

IUPAC Accounts for 1996

J.M. Ward

Treasurer's comments

There was an unexpected addition to the Union's funds from Baring Brothers Bank. 'Office Internationale de Chemie', part of the Union when it was created in 1919, had never closed its account with the Bank and so the money plus accrued interest has been paid to us as successors, a sum of USD 343 780. Accountancy rules demand that this sum should go through the Income and Expenses account, so that the accounts show a surplus for 1996 of USD 634 470. But without the 'windfall' the surplus is still USD 290.7k, 129.7k better than budget, a result brought about largely by a Publications surplus of USD 60.8k over budget and an underspend of USD 29.6k on the Affiliate Membership Programme, both results due mainly to a reduction in staff, and so staff costs, during the year. A healthy number of smaller contributions make up the balances.

In 1997 there will be considerable unbudgeted expenses arising from the move of the Secretariat to the Research Triangle Park in North Carolina, as well as recognized additional expenses coming from the extra meetings called to discuss the possible changes to our objectives and methods of working, arising from recent decisions by Council and Bureau. So the 1996 surplus will help to keep what might have been a heavy biennial deficit within reasonable bounds.

Our reserves have increased substantially in value over the year, partly due to the Baring's money and partly due to a good return on our investments. Excluding the Building Fund which now stands at USD 439 605 and the Southern Hemisphere Sinking Fund, the available reserves increased from USD 2451k to USD 3093k during the year. During 1997 another USD 50k will be transferred from the main reserves to the Sinking Fund. The capital needed to equip the Secretariat offices in North Carolina will also be



Prof. J.M. Ward

Auditor's Report

The following is the Report of the Auditors to the IUPAC Executive Committee:

As auditors of the International Union of Pure and Applied Chemistry we have examined the books of account and accounts for the year ended 31 December 1996. Our audit was conducted in accordance with auditing standards promulgated by the profession. We confirm that we meet the legal requirements concerning professional qualification and independence.

Based on our examination, we conclude that the books of account and the accounts are in accordance with Swiss law and the requirements of the statutes.

We recommend that the accounts submitted to you be approved.

**NEUTRA TREUHAND AC
Zurich, 19 March 1997**

taken from them. Even so, there are still substantial funds available for new initiatives of limited and defined lifetimes, which should arise from the current discussions. We should not be tempted to use the level of reserves as a reason for not keeping our national subscriptions in line with inflation as do all other organizations, companies and retailers.

In conclusion, the 1996 results fully confirm that our finances are now firmly under control and in sound order. We must all determine to keep them so and not slip back to what one might unkindly call the bad old ways.

IUPAC Accounts

All amounts expressed in USD

Comparative Balance Sheet¹

Liabilities	1996	1995
Capital Account	2608 453	2513 028
Accounts Payable ²	27 811	34 632
Paulo Franzosini Fund	5659	5659
Provisions & Subaccounts ³	173 155	87 376
Prepaid Subscriptions ⁴	36 650	3900
Sundry Creditors	4962	6635
Capital Gains Realized ⁵	-3561	-17 919

Unrealized Profit on Securities ⁸	272 000	89 381
Excess of Income over Expenses	634 470	113 344
USD	<u>3759 599</u>	<u>2836 036</u>

Assets	1996	1995
Fixed Assets ⁶	13 969	22 502
Cash in Banks ⁷	261 843	407 228
Marketable Securities ⁸	2830 876	2043 746
Building Fund ⁹	439 605	302 942
Southern Hemisphere Sinking Fund	50 000	0
Accounts Receivable ¹⁰	15 606	23 368
Subscriptions, etc., Outstanding ¹¹	147 700	36 250
USD	<u>3759 599</u>	<u>2836 036</u>

Summary of Income and Expenses

	1996	1995
General Expenses net	419 052	-40 849
Publications Income net	200 805	155 732
Affiliate Membership Programme Expenses net	14 613	-1539
To Capital Account USD	<u>634 470</u>	<u>113 344</u>

General Income and Expenses

Income	1996	1995
National Subscriptions ¹²	646 010	630 712
Company Associate Service Charges ¹³	7010	9000
Observer Country Service Charges ¹⁴	800	1100
Associated Organization Service Charges ¹⁵	1800	1550
Interest & Dividends Earned	115 835	107 854
Other Income	343 780	0
Debit to Capital Account	0	40 849
USD	<u>1115 235</u>	<u>791 065</u>

Expenses	1996	1995
Office Expenses ¹⁶	265 184	290 907
Expenses IUPAC Bodies:		
Standing Committees	68 975	35 384
Divisions ¹⁷	176 222	108 956
General Assembly	8003	329 411
Bad Debts Write Off ¹⁸	0	-44
Bad Debts Provision	11 650	-10 888
Other Expenses ¹⁹	79 896	88 899
Foreign Exchange Differences	-4328	5726

Depreciation	9778	18 786
Provisions: Committed Expenses	80 803	-76 072
Credit to Capital Account	419 052	0
USD	<u>1115 235</u>	<u>791 065</u>

Publications Income and Expenses

Income	1996	1995
Publications: Other Publishers	10 740	13 922
Publications: Blackwell	336 341	331 682
Publications: Secretariat	117	218
BS Support of Publication Activities	20 000	20 000
USD	<u>367 199</u>	<u>365 822</u>

Expenses	1996	1995
IUPAC Secretariat (Pubns.)	144 825	179 965
<i>Chem. Intl.</i> to Symposia	457	351
Miscellaneous Expenses ²⁰	21 112	29 774
Credit to Capital Account	200 805	155 732
USD	<u>367 199</u>	<u>365 822</u>

Affiliate Membership Programme Income and Expenses

Income	1996	1995
Contributions ²¹	82 427	67 544
Royalties Blackwell	2371	3038
Ties & Scarves	58	580
Transfer from General Income & Expenses	0	10 800
Debit to Capital Account	0	1539
USD	<u>84 856</u>	<u>83 501</u>

Expenses	1996	1995
IUPAC Secretariat (AMP)	16 430	28 877
<i>Chem. Intl.</i> & Leaflets	48 935	51 686
Miscellaneous Expenses	4878	2938
Credit to Capital Account	14 613	0
USD	<u>84 856</u>	<u>83 501</u>

Notes to Accounts

1. Accounting Policies

a. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention.

b. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life as follows:

Fixtures and fittings—over 5 years

Computer hardware—over 5 years

c. Leasing Commitments

Rentals paid under operating leases are charged to the Income and Expenses account on a straight line basis over the period of the lease.

d. Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income and expenses account, except those incurred in investment transactions, which are taken direct to the balance sheet.

e. Investments

Interest on investment bonds is recognized on a receipts and not an accruals basis.

f. Committed Expenses

The IUPAC Council meets once every two years at the General Assembly to agree budgets for committee operations for the following two years. Starting in 1994, seventy per cent of the budgeted expenses is charged to the income and expenditure account in the first year following the General Assembly and thirty per cent in the General Assembly year.

g. Royalty Income

Royalty income is recognised in the income and expenditure account on a cash received basis.

h. Legal Status

The official headquarters of IUPAC are in Zürich, and the legal domicile of the Union is accepted by the Canton of Zürich as an association under Swiss Law. As such the Union is exempt from any taxation on any net income arising from its activities.

2. Accounts Payable	1996	1995
List Oxford	23 319	27 462
List New York	4492	7170
	<u>27 811</u>	<u>34 632</u>

3. Provisions and Subaccounts	1996	1995
Committed Expenses	80 803	0
Bad Debts	20 712	9062
CHEMRAWN Conference Loan Fund	429	7654
Neutra/Audit	9000	9000
Purchases from Blackwells	5832	500
Royal Society Contbn. to Dev. Activs.	9645	11 145
Kratos Grant	136	136
ICSU Grants	33 270	32 408
Lewis Publishers	3613	5004
UNESCO grants	2129	130

Organic Synthesis	1523	1523
Destruction of Chemical Weapons	2621	4621
Oxford University Press—Solubility Data Series	1711	6193
JCAMP-DX Data Standards Project	1731	0
	<u>173 155</u>	<u>87 376</u>

4. Prepaid Subscriptions	1996	1995
Czech Republic NAO 1997	1300	—
Hungary NAO 1997	3700	—
Netherlands NAO 1997	18 300	—
South Africa NAO 1997	11 500	—
ICC AO 1997	50	—
ISMAR AO 1997	50	—
China CAs 1997	800	—
Hungary CA 1997	450	—
Netherlands CAs 1997	350	—
South Africa CAs 1997	150	—
Croatia NAO 1996	—	1000
Czech Republic NAO 1996	—	1300
Eurachem AO 1996	—	50
ICCC AO 1996	—	50
IZA AO 1996	—	100
Egypt CA 1996	—	450
Hungary CA 1996	—	450
Hungary CA 1997	—	450
Hong Kong OC 1996	—	50
	<u>36 650</u>	<u>3900</u>

5. Capital Gains Realized	1996	1995
Capital Gains Realized	3383	-32 137
Gain on Building Fund	0	7993
Exchange Differences on Building Fund	-6944	6225
	<u>-3561</u>	<u>-17 919</u>

6. Fixed Assets	1996	1995
Fixed Assets	96 774	95 529
Depreciation of Assets over 5 Years	-82 805	-73 027
	<u>13 969</u>	<u>22 502</u>

7. Cash in Banks	1996	1995
USD	-2755	4190
GBP	37 237	15 999
East European Banks	0	17
Money Market Investments	227 361	387 022
	<u>261 843</u>	<u>407 228</u>

8. Marketable Securities

The Marketable Securities are stated at market value in 1995 following a decision by the IUPAC Finance Committee (Minute 4.1(ii)/96, Zürich).

	1996	1995
Book Value	3048 481	1954 365
Unrealized Profit	272 000	89 381
Market Value	<u>3320 481</u>	<u>2043 746</u>
comprising Building Fund		
Book Value	396 225	
Unrealized Profit	43 380	
Market Value	439 605	
and General (including Southern Hemisphere Fund of USD 50 000)		

Book Value	2652 256
Unrealized Profit	228 620
Market Value	2880 876

9. Building Fund

On the recommendation of the IUPAC Council (Minute 7/91, 36th Meeting - Hamburg), part of the Union's assets have been moved into a building fund, to provide for the eventuality that the need for a permanent Secretariat building becomes pressing.

10. Accounts Receivable	1996	1995
List Oxford	15 606	13 485
List New York	0	9883
	<u>15 606</u>	<u>23 368</u>

11. Subscriptions, etc., Outstanding

	1996	1995
National Organizations	147 050	36 250
Observer Country Service Charges	0	0
Company Associates Service Charges	650	0
Associated Organization Service Charges	0	0
	<u>147 700</u>	<u>36 250</u>
National Organizations (1995)		
Argentina	–	1100
Chile	–	2800
Egypt	5800	5800
Greece	–	3500
Kuwait	–	700
Turkey	–	5650
USA	–	16 700
	<u>5800</u>	<u>36 250</u>
National Organizations (1996)		
Belgium	14 500	–
Brazil	8100	–
Egypt	4900	–
Egypt (CA)	400	–
France	35 100	–
Greece	3800	–
Israel	5000	–
Italy (CA)	400	–
Russia	30 400	–
Slovakia	1000	–
Turkey	3850	–
USA	33 800	–
	<u>141 250</u>	
Service Charges		
Company Associates (1996)		
Egypt	50	–
Italy	50	–
UK	550	–
	<u>650</u>	

12. National Subscriptions	1996	1995
Received	504 760	594 462
Outstanding	<u>141 250</u>	<u>36 250</u>
	<u>646 010</u>	<u>630 712</u>

13. Company Associate Service Charges

	1996	1995
Received	6360	9000
Outstanding	650	0
	<u>7010</u>	<u>9000</u>

14. Observer Country Service Charges

	1996	1995
Received	800	1100
Outstanding	0	0
	<u>800</u>	<u>1100</u>

15. Associated Organization Service Charges

	1996	1995
Received	1800	1550
Outstanding	0	0
	<u>1800</u>	<u>1550</u>

16. Office Expenses

	1996	1995
IUPAC Officers	2933	9734
IUPAC Secretariat (Non-pubns.)	248 649	269 114
Audit, Bank Fees, Other Charges	13 603	12 059
	<u>265 184</u>	<u>290 907</u>

17. Expenses IUPAC Bodies

	1996	1995
Administration Expenses	19 188	39 642
Meetings other than General Assembly	214 909	104 698
Transfer to CHEMRAWN Account	11 100	0
General Assembly	8003	329 411
	<u>253 200</u>	<u>473 751</u>

18. Bad debts write off

	1996	1995
Bulgaria (AMP)	–	–44

19. Other Expenses

	1996	1995
Contributions to ICSU	20 726	19 785
Representatives Other Organizations	8932	6560
IUPAC Handbook 1994–1995	0	15 654
Chem. Intl. for Members	21 692	21 481
Relocation of Secretariat	1736	0
Appointment of Executive Secretary	15 464	0
Appointment of Information Officer	0	3180
Internet running costs	1303	0
Miscellaneous Expenses	10 043	11 439
Transfer to Affiliates in Developing Countries	0	10 800
	<u>79 896</u>	<u>88 899</u>

20. Miscellaneous Expenses

	1996	1995
BS Travel Grant	20 000	20 000
Other	1112	9774
	<u>21 112</u>	<u>29 774</u>

21. AMP Contributions

	1996	1995
In USD	82 427	66 990
From East Europe	0	554
	<u>82 427</u>	<u>67 544</u>

Subaccounts not Affecting Current Year Income and Expenses

CHEMRAWN	1996	1995
Brought Forward from Balance Sheet	-7654	-15 839
Income from Committee Allocation	-11 100	0
CHEMRAWN IX Contribution	-3000	0
UNESCO Grant Income	0	-1000
Royalties from CHEMRAWN VII Monograph	-1463	-3660
Committee Expenses	22 789	12 844
Net Movement in the Year	7225	8185
Carried Forward to Balance Sheet	-429	-7654
Royal Society Contribution Towards Development Activities	1996	1995
Brought Forward from Balance Sheet	-11 145	-19 922
Income		0
Expenses	1500	8777
Net Movement in the Year	1500	8777
Carried Forward to Balance Sheet	-9645	-11 145
ICSU Grants	1996	1995
Brought Forward from Balance Sheet	-32 408	-35 184
Income	-30 200	-26 200
Expenses	29 338	28 976
Net Movement in the Year	-862	2776
Carried Forward to Balance Sheet	-33 270	-32 408
KRATOS Grant	1996	1995
Brought Forward from Balance Sheet	-136	-136
Income	0	0
Expenses	0	0
Net Movement in the Year	0	0
Carried Forward to Balance Sheet	-136	-136
Lewis Publishers & European Environmental Research Organization (EERO)	1996	1995
Brought Forward from Balance Sheet	-5004	-5004
Income	0	0
Expenses	1391	0
Net Movement in the Year	1391	0
Carried Forward to Balance Sheet	-3613	-5004
UNESCO Grants	1996	1995
Brought Forward from Balance Sheet	-129	0
Income	-2000	-23 000
Expenses	0	22 871
Net Movement in the Year	-2000	-129
Carried Forward to Balance Sheet	-2129	-129

Destruction of Chemical Weapons	1996	1995
Brought Forward from Balance Sheet	-4621	-6434
Income	0	0
Expenses	2000	1813
Net Movement in the Year	2000	1813
Carried Forward to Balance Sheet	-2621	-4621
Organic Synthesis	1996	1995
Brought Forward from Balance Sheet	-1523	-1523
Income	0	0
Expenses	0	0
Net Movement in the Year	0	0
Carried Forward to Balance Sheet	-1523	-1523
Oxford University Press—Solubility Data Series	1996	1995
Brought Forward from Balance Sheet	-6193	-2286
Income	-7719	-6193
Expenses	12 202	2286
Net Movement in the Year	4482	-3907
Carried Forward to Balance Sheet	-1711	-6193
Total from Balance Sheet	-68 814	-86 328
Total Income on Subaccounts	-62 482	-60 053
Total Expenses on Subaccounts	74 489	77 567
Total Net Movements in the Year	12 006	17 514
Total to Balance Sheet	-56 808	-68 814
Movements in Provisions for Year (General Income & Expenses)	1996	1995
<i>Committed Expenses</i>		
Balance Brought Forward	0	-76 072
Net Charge/Credit to Year	-80 803	76 072
Balance Carried Forward	-80 803	0
<i>Bad Debt Write Off</i>		
Balance Brought Forward	-9062	-19 950
Net Charge/Credit to Year	-11 650	10 888
Balance Carried Forward	-20 712	-9062
<i>Neutra/Audit</i>		
Balance Brought Forward	-9000	-8000
Net Charge/Credit to Year	0	-1000
Balance Carried Forward	-9000	-9000
<i>Purchases from Blackwell</i>		
Balance Brought Forward	-500	-564
Net Charge/Credit to Year	-5332	64
Balance Carried Forward	-5832	-500
Total provisions brought forward	-18 562	-104 586
Total provisions carried forward	-116 347	-18 562
Total provisions charges/credits	-97 785	86 024

Securities Account as at 31 December 1996

	Currency	Amount	Approx price %	Market value (USD)	Book value at cost	Profit/(loss) since purchase (potential)
Bonds						
6.5% Toyota—4.2.1997	USD	100 000	100.06	100 062.00	97 009.72	3052.28
4.25% General Electric—8.4.1998	USD	150 000	99.56	149 343.00	152 280.56	-2937.56
5.75% Osaka Gas 1993—26.5.1998	USD	100 000	99.69	99 687.00	104 428.40	-4741.40
7% Korea Development Bank—15.7.1999	USD	50 000	101.52	50 758.00	51 162.34	-404.34
7.75% USD Nip. Telegraph—18.11.1999	USD	100 000	104.25	104 250.00	109 652.78	-5402.78
7.25% Salomon Inc Notes—15.1.2000	USD	100 000	101.16	101 155.00	105 108.88	-3953.88
6.125% Southwestern Bell Tel—1.3.2000	USD	100 000	99.36	99 358.00	100 950.39	-1592.39
5 7/8% Euro Ciba—Geigy—23.3.2000	USD	100 000	99.56	99 562.00	100 260.00	-698.00
6.5% USD Abbey Natl Treas—12.5.2003	USD	100 000	100.56	100 562.00	107 913.89	-7351.89
Certificates of Deposit						
CD Bank of America NA Phoenix AZ	USD	90 000	99.87	89 883.00	90 008.98	-125.98
CD World Fin Netwk NB BE Whitehall Ohio	USD	100 000	100.03	100 032.00	100 000.00	32.00
Mutual Funds						
Hausmann Holdings	USD	423	905.04	382 831.00	285 803.81	97 027.19
ML Basic Value	USD	17 148	22.91	392 860.00	285 834.52	107 025.48
ML Euro Equity	USD	15 286	19.40	296 521.98	243 474.53	53 047.46
ML Pacific Equity	USD	25 310	10.37	262 464.00	256 331.96	6132.04
Aetna European Equity	USD	14 777	14.01	207 025.00	183 679.16	23 345.84
Meridian Global Government Fund	USD	9320	10.73	100 003.00	100 365.00	-362.00
Meridian US Emerging	USD	12 235	22.83	279 328.00	270 311.14	9016.86
Permal Asian Holdings	USD	122	1070.84	130 642.00	134 406.95	-3764.95
MLBS USD Fixed Income Portfolio	USD	6230	11.82	73 638.00	69 838.30	3799.70
ML Corporate High Income Portfolio	USD	10 728	9.37	100 516.00	99 659.89	856.11
Grand total securities				<u>3320 480.98</u>	<u>3048 481.20</u>	<u>271 999.78</u>