></u>		<u><u>(242,829)</u></u>

Reconciliation of surplus/(deficit) of income over expenditure to net cash inflow from operating activities

		USD	
	Note	2017	2016
Surplus/(deficit) of income over expenditure		251,325	(414,850)
Interest received		(50)	(510)
Investment income	7	(22,313)	(21,297)
Depreciation charges and adjustment	4	11,475	(4,431)
Decrease/(increase) in stock		8,502	(14,388)
Increase in debtors		(1,556,564)	(14,280)
Increase/(decrease) in creditors		1,074,220	(296,097)
Loss on disposal of investments		<u>9,934</u>	<u>11,718</u>
Net cash outflow from operating activities		<u><u>(223,472)</u></u>	<u><u>(754,135)</u></u>

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2017

1. ACCOUNTING POLICIES

The principal accounting policies adopted are summarised below. They have all been applied consistently throughout the year and preceding year.

Basis of accounting

The non-statutory financial statements have been prepared under the historical cost convention, with the exception of investments which are stated at market value, and in accordance with applicable law and United Kingdom accounting standards.

Going concern

The Union has considerable financial resources in terms of investments held and cash deposits. As a consequence, the members of the Executive Committee believe that the Union is well placed to manage its business risks successfully despite the current uncertain economic outlook and the impact this has on the market valuation of the investments.

After making enquiries, the members have a reasonable expectation that the Union has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual non-statutory financial statements.

Rates of exchange

Transactions denominated in foreign currencies are translated into US Dollars at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date.

Profits and losses arising on trading transactions from the fluctuations in rates of exchange during the year are divided between the fund accounts with credit balances in direct proportion to those balances at the closing balance sheet date. All profits and losses arising from exchange rate fluctuations are taken through the income and expenditure account.

Publication costs

Publication, editorial and administrative expenses of publications are charged in the appropriate income and expenditure account on an accruals basis.

Stocks

Stocks of International Tables are included at the lower of cost and net realisable value. Stocks of all other publications, including back issues of journals, are not valued for accounts purposes as sales are uncertain.

Expenditure on premises

Expenditure on maintenance of leasehold premises is charged against the appropriate income and expenditure accounts in the year on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2017

1. ACCOUNTING POLICIES (continued)

Depreciation

- (i) Office equipment is depreciated on the straight line basis at a rate of 20% per annum.
- (ii) Computer equipment is depreciated on a straight line basis at a rate of 33 1/3% per annum.
- (iii) Leasehold property improvements are depreciated over the term of the lease.

Investment income

Notional dividend income re-invested in accumulation investment funds is treated as income when declared and added to the accumulated cost of investments.

Investments

Investments are stated at market value. Changes in market value are taken through the income and expenditure account.

Income recognition

Income is recognised on publications when the risks and rewards of ownership are transferred to the buyer. Subscription income is recognised over the period to which the subscription relates. Investment and other income is recognised on an accruals basis.

Lease costs

Operating lease costs are charged to the income and expenditure account on a straight line basis over the term of the lease. Where reduced rents are payable on property in the earlier years of the lease, the total cost for the period to the first rent review date are spread on a straight line basis, and the appropriate creditor balance is maintained.

Pension costs

The Union operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Union. The amount charged to income and expenditure in the year in respect of pensions represents employer's contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Sponsorship

The IUCr sponsors symposia and workshops on topics relevant to crystallography. IUCr sponsorship can only be given to meetings that are international in character and open to participants from all countries. National meetings are only supported if held in developing countries. Sponsorship payments are accounted for once the Union has made an unconditional commitment to pay the grant and this is communicated to the beneficiary or the grant has been paid, whichever is earlier. Where sponsorship is conditional and compliance is within the control of the Union, sponsorship is not recognised until the conditions are met. Where sponsorship is conditional and outside the control of the Union, the grant is recognised and accounted for in the same way as an unconditional grant.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2017

2. Rates of Exchange

The assets of the Union are recorded in the financial statements in American Dollars but are held in currencies which are considered to be appropriate to the Union's requirements. Transactions in currencies other than American Dollars are converted into American Dollars at the rate of exchange ruling on the date of the transaction.

3. TAXATION

As an association incorporated in Switzerland, the Union is exempt from Swiss Federal and Geneva Cantonal tax. Under current circumstances the Union is not considered to be liable to tax in territories other than Switzerland as a result of domestic exemptions in those other territories and/or specific exemptions arising under the Double Taxation Treaties between those other territories and Switzerland.

4. TANGIBLE FIXED ASSETS

	Leasehold Property improvements USD	Computer and office equipment USD	Total USD
Cost			
As at 1 January 2017	103,922	500,769	604,691
Additions	-	5,129	5,129
As at 31 December 2017	<u>103,922</u>	<u>505,898</u>	<u>609,820</u>
Accumulated depreciation			
As at 1 January 2017	103,922	486,311	590,233
Charge for the year	-	11,475	11,475
As at 31 December 2017	<u>103,922</u>	<u>497,786</u>	<u>601,708</u>
Net book value			
As at 31 December 2017	<u>-</u>	<u>8,112</u>	<u>8,112</u>
As at 31 December 2016	<u>-</u>	<u>14,458</u>	<u>14,458</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
Year ended 31 December 2017

5. INVESTMENTS

	Holding at market value 01/01/2017 USD	Additions during the year USD	Disposals/ redemption during the year USD	Fluctuations in rates of exchange USD	Increase/ (decrease) in market value USD	Holding at market value 31/12/2017 USD	Holding at revalued cost 31/12/2017 USD	Holding at revalued cost 31/12/2016 USD
Held by SWM Synergy								
BDP Equity Income Fund 273,090 units	373,479	18,157	(4,848)	37,224	(11,144)	412,868	412,868	373,479
Camber International Equity fund 5,011 units	192,138	4,156	(112,160)	19,151	17,901	121,186	121,186	192,138
Held by Genworth	332,381	-	(33,965)	-	7,265	305,681	300,000	300,000
Held by Aviva	331,022	-	(31,897)	-	(10,981)	288,144	300,000	300,000
Held by Athene choice	300,194	-	(31,482)	-	38,260	306,972	300,000	300,000
Held by ING (now Voya)	251,699	-	(28,171)	-	30,010	253,538	300,000	300,000
Held by Jackson	549,744	-	(305,265)	-	22,692	267,171	250,000	650,000
Held by Transamerica	264,293	-	(30,000)	-	26,773	261,066	300,000	300,000
	<u>2,594,950</u>	<u>22,313</u>	<u>(577,788)</u>	<u>56,375</u>	<u>120,776</u>	<u>2,216,626</u>	<u>2,284,054</u>	<u>2,715,617</u>

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2017

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	USD	
	2017	2016
Creditors, accruals and deferred income	423,411	706,441
Tax and social security	1,402,470	45,220
	<u>1,825,881</u>	<u>751,661</u>
7. INVESTMENT INCOME	USD	
	2017	2016
BDP Equity Income Fund	18,157	16,821
Camber International Equity fund	4,156	4,476
	<u>22,313</u>	<u>21,297</u>
8. LOSS ON DISPOSAL OF INVESTMENTS	USD	
	2017	2016
Proceeds	567,854	517,140
Book Value	(577,788)	(528,858)
	<u>(9,934)</u>	<u>(11,718)</u>
9. INFORMATION REGARDING EMPLOYEES		
	2017	2016
	No.	No.
Average number of persons employed during the year	<u>26</u>	<u>26</u>
	Pound Sterling	
	2017	2016
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	1,154,580	1,135,436
Social security costs	130,096	129,077
Other pension costs	380,765	366,559
	<u>1,665,441</u>	<u>1,631,072</u>
Total staff costs		
	USD	
	2017	2016
Total staff costs	<u>2,144,507</u>	<u>2,215,379</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)**Year ended 31 December 2017****10. ANALYSIS OF CHANGES IN CASH DURING THE YEAR**

	USD 2017	USD 2016
Increase/(decrease) in cash during the financial year	339,303	(242,829)
Balance at 1 January	808,590	1,051,419
Balance at 31 December	<u>1,147,893</u>	<u>808,590</u>

11. ANALYSIS OF BALANCES OF CASH AS SHOWN IN THE BALANCE SHEET

	2016	USD Change	2017
Cash at the bank and in hand	<u>808,590</u>	<u>339,303</u>	<u>1,147,893</u>