

**INTERNATIONAL UNION OF
CRYSTALLOGRAPHY**

Report and Financial Statements

31 December 2006

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

REPORT AND FINANCIAL STATEMENTS 2006

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INTERNATIONAL UNION OF CRYSTALLOGRAPHY

EXECUTIVE COMMITTEE MEMBERS

31 December 2006

| | |
|----------------------------------|--|
| President: | Professor Y Ohashi |
| Vice-President: | Professor I Torriani |
| General Secretary and Treasurer: | Professor S Lidin |
| Immediate Past President: | Professor W L Duax |
| Ordinary Members: | Professor P M Colman Professor G R Desiraju Professor C J Gilmore Professor G Heger Professor C Lecomte Professor D Viterbo |
| Executive Secretary: | Mr M H Dacombe |

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 accounts, the Executive Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume the Union will continue.

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

The Executive Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union and to ensure that the accounts 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.

By Order of the Executive Committee

Professor S Lidin

Professor S Lidin

General Secretary and Treasurer

Professor Y Ohashi

Professor Y Ohashi

President

M H Dacombe

M H Dacombe

Executive Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE INTERNATIONAL UNION OF CRYSTALLOGRAPHY

We have audited the financial statements of the International Union of Crystallography for the year ended 31 December 2006 which comprise the income and expenditure account, the balance sheet, the cash flow statement, and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Union's members, as a body, in accordance with Section 11.1 of the Statutes of the Union. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Executive Committee and auditors

The Executive Committee's responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Executive Committee's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework.

In addition, we report to you if, in our opinion, the Union has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Union's affairs as at 31 December 2006 and of its deficit of income over expenditure for the year then ended.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

Date: 8 June 2007

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 2006

| | | | Swiss Francs | | |
|--|------|-----------|------------------|-----------|------------------|
| | Note | 2006 | 2006 | 2005 | 2005 |
| Income | | | | | |
| Membership subscriptions | | | 153,000 | | 153,000 |
| Sales | | | | | |
| Journals, back numbers and single issues | | 4,266,721 | | 3,850,828 | |
| Books | | 112,602 | | 387,435 | |
| Open Access Grant | | 85,922 | | 72,475 | |
| | | | | | 4,310,738 |
| Investment income | | | 4,465,245 | | |
| Income from investments | 7 | 146,333 | | 153,116 | |
| Bank interest | 8 | 18,263 | | 14,942 | |
| Profit on sale of investments | 9 | 10,270 | | 27,886 | |
| | | | | | 195,944 |
| Other income | | | 174,866 | | |
| Royalties and copyright fees | | 12,139 | | 8,648 | |
| Advertising income | | 238,659 | | 240,022 | |
| | | | 250,798 | | 248,670 |
| TOTAL INCOME | | | 5,043,909 | | 4,908,352 |
| Expenditure | | | | | |
| Journals | | | | | |
| Publication costs | | 960,362 | | 878,389 | |
| Editorial expenses | | 340,726 | | 363,937 | |
| Technical editing | | 1,528,058 | | 1,507,842 | |
| Subscription administration | | 59,946 | | 54,303 | |
| | | | 2,889,092 | | 2,804,471 |
| Books | | | | | |
| Publication costs | | 29,733 | | 37,316 | |
| Editorial expenses | | 25,441 | | 100,350 | |
| Technical editing | | 273,038 | | 142,682 | |
| | | | 328,212 | | 280,348 |
| Newsletter | | | | | |
| Publication costs | | 125,424 | | 93,268 | |
| Editorial expenses | | 132,427 | | 123,573 | |
| | | | 257,851 | | 216,841 |
| Presidents Fund and other Grants and Young Scientist Support | | | 150,185 | | 113,172 |
| General Assembly Costs | | | 3,892 | | 76,189 |
| Ewald Prize | | | - | | 40,110 |
| Carried forward | | | 3,629,232 | | 3,531,131 |

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT (continued)

Year ended 31 December 2006

| | Note | 2006 | Swiss Francs | | 2005 |
|--|------|----------|--------------|----------|-----------|
| | | | 2006 | 2005 | 2005 |
| Brought forward | | | 3,629,232 | | 3,531,131 |
| Committee meetings and expenses | | | 65,188 | | 123,345 |
| Publications and journals development | | | | | |
| General | | 636,639 | | 586,402 | |
| Electronic Publishing Committee/section | | | | | |
| editors meeting expenses | | 2,292 | | 1,997 | |
| Star/CIF | | 37,350 | | 40,375 | |
| Promotion | | 174,884 | | 173,082 | |
| | | | 851,165 | | 801,856 |
| Subscriptions paid | | | 9,709 | | 7,382 |
| Visiting professorship programme | | | 1,165 | | 1,750 |
| Administration expenses: | | | | | |
| General Secretary and Treasurer: | | | | | |
| Honorarium to Treasurer | | 10,216 | | 11,377 | |
| Audit and accountancy charges | | 84,971 | | 72,169 | |
| Legal and professional fees | | 16,741 | | 14,549 | |
| Travelling expenses | | 18,584 | | 21,811 | |
| Bank charges | | 2,307 | | 2,423 | |
| | | | 132,819 | | 122,329 |
| Executive Secretary's office: | | | | | |
| Salaries and expenses | | 348,306 | | 358,564 | |
| Travel expenses of IUCr representatives | | | | | |
| on other bodies | | 8,829 | | 2,459 | |
| Sponsorship of meetings | | 5,148 | | (17,282) | |
| President's secretary | | - | | 6,780 | |
| IUCr/FIZ agreement | | (19,030) | | (17,061) | |
| Bad debts | | 7,601 | | 23,894 | |
| | | | 350,854 | | 357,354 |
| Depreciation | | | 28,207 | | 53,211 |
| TOTAL EXPENDITURE | | | 5,068,339 | | 4,998,358 |
| Deficit of income over expenditure carried forward | | | (24,430) | | (90,006) |

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

INCOME AND EXPENDITURE ACCOUNT (continued)

Year ended 31 December 2006

| | Note | 2006 | Swiss Francs 2006 | 2005 | 2005 |
|---|------|----------|----------------------|---------|-----------|
| Deficit of income over expenditure brought forward | | | (24,430) | | (90,006) |
| Movement in market value of investments in year | 5 | | 406,310 | | 235,005 |
| | | | 381,880 | | 144,999 |
| Fluctuation in rates of exchange | | | | | |
| Trading activities | | (17,223) | | 12,659 | |
| Investment activities | | 29,013 | | 301,432 | |
| | | | 11,790 | | 314,091 |
| Total recognised gains and losses relating to the year | | | 393,670 | | 459,090 |
| Opening fund accounts at 1 January | | | 4,710,914 | | 4,251,824 |
| Closing fund accounts at 31 December | | | 5,104,584 | | 4,710,914 |

All the income and expenditure related to continuing activities.

Historic cost results would only differ from above by the profit on sale of investments - see note 9.

Separate Statements of Total Recognised Gains and Losses and Reconciliation of Movements in the Fund Account are not given, as the information is incorporated above.

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

BALANCE SHEET

31 December 2006

| | | Swiss Francs | |
|---|-----------|-------------------------|-------------------------|
| | Note | 2006 | 2005 |
| FIXED ASSETS | | | |
| Tangible fixed assets | 4 | 52,119 | 27,077 |
| CURRENT ASSETS | | | |
| Stock | | 270,364 | 350,917 |
| Cash at bank and in hand | | | |
| Current accounts | 15,437 | 50,213 | |
| Deposit and savings accounts | 1,503,441 | 215,339 | |
| Cash with Union officials | 17,575 | 21,290 | |
| | | <u>1,536,453</u> | <u>286,842</u> |
| Investments at market value | 5 | 4,236,550 | 3,867,338 |
| Debtors, accrued income and payments in advance | | 684,040 | 611,534 |
| Subscriptions due from Adhering Bodies | | <u>57,000</u> | <u>26,500</u> |
| Total current assets | | 6,784,407 | 5,143,131 |
| CREDITORS: amounts falling due within one year | 6 | <u>(1,731,942)</u> | <u>(459,294)</u> |
| NET CURRENT ASSETS | | <u>5,052,465</u> | <u>4,683,837</u> |
| TOTAL FUNDS | | <u><u>5,104,584</u></u> | <u><u>4,710,914</u></u> |

The financial statements were approved by the Executive Committee on 11 May 2007.

President *Professor Y Ohashi*

General Secretary and Treasurer *Professor S Lidin*

Executive Secretary *M H Dacombe*

INTERNATIONAL UNION OF CRYSTALLOGRAPHY

CASH FLOW STATEMENT

Year ended 31 December 2006

| | | | Swiss Francs | |
|---|------|----------------|-------------------------|-----------------------|
| | Note | | 2006 | 2005 |
| Net cash inflow/(outflow) from operating activities (see below) | | | 1,032,498 | (317,087) |
| Returns on investments | | | | |
| Interest received | 8 | 18,263 | 14,942 | |
| Investment income (net of notional dividends) | 7 | <u>146,333</u> | <u>153,116</u> | |
| Net cash inflow from returns on investments | | | 164,596 | 168,058 |
| Investing activities | | | | |
| Purchase of fixed assets | 4 | (53,249) | (45,752) | |
| Purchase of investments | 5 | (762,418) | (132,344) | |
| Receipts from sale of investments | 9 | <u>838,799</u> | <u>471,369</u> | |
| Net cash inflow from investing activities | | | <u>23,132</u> | <u>293,273</u> |
| Increase in cash | 14 | | <u><u>1,220,226</u></u> | <u><u>144,244</u></u> |

Reconciliation of Deficit of Income over Expenditure to Net Cash Inflow/(Outflow) from Operating Activities

| | | | Swiss Francs | |
|---|----|------------------|-------------------------|-------------------------|
| | | | 2006 | 2005 |
| Deficit of income over expenditure | | | (24,430) | (90,006) |
| Exchange rate fluctuations attributable to operating activities | 13 | (46,608) | (29,936) | |
| Interest received | 8 | (18,263) | (14,942) | |
| Investment income | 7 | (146,333) | (153,116) | |
| Profit on disposal of investments | 9 | (10,270) | (27,886) | |
| Depreciation charges | | 28,207 | 53,211 | |
| Decrease/(increase) in stock | | 80,553 | (20,053) | |
| Increase in debtors | | (103,006) | (160,517) | |
| Increase in creditors | | <u>1,272,648</u> | <u>126,158</u> | |
| Net cash inflow/(outflow) from operating activities (see above) | | | <u><u>1,032,498</u></u> | <u><u>(317,087)</u></u> |

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

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 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 United Kingdom accounting standards.

Rates of exchange

UNESCO rates of exchange as issued by the ICSU Secretariat are used in the preparation of the financial statements.

Transactions denominated in foreign currencies are translated into Swiss Francs 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 directly to reserves.

Publication costs

Publication, editorial and administrative expenses of publications are charged in the appropriate income and expenditure account as and when incurred.

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 in which it is incurred.

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. Other dividends are recognised on an accruals basis.

Investments

Investments are stated at market value. Changes in market value are taken directly to reserve movements.

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.

NOTES TO THE ACCOUNTS**Year ended 31 December 2006****1. ACCOUNTING POLICIES (continued)****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. No amounts were due to or from the pension scheme at 31 December 2006 (2005 – same).

2. RATES OF EXCHANGE

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

The rates of exchange operative at the balance sheet date compared with the Swiss Franc were as follows:

| | 2006 | 2005 |
|-----------------|-------------|-------------|
| Euro | 0.6273 | 0.6489 |
| Pounds Sterling | 0.4231 | 0.4435 |
| US Dollars | 0.8264 | 0.7634 |

The net assets of the Union at 1 January 2006 (Sw Fr 4,710,914) would have had the value of US \$3,596,312 or £2,089,290 if expressed in those currencies.

At 31 December 2006 the net assets (Sw Fr 5,104,584) would have had the value of US \$4,218,428 or £2,159,749 respectively, being an increase of US \$622,116 or an increase of £70,459 from the previous year.

3. TAXATION

As an association incorporated in Switzerland, the Union is exempt from Swiss Federal and Geneva Cantonal tax. Under the terms of the United Kingdom/Switzerland Double Taxation Agreement dated 8 December 1977, investment income arising within the United Kingdom under present circumstances will not be subject to United Kingdom tax. Other investment income received from countries with which Switzerland has a Double Taxation Agreement is exempt from tax.

4. TANGIBLE FIXED ASSETS

| | Leasehold property improvements Sw Fr | Computer and Office Equipment Sw Fr | Total Sw Fr |
|---------------------------------|--|--|------------------------|
| Cost | | | |
| As at 1 January 2006 | 102,987 | 568,608 | 671,595 |
| Additions | - | 53,249 | 53,249 |
| | <hr/> | <hr/> | <hr/> |
| As at 31 December 2006 | 102,987 | 621,857 | 724,844 |
| | <hr/> | <hr/> | <hr/> |
| Accumulated depreciation | | | |
| As at 1 January 2006 | 102,987 | 541,531 | 644,518 |
| Charge for the year | - | 28,207 | 28,207 |
| | <hr/> | <hr/> | <hr/> |
| As at 31 December 2006 | 102,987 | 569,738 | 672,725 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| 31 December 2006 | - | 52,119 | 52,119 |
| | <hr/> | <hr/> | <hr/> |
| 31 December 2005 | - | 27,077 | 27,077 |
| | <hr/> | <hr/> | <hr/> |

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

5. INVESTMENTS

| | Holding at Market value 01 01 06 | Additions during the year | Notional Dividends | Disposals/ Redemption During the year | Fluctuations in rates of exchange | Increase/ (decrease) in market value | Swiss Francs Holding at market value 31 12 06 | Holding at revalued cost 31 12 06 | Holding at revalued cost 31 12 05 |
|--|---|---------------------------------|-----------------------|--|---|---|---|--|--|
| Held by Merrill Lynch | | | | | | | | | |
| <u>GNM P169332 – 2016 (US\$)</u> | | | | | | | | | |
| 602 Units | 1,154 | - | - | (291) | (75) | (9) | 779 | 704 | 1,030 |
| <u>Haussmann Holdings (US\$)</u> | | | | | | | | | |
| - Units | 261,902 | - | - | (261,902) | - | - | - | - | 92,103 |
| <u>Global Allocation Portfolio</u> | | | | | | | | | |
| Class O (US\$) 2,740 Units | 111,882 | - | - | - | (8,541) | 14,754 | 118,095 | 34,467 | 37,315 |
| <u>MLBS SP PF EU EQ (US) B</u> | | | | | | | | | |
| 3,292 Units | 176,641 | - | - | - | (13,484) | 51,544 | 214,701 | 121,676 | 131,732 |
| <u>Sector SPDR Energy</u> | | | | | | | | | |
| 2075 units | 136,755 | - | - | - | (10,439) | 20,889 | 147,205 | 58,500 | 63,335 |
| <u>M L Asian Dragon</u> | | | | | | | | | |
| 2,600 units | 63,522 | - | - | - | (4,849) | 16,296 | 74,969 | 37,689 | 40,804 |
| <u>Janus Global Life Sciences Fund</u> | | | | | | | | | |
| 4,700 Units | 57,260 | - | - | - | (4,371) | (2,389) | 50,500 | 57,349 | 62,089 |
| <u>Janus US Venture Fund</u> | | | | | | | | | |
| 4,800 Units | 51,939 | - | - | - | (3,965) | 12,894 | 60,868 | 60,195 | 65,170 |
| <u>Cisco Systems Inc</u> | | | | | | | | | |
| 1,700 Units | 38,126 | - | - | - | (2,910) | 21,002 | 56,218 | 67,490 | 73,068 |
| <u>Consults Portfolios</u> | | | | | | | | | |
| 850-07U78 formerly 1CA-07M16 | 206,429 | 77,487 | - | (64,910) | (16,326) | 26,070 | 228,750 | 164,199 | 164,767 |
| 850-07U80 formerly 1CA-07M52 | 259,280 | 80,122 | - | (66,239) | (20,008) | 44,830 | 297,985 | 245,060 | 250,516 |
| Carried forward | 1,364,890 | 157,609 | - | (393,342) | (84,968) | 205,881 | 1,250,070 | 847,329 | 981,929 |

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

5. INVESTMENTS (continued)

| | Holding at Market value 01 01 06 | Additions during the year | Notional Dividends | Disposals/ Redemption During the year | Fluctuations in rates of exchange | Increase/ (decrease) in market value | Swiss Francs Holding at market value 31 12 06 | Holding at revalued cost 31 12 06 | Holding at revalued cost 31 12 05 |
|--|---|---------------------------------|-----------------------|--|---|---|---|--|--|
| Brought forward | 1,364,890 | 157,609 | - | (393,342) | (84,968) | 205,881 | 1,250,070 | 847,329 | 981,929 |
| <u>Permal Emerging Markets</u> | | | | | | | | | |
| 37 units | - | 133,764 | - | - | (10,211) | 14,506 | 138,059 | 123,553 | - |
| <u>Permal Investment</u> | | | | | | | | | |
| 23 units | - | 130,866 | - | - | (9,990) | 7,421 | 128,297 | 120,876 | - |
| Held by Close Asset Management Jersey Ltd | | | | | | | | | |
| <u>Close Finsbury International Foundation Funds Ltd</u> | | | | | | | | | |
| <u>Sterling Income Bond Fund</u> | | | | | | | | | |
| 34,116 participating shares | 808,082 | - | - | (435,187) | 38,298 | (23,381) | 387,812 | 426,512 | 838,187 |
| <u>Sterling Bond and Equity Fund</u> | | | | | | | | | |
| 203,484 Participating shares | 1,694,366 | 340,179 | - | - | 95,885 | 201,882 | 2,332,312 | 2,088,789 | 1,578,313 |
| | <u>3,867,338</u> | <u>762,418</u> | <u>-</u> | <u>(828,529)</u> | <u>29,014</u> | <u>406,310</u> | <u>4,236,550</u> | <u>3,527,059</u> | <u>3,398,429</u> |

NOTES TO THE ACCOUNTS**Year ended 31 December 2006****6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | Swiss Francs | |
|--|---------------------|----------------|
| | 2006 | 2005 |
| Creditors and accruals | 1,668,208 | 398,295 |
| Payroll creditor including tax and social security | 63,734 | 60,999 |
| | <u>1,731,942</u> | <u>459,294</u> |

7. INVESTMENT INCOME

| | Swiss Francs | |
|--|---------------------|----------------|
| | 2006 | 2005 |
| GNM P169332 – 2016 | 315 | 128 |
| Haussmann Holdings | - | 259 |
| Sector SPDR Energy | 1,893 | 1,207 |
| Citigroup | - | 7,909 |
| Close Finsbury International Ltd Sterling Income Bond Fund | 48,594 | 57,420 |
| Close Finsbury International Ltd Sterling Bond and Equity Fund | 86,059 | 77,377 |
| Consults Portfolios | | |
| 850-07U78 | 3,594 | 3,319 |
| 850-07U80 | 5,878 | 5,497 |
| | <u>146,333</u> | <u>153,116</u> |
| Allocated to: | | |
| President's Fund | 2,196 | 1,866 |
| Publication and Journals Development Fund | 17,325 | 16,584 |
| Research and Education Fund | 20,246 | 19,717 |
| Ewald Fund | 12,803 | 11,479 |
| Balance left in General Fund | 93,763 | 103,470 |
| | <u>146,333</u> | <u>153,116</u> |

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

8. BANK INTEREST

| | | Swiss Francs 2006 | 2005 |
|--------------------------------------|-------------------|----------------------|-------------------|
| National Westminster Bank Plc | | | |
| Manchester Business Reserve Account | 14,216 | 13,329 | |
| Manchester Capital Reserve Account | 2 | 2 | |
| | <u> </u> | <u> </u> | |
| | | 14,218 | 13,331 |
| Merrill Lynch | | | |
| CMA Account | | 4,045 | 1,611 |
| | | <u> </u> | <u> </u> |
| | | 18,263 | 14,942 |
| | | <u> </u> | <u> </u> |

9. PROFIT ON DISPOSAL/REDEMPTION OF INVESTMENTS

| | Swiss Francs 2006 | 2005 |
|------------|----------------------|-------------------|
| Proceeds | 838,799 | 471,369 |
| Book value | (828,529) | (443,483) |
| | <u> </u> | <u> </u> |
| Profit | 10,270 | 27,886 |
| | <u> </u> | <u> </u> |

Book value represents market value at 1 January 2006 or cost if acquired after that date.

The profit on disposal based on historic cost was Swiss Francs 163,888 (2005 – profit Sw Fr 19,283). Therefore historic cost results would be as follows:

| | Swiss Francs 2006 | 2005 |
|--|----------------------|-------------------|
| Surplus/(deficit) of income over expenditure | 109,098 | (98,609) |
| | <u> </u> | <u> </u> |

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

10. INFORMATION REGARDING EMPLOYEES

| | 2006 No. | 2005 No. |
|--|------------------------|-------------|
| Average number of persons employed during the year | 23 | 22 |
| | | |
| | Pounds Sterling | |
| | 2006 | 2005 |
| Staff costs incurred during the year in respect of these employees were: | | |
| Salaries | 830,273 | 797,546 |
| Social security | 92,001 | 88,408 |
| Pension | 146,996 | 142,653 |
| Total staff costs | 1,069,270 | 1,028,607 |
| | | |
| | Swiss Francs | |
| | 2006 | 2005 |
| Total staff costs | 2,467,191 | 2,309,624 |

11. OPERATING LEASE COMMITMENTS

At 31 December, the Union was committed to making the following payments during the next year in respect of operating leases.

| | Swiss Francs | | | |
|--------------------------|-----------------------------|--------------|-----------------------------|--------------|
| | Land & buildings | Other | Land & buildings | Other |
| | 2006 | 2006 | 2005 | 2005 |
| Leases which expire: | | | | |
| Within one year | - | - | 9,770 | 1,813 |
| Within one to two years | - | - | - | - |
| Within two to five years | 98,076 | - | 25,929 | - |
| | 98,076 | - | 35,699 | 1,813 |

12. SPONSORSHIP & OTHER FINANCIAL COMMITMENTS

At 31 December 2006 the Union had authorised, but not contracted for, sponsorship grants of Swiss Francs 121,605 (2005 – Sw Fr 88,425).

At 31 December 2006 the Union had authorised, but not contracted for, a new CIF software agreement of nil Swiss Francs (2005 – Sw Fr 16,497).

At 31 December 2006 the Union had contracted for but not provided in the financial statements, computer equipment of nil Swiss Francs (2005 – Sw Fr 23,373).

In 1997, an agreement was made between the Union and the providers of the newsletter that a cap of US\$ 50,000 per annum was to apply to funding. Any difference between the funds provided and this cap is eligible to be drawn down to meet future cost increases, provide staff rewards or to cover uncertainty concerning advertising income. As at 31 December 2006, the potential liability amounted to US\$ 137,500 (2005 – US\$ 150,000).

NOTES TO THE ACCOUNTS

Year ended 31 December 2006

13. EXCHANGE RATE FLUCTUATIONS ATTRIBUTABLE TO OPERATING ACTIVITIES

| | Swiss Francs 2006 | 2005 |
|---|------------------------------|-----------------|
| Total fluctuations in exchange rates | 11,790 | 314,091 |
| Adjustments for exchange differences attributable to: | | |
| Investments (note 5) | (29,014) | (301,432) |
| Cash and bank balances | (29,384) | (42,595) |
| | <u>(46,608)</u> | <u>(29,936)</u> |

14. ANALYSIS OF CHANGES IN CASH DURING THE YEAR

| | Swiss Francs 2006 | 2006 | Swiss Francs 2005 | 2005 |
|--|------------------------------|------------------|------------------------------|----------------|
| Balance at 1 January | | 286,842 | | 100,003 |
| Net cash inflow | 1,220,226 | | 144,244 | |
| Fluctuations in rates of exchange on cash and bank balances | 29,385 | | 42,595 | |
| | <u>1,249,611</u> | | <u>186,839</u> | |
| Balance at 31 December | | <u>1,536,453</u> | | <u>286,842</u> |

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

| | Swiss Francs 2006 | 2005 | Change 2006 | Change 2005 |
|--------------------------|------------------------------|----------------|------------------------|------------------------|
| Cash at bank and in hand | <u>1,536,453</u> | <u>286,842</u> | <u>1,249,611</u> | <u>186,839</u> |