

Annual report
To the management board of
International Society for Microbial Ecology
located, Wageningen
Report on the annual accounts
2017

Draft

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1. ACCOUNTANTS REPORT

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International Society for Microbial Ecology
To the attention of the board
Droevendaalsesteeg 10
6708 PB WAGENINGEN

Reference :
Client number : 22759
Date :
Branche office : Utrecht

Dear members of the board

We hereby offer you the report concerning the annual report 2017 for International Society for Microbial Ecology, Wageningen.

1.1 Accountant's compilation report

Considering the fact that we have not completed the compilation of these financial statements yet, we have not issued a compilation report at this moment. In accordance with professional standards we have mentioned 'unaudited' on each page of these financial statements.

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1.2 General

Registration Chamber of Commerce

International Society for Microbial Ecology is registered at the Chamber of Commerce in Arnhem, The Netherlands, number 09191073.

Separation activities

In 2016 the publishing activities of ISME are separated in an new company named ISME Publication B.V.

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1.3 Results

Analysis of the result

	2017		2016	
	€	%	€	%
Net Turnover	141.950	100,0	235.334	100,0
Cost of sales	-28.111	-19,8	-2.545	-1,1
Gross margin	113.839	80,2	232.789	98,9
Congresses	-	-	198.475	84,3
Gross margin	113.839	80,2	431.264	183,2
Other operating expenses	267.583	188,5	214.535	91,2
Total operating expenses	267.583	188,5	214.535	91,2
Operating result	-153.744	-108,3	216.729	92,0
Financial income and expense	-25.515	-18,0	-17.277	-7,3
Result of ordinary activities	-179.259	-126,3	199.452	84,7
Share in result of participations	-	-	-64	-
Net result from ordinary activities	-179.259	-126,3	199.388	84,7
Taxes	-	-	-109.960	-46,7
Result after movement fiscal OAP reserve	-179.259	-126,3	89.428	38,0

1.4 Financial position

To provide insight in the development of the financial position of the Company we provide you with the following statements. These are based on the information from the annual report. Hereafter we provide you with the balance sheet as at 31 December 2017 in an abridged form.

Financial structure

	31-12-2017		31-12-2016	
	€	%	€	%
Assets				
Financial fixed assets	439.866	29,1	439.866	30,6
Receivables	121.444	8,1	26.430	1,8
Cash	947.707	62,8	973.172	67,6
	<u>1.509.017</u>	<u>100,0</u>	<u>1.439.468</u>	<u>100,0</u>
Liabilities				
Capital	1.041.050	69,0	1.220.309	84,8
Short-term liabilities	467.967	31,0	219.159	15,2
	<u>1.509.017</u>	<u>100,0</u>	<u>1.439.468</u>	<u>100,0</u>

Analysis of the financial position

	31-12-2017	31-12-2016
	€	€
Available on short term		
Receivables	121.444	26.430
Cash	947.707	973.172
	<u>1.069.151</u>	<u>999.602</u>
Short-term liabilities	-467.967	-219.159
	<u>601.184</u>	<u>780.443</u>
Liquidity surplus = working capital		
Established for the long term		
Financial fixed assets	439.866	439.866
Financed with on the long term available assets	<u>1.041.050</u>	<u>1.220.309</u>
Financing		
Capital	<u>1.041.050</u>	<u>1.220.309</u>

1.5 Other comments

Board report

The annual report is available at the company's offices.

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2. FINANCIAL STATEMENTS

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INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN

2.1 Balance sheet as at 31 December 2017

		31-12-2017	31-12-2016
		€	€
ASSETS			
FIXED ASSETS			
Financial fixed assets	1	439.866	439.866
CURRENT ASSETS			
Receivables			
Accruals and prepaid expenses	2	121.444	26.430
Cash	3	947.707	973.172
Total assets		1.509.017	1.439.468

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		31-12-2017		31-12-2016	
		€	€	€	€
LIABILITIES					
CAPITAL					
	4				
Destination reserve		1.041.050		1.100.000	
General reserve		-		120.309	
			1.041.050		1.220.309
SHORT-TERM LIABILITIES					
Trade creditors	5	45.124		-	
Liabilities to other participations	6	286.960		22.153	
Taxes and social security premiums	7	91.708		102.902	
Other liabilities and accrued expenses	8	44.175		94.104	
			467.967		219.159
Total liabilities			1.509.017		1.439.468

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INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN

2.2 Statement of income and expenses for the year 2017

		2017		2016	
		€	€	€	€
Net Turnover	9	141.950		235.334	
Cost of sales	10	-28.111		-2.545	
Gross margin		113.839		232.789	
Congresses	11	-		198.475	
Gross margin			113.839		431.264
Other operating expenses	12		267.583		214.535
Operating result			-153.744		216.729
Other interest and similar income	13	-		1.258	
Value changes of receivables from fixed assets and securities	14	-19.536		13	
Interest and similar expenses	15	-5.979		-18.548	
Financial income and expense			-25.515		-17.277
Result of ordinary activities			-179.259		199.452
Share in result of participations	16		-		-64
Net result			-179.259		199.388
Taxes	17		-		-109.960
Result after movement fiscal OAP reserve			-179.259		89.428

**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

	2017	2016
	€	€
2.3 Cash flow statement for the year 2017		
Cash flow from operating activities		
Operating result	-153.744	216.729
Adjustments for		
Result of participations not through participations	-	-64
Changes in working capital		
Movements accounts receivable	-95.014	227.138
Short-term liabilities (excluding banks)	248.808	142.157
Taxes	-	-109.960
	153.794	259.335
Cash flow from business activities		
	50	476.000
Interest received	-	1.258
Interest paid	-5.979	-18.548
	-5.979	-17.290
Cash flow from operating activities		
	-5.929	458.710
Cash flow from investment activities		
Investments in financial fixed assets	-	-439.930
Disposal of financial fixed assets	-	64
Cash flow from investment activities		
	-	-439.866
Net cash flow		
	-5.929	18.844
Exchange rate and translation differences on cash	-19.536	13
Movements cash		
	-25.465	18.857
	2017	2016
	€	€
Turnover movement cash and cash equivalents		
Balance as at beginning of financial year	973.172	954.315
Movements during financial year	-25.465	18.857
Balance as at financial year end	947.707	973.172

**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

2.4 Notes to the financial statements

Entity information

Registered address and registration number trade register

The actual address of International Society for Microbial Ecology is Droevendaalsesteeg 10, 6708 PB in Wageningen. International Society for Microbial Ecology is registered at the trade register under number 09191073.

General notes

The most important activities of the entity

The activities of international Society for Microbial Ecology, having its legal seat at Wageningen (Netherlands) primarily consist of the promotion of education and research activities in microbial ecology.

Board as at December 31

- President: J.C. Murrell
- Vice-President: E.F. de Long
- Secretary/Treasurer: M.J. Bailey
- Past President: J.K Janson
- Board Member: R.I. Amann
- Board Member: S. Okabe
- Board Member: A.H. Frostegard
- Board Member: N.S. Webster
- Board Member: K. Küsel
- Board Member: M.W. Taylor
- Board Member: M.C. Alonso Urquiola
- Board Member: V.J. Orphan
- Board Member: J.A. Vorholt-Zambelli
- Board Member: Y. Kamagata

General accounting principles

The accounting standards used to prepare the financial statements

The annual accounts have been drawn up in accordance with the provisions of the Dutch Accounting Standard for Annual Reporting C1 little non-profit organisations. The valuation of assets and liabilities and the determination of the result are based on historical cost. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued at cost.

Income and expenses are accounted for on accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

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Conversion of amounts denominated in foreign currency

Receivables, liabilities and obligations denominated in foreign currency are translated at the exchange rates prevailing as at balance sheet date.

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the statement of income and expenses.

Accounting principles

Financial assets

Participations, over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

If the valuation of a participation based on the net asset value is negative, it will be stated at nil. If and insofar as International Society for Microbial Ecology can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this.

Receivables

Upon initial recognition the receivables are valued at fair value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

Cash and cash equivalents

Cash and cash equivalents are valued at face value. If cash is not freely available this is taken into account for the valuation.

Current liabilities

Upon initial recognition, current liabilities are stated at fair value.

Accounting principles for determining the result

Revenues from services are recognized in proportion to the services rendered, based on the cost incurred in respect of the services performed up to balance sheet date, in proportion to the estimated costs of the aggregate services to be performed. The cost price of these services is allocated to the same period.

**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
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Revenue recognition

Net turnover represents amounts invoiced for services supplied during the financial year reported on, net of discounts.

Revenues from services are recognized in proportion to the services rendered. The cost price of these services is allocated to the same period.

Other operating expenses

Costs are taken into account under the historical cost convention and allocated to the period concerned.

Interest expenses and related expenses

Interest income and expenses consist of interest received from or paid to third parties.

Cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Dividends paid are recognised as cash used in financing activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement. Payments of finance lease instalments qualify as repayments of borrowings under cash used in financing activities and as interest paid under cash generated from operating activities.

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**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

2.5 Notes to the balance sheet

Assets

Fixed assets

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
1 Financial fixed assets		
Participations in affiliated companies	439.866	439.866
	<u> </u>	<u> </u>

Participations in affiliated companies

Participation in ISME Publication BV	439.866	439.866
	<u> </u>	<u> </u>

Concerns a 100% participation in ISME Publications B.V. in Wageningen, The Netherlands.

	<u>2017</u>	<u>2016</u>
	€	€
Participation in ISME Publication BV		
Book value as at 1 January	439.866	-
Investments	-	439.930
Annual result	-	-64
	<u> </u>	<u> </u>
Book value as at 31 December	<u>439.866</u>	<u>439.866</u>

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**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

Current assets

Receivables

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
Other receivables and accrued income		
Interest	-	225
Other receivables	18.181	17.683
Prepaid costs ISME 2017	-	130
Prepaid costs ISME 2018	103.263	8.392
	<u>121.444</u>	<u>26.430</u>

3 Cash

Rabobank NL84 RABO 3492 6036 29	281	25.236
Rabobank NL20 RABO 3492 6070 12	26.114	26.816
Rabobank NL41 RABO 0157 3170 21	148.020	-34
Rabobank NL20 RABO 3292 2609 81	687.087	486.864
Rabobank NL65 RABO 3463 5242 44	1.562	2.058
Rabobank NL05 RABO 0174 3301 11	60.916	1.970
Rabobank NL41 RABO 0157 3170 21	-	377.132
PayPal	359	1.707
International Card Services Visa	23.368	51.423
	<u>947.707</u>	<u>973.172</u>

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**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

Liabilities

4 Capital

4 Capital

Movements in equity were as follows:

	Destination reserve	General reserve	Total
	€	€	€
Balance as at 1 January 2017	1.100.000	120.309	1.220.309
Allocation of result financial year	-58.950	-120.309	-179.259
Balance as at 31 December 2017	<u>1.041.050</u>	<u>-</u>	<u>1.041.050</u>

Short-term liabilities

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€

5 Trade creditors

Trade creditor	<u>45.124</u>	<u>-</u>
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6 Liabilities to other participations

Current account ISME Publications B.V.	<u>286.960</u>	<u>22.153</u>
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7 Taxes and social security premiums

Value added tax	91.708	-
Taxes vennootschapsbelasting	-	102.902
	<u>91.708</u>	<u>102.902</u>

**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

	<u>31-12-2017</u>	<u>31-12-2016</u>
	€	€
8 Other liabilities and accrued expenses		
Awards Costerton	-	1
Advance receivables membership fees	41.175	9.570
Audit fees	3.000	7.495
Secretary costs	-	40.179
Advice costs	-	10.389
Interest taxes	-	9.696
ISME awards/reimbursements	-	16.774
	<u>44.175</u>	<u>94.104</u>

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**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
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2.6 Notes to the profit and loss account

	<u>2017</u>	<u>2016</u>
	€	€
9 Net Turnover		
Membership fees	-7.226	87.797
Services ISME Rhizosphere 4	-	3.502
Fundraising	149.176	144.035
	<u>141.950</u>	<u>235.334</u>
10 Cost of sales		
Cost of sales	<u>28.111</u>	<u>2.545</u>
Cost of sales		
Editors ISME Journal	-400	-
Ambassadors Programs	10.421	2.545
Development fund	14.132	-
Promotional fund	3.958	-
	<u>28.111</u>	<u>2.545</u>
11 Congresses		
Registration fees	-	1.191.601
Sponsorships	-	70.423
Catering	-	-304.089
Hotels	-	-36.348
Awards	-	-8.212
Event coordination	-	-646.353
Reimbursements	-	-10.877
Travel grants	-	-57.670
	<u>-</u>	<u>198.475</u>

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**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

	<u>2017</u>	<u>2016</u>
	€	€
12 Other operating expenses		
Selling expenses	42.593	41.894
Office expenses	21.183	26.542
General expenses	203.807	146.099
	<u>267.583</u>	<u>214.535</u>
Selling expenses		
Advertising expenses	135	-
Sponsoring expenses	5.644	-
Representation expenses	5.083	-
Travelling and hotel expenses	31.731	41.894
	<u>42.593</u>	<u>41.894</u>
Office expenses		
Office supplies	1.964	983
Postage expenses	120	2.233
Telephone and fax expenses	520	4.739
Automation expenses	18.579	14.579
Insurance premium	-	3.088
Other office expenses	-	920
	<u>21.183</u>	<u>26.542</u>
General expenses		
Accountancy costs	6.514	13.719
Advice costs	-	32.830
Consultancy expenses	14.696	-
Additional VAT-collection	100.193	-
Other general expenses	4.807	244
Secretary costs	77.597	99.306
	<u>203.807</u>	<u>146.099</u>

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**INTERNATIONAL SOCIETY FOR MICROBIAL ECOLOGY
WAGENINGEN**

Financial income and expense

	<u>2017</u> €	<u>2016</u> €
13 Other interest and similar income		
Received bank interest	-	1.258
	<u> </u>	<u> </u>
14 Value changes of receivables from fixed assets and securities		
Exchange rate difference	-19.536	13
	<u> </u>	<u> </u>
15 Interest and similar expenses		
Paid bank interest	214	7.123
Other interest expenses	5.765	11.425
	<u> </u>	<u> </u>
	5.979	18.548
	<u> </u>	<u> </u>
Other interest expenses		
Interest taxes	65	11.125
Interest Isme Publication B.V.	5.700	300
	<u> </u>	<u> </u>
	5.765	11.425
	<u> </u>	<u> </u>
16 Share in result of participations		
Result of other domestic participation (net worth)	-	-64
	<u> </u>	<u> </u>

Wageningen,

J.C. Murrell
President

M.J. Bailey
Secretary / Treasurer

E.F. de Long
Vice-President