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Supporting information for article:

Report of the Executive Committee for 2018

A. T. Ashcroft

**INTERNATIONAL UNION OF
CRYSTALLOGRAPHY**

Report and Financial Statements

Year ended 31 December 2018

REPORT AND FINANCIAL STATEMENTS 2018

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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 Depmeier 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

2019

Professor S Lidin
President

2019

Dr A Ashcroft
Executive Secretary

2019

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 2018 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 2018 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

2019

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT Year ended 31 December 2018

		USD			
	Note	2018	2018	2017	2017
Income					
Membership subscriptions			168,278		168,604
Sales					
Journals, back numbers and single issues		3,009,121		3,145,918	
Books		<u>118,336</u>		<u>210,896</u>	
			3,127,457		3,356,814
Investment income					
Income from investments	7	17,104		22,313	
Bank interest		1,104		50	
Loss on disposal	8	<u>(33,902)</u>		<u>(9,934)</u>	
			(15,694)		12,429
Other income					
Royalties and copyright fees		3,933		10,052	
Advertising income		53,645		73,044	
STAR/CIF income		28,853		14,668	
Associate Programme		14,936		6,821	
Bragg Prize		<u>-</u>		<u>6,727</u>	
			101,367		111,312
TOTAL INCOME			<u>3,381,408</u>		<u>3,649,159</u>
Expenditure					
Journals					
Publication costs		243,703		340,126	
Editorial expenses		72,468		195,859	
Technical editing		1,344,401		1,102,117	
Subscription administration		<u>42,816</u>		<u>108,488</u>	
			1,703,388		1,746,590
Books					
Publication costs		13,177		17,252	
Editorial expenses		30,387		52,760	
Technical editing		<u>74,852</u>		<u>60,753</u>	
			118,416		130,765
Newsletter					
Publication costs		4,018		12,544	
Editorial expenses		<u>3,178</u>		<u>61,321</u>	
			7,196		73,865
Outreach and education					
International Year of Crystallography/Outreach			111,798		50,768
President's Fund and other Grants			-		18,718
Young Scientists' Support			134,536		133,853
Visiting professorship programme			11,313		11,205
General Assembly costs					
Ewald Prize			12,705		8,490
			-		31,441
Carried forward			<u>2,099,352</u>		<u>2,205,695</u>

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT (continued)

Year ended 31 December 2018

		USD		
	Note	2018	2018	2017
			2017	2017
Brought forward			2,099,352	2,205,695
Committee meetings and expenses			55,749	105,105
Publications and journals development				
General		333,941		436,644
IUCrJ development		123,786		98,159
Business development		15,733		100,247
Editors Meeting		4,989		2,635
Promotion costs		109,784		107,574
			588,233	745,258
Subscriptions paid			4,840	4,989
Administration expenses				
General Secretary and Treasurer:				
Honorarium and expenses to Treasurer		6,297		5,935
Audit and accountancy charges		38,399		47,681
Legal and professional fees		39,797		1,055
Travelling expenses		6,005		2,054
Bank charges		18,949		4,498
			109,447	61,223
Executive Secretary's office				
Salaries and expenses		186,186		264,484
Travel expenses of IUCr representatives		11,269		12,074
IUCr website costs		114,807		-
Sponsorship of meetings		2,353		2,526
IUCr/FIZ agreement		-		(14,894)
Commission expenses		2,719		(102)
			317,334	264,088
Depreciation			23,650	11,475
TOTAL EXPENDITURE			3,198,605	3,397,833
Surplus of income over expenditure carried forward			182,803	251,325

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT (continued) Year ended 31 December 2018

		USD			
	Note	2018	2018	2017	2017
Surplus of income over expenditure brought forward			182,803		251,325
Movement in market value of investments in the year	5		<u>(32,769)</u>		<u>120,776</u>
			150,034		372,101
Unrealised fluctuation in rates of exchange					
Exchange movement on trading activities		(92,599)		(182,131)	
Investment activities	5	<u>(32,411)</u>		<u>56,375</u>	
			<u>(125,010)</u>		<u>(125,756)</u>
Total recognised gains relating to the year			25,024		246,345
Opening fund accounts at 1 January			3,289,014		3,042,669
Closing fund accounts at 31 December			<u><u>3,314,038</u></u>		<u><u>3,289,014</u></u>

All the income and expenditure relates to continuing activities.

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

Balance Sheet As at 31 December 2018

			USD		
	Note	2018	2018	2017	2017
Fixed Assets					
Tangible fixed assets	4		40,057		8,112
Investments at market value	5		<u>2,506,433</u>		<u>2,216,626</u>
			<u>2,546,490</u>		<u>2,224,738</u>
Current Assets					
Stock			66,793		68,673
Cash at bank and in hand					
Current accounts		458,975		40,879	
Deposit and savings accounts		352,805		1,091,943	
Cash with union officials		<u>9,573</u>		<u>15,071</u>	
			821,353		1,147,893
Debtors, accrued income and payments in advance			330,211		1,626,684
Subscriptions due from Adhering bodies			41,311		46,907
Total current assets			<u>1,259,668</u>		<u>2,890,158</u>
CREDITORS: amounts falling due within one year	6		(492,120)		(1,825,881)
NET CURRENT ASSETS			<u>767,548</u>		<u>1,064,276</u>
TOTAL ASSETS BEING TOTAL FUNDS			<u>3,314,038</u>		<u>3,289,014</u>

The financial statements were approved by the Executive committee on

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 2018

		USD	
	Note	2018	2017
Net cash inflow/(outflow) from operating activities (see below)		133,637	(223,472)
Returns on investments			
Interest received		1,104	50
Investment income	7	<u>17,104</u>	<u>22,313</u>
Net cash inflow from returns on investments		18,208	22,363
Investing activities			
Purchase of fixed assets	4	(55,595)	(5,129)
Purchase of investments	5	(884,731)	(22,313)
Receipts from sale of investments		<u>461,941</u>	<u>567,854</u>
		<u>(478,385)</u>	<u>540,412</u>
(Decrease)/increase in cash	10	<u>(326,540)</u>	<u>339,303</u>

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

		USD	
	Note	2018	2017
Surplus of income over expenditure		182,803	251,325
Interest received		(1,104)	(50)
Investment income	7	(17,104)	(22,313)
Depreciation charges and adjustment	4	23,650	11,475
Decrease in stock		1,880	8,502
Decrease/(increase) in debtors		1,243,373	(1,556,565)
(Decrease)/increase in creditors		(1,333,763)	1,074,220
Loss on disposal of investments		<u>33,902</u>	<u>9,934</u>
Net cash inflow/(outflow) from operating activities		<u>133,637</u>	<u>(223,472)</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2018

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 2018

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 2018

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 2018	103,922	505,898	609,820
Additions	-	55,595	55,595
As at 31 December 2018	<u>103,922</u>	<u>561,493</u>	<u>665,415</u>
Accumulated depreciation			
As at 1 January 2018	103,922	497,786	601,708
Charge for the year	-	23,650	23,650
As at 31 December 2018	<u>103,922</u>	<u>521,436</u>	<u>625,358</u>
Net book value			
As at 31 December 2018	<u>-</u>	<u>40,057</u>	<u>40,057</u>
As at 31 December 2017	<u>-</u>	<u>8,112</u>	<u>8,112</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2018

5. INVESTMENTS

	Holding at market value 01/01/2018 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 31/12/2018 USD	Holding at revalued cost 31/12/2018 USD	Holding at revalued cost 31/12/2017 USD
Held by SWM Synergy								
BDP Equity Income Fund 273,090 units	412,868	9,539	(382,236)	(25,057)	(15,115)	-	-	412,868
Camber International Equity fund 5,011 units	121,186	794	(109,425)	(7,354)	(5,201)	-	-	121,186
The Corbiere Discretionary Fund	-	256,819	(545)	-	(23,885)	232,389	232,389	-
Praemium International Limited	-	617,578	(3,636)	-	(44,362)	569,581	569,581	-
Held by Genworth	305,681	-	-	-	13,047	318,728	300,000	300,000
Held by Aviva	288,144	-	-	-	36,352	324,496	300,000	300,000
Held by Athene choice	306,972	-	-	-	-	306,972	300,000	300,000
Held by ING (now Voya)	253,538	-	-	-	6,719	260,257	300,000	300,000
Held by Jackson	267,171	-	-	-	(9,818)	257,352	300,000	250,000
Held by Transamerica	261,066	-	-	-	(24,408)	236,659	300,000	300,000
	<u>2,216,626</u>	<u>884,731</u>	<u>(495,843)</u>	<u>(32,411)</u>	<u>(66,671)</u>	<u>2,506,433</u>	<u>2,601,970</u>	<u>2,284,054</u>

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

NOTES TO THE FINANCIAL STATEMENTS (continued) Year ended 31 December 2018

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	USD	
	2018	2017
Creditors, accruals and deferred income	235,508	423,411
Tax and social security	256,612	1,402,470
	<u>492,120</u>	<u>1,825,881</u>
7. INVESTMENT INCOME	USD	
	2018	2017
BDP Equity Income Fund	9,539	18,157
Camber International Equity Fund	794	4,156
Corbiere Discretionary Fund	3,975	-
Praemium (Portfolio Management)	2,796	-
	<u>17,104</u>	<u>22,313</u>
8. LOSS ON DISPOSAL OF INVESTMENTS	USD	
	2018	2017
Proceeds	461,941	567,854
Book Value	(495,843)	(577,788)
	<u>(33,902)</u>	<u>(9,934)</u>
9. INFORMATION REGARDING EMPLOYEES		
	2018	2017
	No.	No.
Average number of persons employed during the year	<u>26</u>	<u>26</u>
	Pound Sterling	
	2018	2017
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	1,236,826	1,154,580
Social security costs	118,284	130,096
Other pension costs	223,339	380,765
	<u>1,578,449</u>	<u>1,665,441</u>
	USD	
	2018	2017
Total staff costs	<u>2,107,098</u>	<u>2,144,507</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)**Year ended 31 December 2018****10. ANALYSIS OF CHANGES IN CASH DURING THE YEAR**

	USD 2018	USD 2017
(Decrease)/increase in cash during the financial year	(326,540)	339,303
Balance at 1 January	1,147,893	808,590
Balance at 31 December	<u>821,353</u>	<u>1,147,893</u>

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

	2017	USD Change	2018
Cash at the bank and in hand	1,147,893	(326,540)	<u>821,353</u>