ESOMAR
WORLD RESEARCH

ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS 2011

MANAGEMENT REPORT

MANAGEMENT REVIEW

The Society continues to monitor and develop the business based on close analysis of annual performance, measured using the financial results recorded by the organisation.

In response to the global economic downturn, ESOMAR prioritised key investments and implemented a programme of vigorous cost control. In this second year of its implementation, the Society has achieved sound financial operating results and reports a surplus of EUR 154K that corresponds to the budget. This is an impressive result given the level of investment made for special projects related to our Governance (architecture, new statutes, move of the ESOMAR Society to the Netherlands) and projects related to new technologies (ESOMAR website and development of our current CRM, ESOMAR APP for mobile phone, recording conferences, investments on multimedia tool).

Despite the economic turbulences and sensitive global market, the investments have stayed stable during the year 2011 and compared with the past years. Since the change of the assets profile and investments parameters (April 2009), the portfolio has proven during this year its strength to react and resist against the market.

Our net result after tax for 2011 shows a positive result of EUR 396K, against the budgeted of EUR 150K and a deficit of EUR 276K in 2010.

	2011	2010
GENERAL EXPENDITURE		
Overhead costs, salaries and social charges	(513)	(454)
Office expenses	(620)	(501)
Other expenses	(360)	(462)
Depreciation property plant and equipment	(108)	(139)
TOTAL GENERAL EXPENDITURE	(1601)	(1556)
OPERATING RESULTS (BEFORE SWISS TAX RISKS)	154	(23)
OTHER TAX EXPENSES (SWISS TAX RISKS)	467	(467)
TRANSFER SOCIETY RELATED EXPENSES	(180)	-
OPERATING RESULT (AFTER SWISS TAX RISKS)	441	(490)

Continued the Tax expense of EUR 467K relating to the accrual on Swiss tax obligations was recognized in 2010 when the 2010 financial statements were audited. The expenses of EUR 180K correspond to costs related to the transfer of Society from Switzerland to the Netherlands and the creation of Dutch Foundation and the registration to the Chamber of Commerce.

HIGHLIGHTS 2011

2011 saw a large number of highlights for the organisation:

• Education; Professional developments
- University career development programme
- Summer Academy
- Young graduate Membership
- Launched our webinars programme

• Events
- Revitalized Congress
- 72 local meetings (up from 50 in the previous year)
- Launch of our ESOMAR event App

• Government Affairs
- Launched 3 new guidelines on Research via Mobile Phone, Social Media and Online Research
- The ICC/ESOMAR code accepted by 63 associations (7 endorsed and 56 adopted)
- Established our legal Affairs Committee

Continued focus on quality membership acquisition led to the membership numbers remaining stable (5,024 including 4 honorary members) by the close of 2011. The rolling membership year introduced in April 2010 and the combined invoicing with directory contributed to facilitate the renewal of the membership in 2011. Also, the participation of ESOMAR to various platform and seminars as well as the success of the Congress in Amsterdam increased ESOMAR' visibility. The introduction of a new "Young Graduate" membership tier in 2010 has been a success during the year 2011.

Regarding the ESOMAR Directory overall activity we managed to register a positive result on revenues compared to the situation registered in 2010 by EUR 21K due to the launch of the new Directory products. We continue to improve the directory features and access to ESOMAR Directory webpage in order to facilitate the search capabilities to strengthen user friendliness.

The implementation of the new formats, content and location implemented in 2010 helped us during the year 2011 to increase the satisfactions of the participants (delegates, sponsors, exhibitors). Overall, the conferences, summer academy, workshops exceeded their objectives in terms of revenue and budget 2011 by over EUR 100K.

ESOMAR with the support of our local Representatives organized in 2011 72 local meetings across the world who welcomed more than 3,000 participants.

The Webinar, another example of a successful new format contributed indirectly (free of charge for the participants) to the success of the 2011 activity and results due to the sponsors contributions and interests brought to this new platform that registered more than 3,000 participants in 2011.

The average number of employees during the year was 33, same as in 2010.

FINANCIAL POSITION AND OVERVIEW

In terms of total revenue, the Society recorded an increase of 4% year on year to EUR 5,522K, compared with 2010 (EUR 5,310K): (1) our events recorded for the second consecutive year positive results again; (2) the growth of business to business activities (sponsorship, exhibition, company presentation) contributed significantly and positively to the overall activities by 12% compared to 10% in 2010 (EUR 117K higher in 2011). Please note that in comparison to 2010 (7 conferences), ESOMAR organized 4 conferences and 72 local meetings in 2011. The membership revenue for 2011 – EUR 1,496K – is higher by EUR 42K compared to 2010.

Due to the new Directory products we managed to register a positive result on revenue compared to the situation registered in 2010 by EUR 21K. We continue to improve the directory features and access to ESOMAR Directory webpage in order to facilitate the search capabilities to strengthen user friendliness.

Total revenue from the Professional Development in 2011 is higher compared to last year 2010 by 2% (EUR 2,638K vs. EUR 2,587K).

ESOMAR annual Congress attracted approximately 700 paying delegates and over 1,100 participants in total. The numbers of paying delegates and the number of exhibitors have showed an increase compared to the previous year. The business opportunities did also very well with total sales of EUR 447K (including revenue from evening programs).

Education is composed by workshops and webinar (EUR 234K). All workshops have contributed in a positive way to the current surplus of EUR 67K compared to EUR 26K in 2010. Webinar contributed to the good results of the education activities along the year 2011.

Research World Advertising result is equal to its 2010 revenue, despite a reduction in the number of issues.

If excluding the other Tax expenses of EUR 467K related to the Swiss Tax risks and the transfer society related expenses, general overhead expenditure in 2011 is slightly higher than 2010 by 3%. The operational result for 2011, excluding tax liabilities regarding Swiss Tax and the transfer society related expenses, stands at a positive result of EUR 154K compared to a deficit of EUR 23K in 2010.

This is a large improvement if we compare with the deficit of EUR 936K registered in 2009.

The debtors' position at the end of the year 2011 was in line with 2010.

Please refer to the cash flow statement and the notes to the balance sheet for more details.

Securities and bank deposits finished the year 2011 within a satisfactory result compared to the volatile international financial markets along the year 2011. ABN AMRO Asset Management (Netherlands) B.V. has been responsible for the management of ESOMAR's portfolio since the second half of 2005.

The ESOMAR investment portfolio (asset management portfolio plus cash portfolio) is built principally on Equity, Property, bonds and index trackers with a range of 12%-23%. The combination of the corporate bonds invested via index trackers and/or investments funds confirms the conservative capital management strategy followed by the ESOMAR Council since 2009.

INDUSTRY OUTLOOK 2012

The set of objectives successfully achieved during the year 2011 and the last past 2 years gave us the opportunity to analyze the industry needs for better decisions, to make the right investment, policy and market decisions.

As everyone knows, the pace of technology-led innovation and globalization is fundamentally changing the market research landscape.

The ESOMAR business plan for 2012-13 describes the objectives and needs to develop long term cycle by generating new efficiencies and capabilities; to identify the key steps and strategies; to offer new platforms and create a collective action together between the advanced and emerged economies.

In order to achieve these, the 2011 surplus will be reinvested in some fundamental areas, new technologies and long-term projects that will increase the benefits we provide to our members, partners, affiliates, and the global market research industry in general. This reinvestment programme will continue to be 'partnered' by a strong cost control philosophy as we have implemented during the past 2 years.

FUNDAMENTAL AREAS

The market and social researchers from every corner of the globe confirmed how much it is important for ESOMAR to keep and continue to deliver ''excellence'' in the key domains such as professional standards, disciplinary procedures, public and governmental affairs, publications of both global and local events.

Since 2010 we developed each year the number of local events in order to satisfy the multiple demands from the local associations, markets, partners, members and non-members and provide occasions for sharing knowledge.

We will continue to place emphasis on facilitating these meetings in combination with the global events organized across regions. 2012 has already seen ESOMAR's first ever CEE Forum.

The interests and feedback of these local and global events, the exchange of information, thoughts and concerns help ESOMAR to identify the areas that require particular review of the standards, guidelines.

In 2012 ESOMAR is planning to:

- Draft "Questions to help buyers of social media research" and revise "26 questions to help research buyers of online samples"
- Revise guideline on Mobile research
- Revise guideline on interviewing children and young people
- Revise guideline on maintaining distinction between MR and other activities

NEW TECHNOLOGIES

The success of our webinars (more than 3,000 participants in 2011), the increase of the visitors on our website, the positive comments on the App showed the interests of the ESOMAR members and non-members to receive information online. To respond to this demand, ESOMAR will continue to invest and develop its portfolio and online tools, the quality of the webinars, the new generation of App, the digital library and the multi media features within ESOMAR website.

LONG-TERM PROJECT

The overall multimedia platforms evolution, the increase of the ESOMAR participation to global and local market researches events proved that it is time to offer new benefits in order to reply to the demand and reinforce the excellence of ESOMAR roles within the global market research.

One of these additional benefits is the launch of the Corporate membership project.

The objective of this project introduced during our AGM last year (Amsterdam Congress) is more than a new benefit package.

Becoming a Corporate member and using the Corporate Mark is a strong signal of the endorsement and support of the standards shrined in the ICC/ESOMAR international Code;

It is a way to give the possibility to “raise your voice” wherever the company is registered or the size of the company.

It is also a way to register the company on the upgraded ESOMAR directory, being more exposed to the market research industry, being linked directly with key partners and future clients, receive support and follow up to clients through ESOMAR global activities portfolio.

An ESOMAR loyalty program will be developed during the fiscal year 2012 in order to be ready to offer in 2013 to the new Corporate members who show regular, active, successful interests and participations to ESOMAR programs.

2012 AND BEYOND: MANY REASONS TO BE OPTIMISTIC

Looking across the 2012 growth forecasts reported by the major multi-national organisations in their recent annual reports, they do vary in magnitude but they are all positive. Whilst anecdotal evidence regarding client-side research budgets is more pessimistic – suggesting a "no change" position for 2012 – where we have seen self-reported revenue / research budgets, they have all been positive. The key element herein is to look more closely at the new technologies, which will have an increasing presence in the portfolio of methodologies being adopted, and will play a bigger role in determining level of competitive growth.

So, an average growth figure between 3%-4% may be expected: the B.R.I.C. markets will continue to expand, and the next level of M.I.N.T markets (Mexico, Indonesia, Nigeria and Turkey) may well become more prevalent; the newer "approaches" will likely become more popular, and competition will continue to grow from "non-traditional" research.

Due to these factors, ESOMAR wishes to continue to develop on a number of fronts:

• We will keep investing in, and reinforcing our Government Affairs programme, so that we can continue to listen to, address, and participate in the international policy and legislation discussion that may affect our industry.
• We will continue to try and broaden our definition, and our measure of the global market research industry, so that we can become more inclusive and provide a more comprehensive voice for the industry globally.
• We will also continue to invite and facilitate meetings of research practitioners, so that we can propose workable and pragmatic guidelines for new and emerging data collection approaches which do not run in contravention to the legislative discussions mentioned above.
• We will actively expand our investment in, and support of the Young Researchers initiative; we will conduct more career days in universities; we will secure more guest lecture slots; we will bring more students to our events and we will issue support texts and booklets for new entrants into our industry such that the next generation of researcher is fully equipped to deal with the constant evolution of our industry.

Lastly, and as reported at out AGM in Amsterdam last year, 2012 will be another major milestone in the development of ESOMAR as it is our 65th birthday, and it will see the introduction of our expanded membership offer – ratified by 90% of the referendum vote.

We believe all of these efforts will serve to fortify our industry's voice; raise the quality standards of what we do and ensure that research may be "celebrated" as a fundamentally important contributor to the development of commercial and societal interests.

We look forward to welcoming everyone – member and non-member alike – to participate in our 65th Anniversary Congress, in Atlanta, and the first Congress ever to be held in the United States of America.

Amsterdam, 27 June 2012

The Board of Management,

Finn Raben
Director General

Marie-Agnès Mourot de Lathyle
Director Finance & Services

Abbreviated consolidated statement of financial position
As at 31 December 2011

In thousands of euro

	2011	2010
NON-CURRENT ASSETS		
Intangible assets	357	163
Property, plant and equipment	375	339
Financial fixed assets	6,239	6,240
TOTAL NON-CURRENT ASSETS	**6,971**	**6,742**
CURRENT ASSETS		
Inventory	5	15
Receivables		
Debtors	1,308	1,319
Income tax receivable	-	141
Prepaid expenses and other receivables	288	277
Accrued income	40	-
Total receivables	1,636	1,737
Short term deposits	-	-
Cash and cash equivalents	811	1,081
	811	1,081
TOTAL CURRENT ASSETS	**2,452**	**2,833**
TOTAL ASSETS	**9,423**	**9,575**
CURRENT LIABILITIES		
Payables and accrued expenses	976	1,531
Income tax payable	76	24
Deferred income	2,765	2,810
TOTAL CURRENT LIABILITIES	**3,817**	**4,365**
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,606**	**5,210**
FINANCED BY:		
accumulated funds attributable to the members of the Society	5,606	5,210

Abbreviated consolidated statement of comprehensive income
For the year ended 31 December 2011

In thousands of euro

		2011		2010
PROFESSIONAL STANDARDS AND MEMBERSHIP				
Membership and entrances fee	1,496		1,454	
Local meetings	98		-	
Membership expenditure	(417)		(351)	
		1,177		1,103
Directory entries	1,290		1,269	
Directory expenditure	(412)		(470)	
		878		799
Other corporate and representation expenditure		(692)		(714)
Subtotal gross margin professional standards and membership		**1,363**		**1,188**
PROFESSIONAL DEVELOPMENT AND EVENTS				
Congress revenue	1,302		994	
Congress expenditure	(1,163)		(864)	
		139		130
Conferences revenue	683		981	
Conferences expenditure	(580)		(780)	
		103		201
Education (workshops) revenue	234		153	
Education (workshops) expenditure	(167)		(127)	
		67		26
Publishing revenue	419		459	
Publishing expenditure	(336)		(471)	
		83		(12)
Subtotal gross margin professional development and events		**392**		**345**
Total gross profit		**1,755**		**1,533**
GENERAL EXPENDITURE				
Overhead costs, salaries and social charges	(513)		(454)	
Office expenses	(620)		(501)	
Other expenses	(360)		(462)	
Other tax expenses	467		(467)	
Transfer Society related expenses	(180)		-	
Depreciation property plant and equipment	(108)		(139)	
Total general expenditure		**(1,314)**		**(2,023)**
Operating result (carry forward)		**441**		**(490)**

Abbreviated consolidated statement of comprehensive income
For the year ended 31 December 2011

In thousands of euro

	2011	2010
OPERATING RESULT (CARRIED FORWARD)	**441**	**(490)**
Finance income	169	263
Finance expenses	(162)	(25)
Net finance income / (expense)	**7**	**238**
NET RESULT BEFORE TAX	**448**	**(252)**
Income tax	(52)	(24)
NET RESULT ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY	**396**	**(276)**

Abbreviated consolidated statement of recognised income and expense
For the year ended 31 December 2011

In thousands of euro

	2011	2010
Net result for the period	396	(276)
Total recognised income and expense for the period	**396**	**(276)**
ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY	**396**	**(276)**

Abbreviated consolidated cash flow statement
For the year ended 31 December 2011

In thousands of euro

	2011	2010
OPERATING RESULT	**441**	**(490)**
Amortisation of intangible assets	117	91
Depreciation property, plant and equipment	108	139
Bank charges	(1)	(1)
	665	(261)
Changes in inventory	10	(7)
Changes in debtors	11	(498)
Changes in prepaid expenses, other receivables and accrued income	(56)	113
Changes in payables and accrued expenses	(555)	714
Changes in income tax position	192	-
Changes in deferred income	(45)	155
NET CASH FROM OPERATING ACTIVITIES	**222**	**216**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	75	114
Dividends received	27	35
Asset management fee	(13)	(14)
Proceeds from sale of investments	1,168	460
Acquisitions of investments	(1,114)	(466)
Acquisitions of intangible assets	(311)	(8)
Acquisition of property, plant and equipment	(144)	(70)
NET CASH FROM/(USED) IN INVESTING ACTIVITIES	**(312)**	**51**
NET CASH FROM/(USED) IN FINANCING ACTIVITIES	**-**	**-**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**(90)**	**267**
Cash and cash equivalents at 1 January	**4,211**	**3,944**
Cash and cash equivalents at 31 December	**4,121**	**4,211**

Consolidated statement of changes in equity
For the year ended 31 December 2011

In thousands of euro

Balance as at 1 January 2010	5,486
Net result for the year 2010	(276)
Balance as at 1 January 2011	5,210
Net result for the year 2011	396
Balance at 31 December 2011	**5,606**

NOTES TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2011

1 REPORTING ENTITY

Activities

ESOMAR is the world organisation for enabling better research into markets, consumers and societies. With 5,024 members in 130 countries, ESOMAR's aim is to promote the value of market and opinion research in illuminating real issues and bringing about effective decision-making.

To facilitate this on-going dialogue, ESOMAR creates and manages a comprehensive programme of industry specific and thematic conferences, publications and communication as well as actively advocating self-regulation and the worldwide code of practice.

ESOMAR was founded in 1948 as the European Society for Opinion and Marketing Research (ESOMAR or "the Society"). The registered office of the Society is in Lausanne, Switzerland and was incorporated under art. 60 of Swiss Civil Code in the Canton de Vaud no. 133. Operations are managed from the office, which is located at Eurocenter 2, 11th floor, Barbara Strozzilaan 384, 1083 HN Amsterdam, The Netherlands. The Society has a 100% subsidiary: ESOMAR B.V., which is registered in the Netherlands.

2 SIGNIFICANT ACCOUNTING POLICIES

These abbreviated consolidated financial statements have been derived from the unabridged consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union. These standards are consistently applied throughout the group and previous year. The unabridged consolidated financial statements are prepared by the Board of Management and issued on 21 May 2012. Assets and liabilities are shown at face value, unless otherwise stated.

Basis of preparation

The abbreviated consolidated financial statements are presented in euro thousands and rounded as such. They are prepared under the historical cost convention except for the following assets and liabilities which are stated at fair value: derivative financial instruments, financial instruments and assets held for trading.

The abridged consolidated financial statements have been derived from the unabridged consolidated financial statements which have been audited by our auditors, BDO Audit & Assurance B.V. (BDO), and who have issued an unqualified opinion dated 4 July 2012. The abbreviated consolidated financial statements have been audited by BDO and in their opinion; the abbreviated consolidated financial statements have been derived consistently, in all material respects, from the audited unabridged consolidated financial statements.

The preparation of financial statements in compliance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future period.

Basis of consolidation

The abbreviated consolidated financial statements include the accounts of the Society and its subsidiary ESOMAR B.V ("the group"), using the full consolidation method.

All material intercompany income and expenses, balances, transactions and profits and losses resulting from intragroup transactions are eliminated on consolidation.

Reporting currency

The abbreviated consolidated financial statements of the Society are presented in EUR's, since this is the currency of the primary economic environment of the Society.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised in other comprehensive income.

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement using the straight-line amortisation method with no residual value over the estimated useful life of the assets (3-5 years).

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement using the straight-line depreciation method with no residual value over the estimated useful lives of the assets mainly as follows:
Office renovation: 10 years
Office equipment, licenses and furniture: 3 to 5 years.

Financial instruments

Non-derivative financial assets
The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Financial assets designated at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables, including service concession receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Non-derivative financial liabilities
The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Inventory
Inventories are stated at the lowest of cost and net realisable value. The cost of inventory is based on the FIFO method.

Impairment

An assessment is made at each balance sheet date whether there is an indication that an asset may be impaired. If any such indication exists, an estimate of the asset's recoverable amount is made. An asset's recoverable amount is the highest of an asset has or cash generating unit's fair value less selling costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement.

Recognition of Income, other than events

This represents revenues from third parties, mainly members of the Society.

- Membership fees are recognised in the income statement of the period to which they relate. Membership entrance fee is invoiced to new members only, and recognised at invoice date.
- Directory income is recognised in the income statement of the period to which the fees relate.
- Publishing revenue is recognised in the income statement at shipment date.

Recognition of Income and expenses from events (Congress, Conferences and Education)

Congress, Conferences and Education revenue is recognised in the income statement on the date when the event takes place.

Expenditure

Expenditure is directly allocated to activities where possible; salaries are allocated based on the number of staff working for specific activities.

Defined contribution plans

Commitments for defined contributions to pension plans are recognised as expenditure in the income statement as incurred.

Financial income net

Interest income is recognised in the income statement as it accrues. Dividend income is recognised in the income statement on the date the entity's right to receive payment is established. Furthermore the financial expenditure comprises interest payable and management fees for Asset Management.

Income tax

Income tax on result is calculated by applying the current Dutch tax rate to the taxable result of the 100% subsidiary ESOMAR B.V. located in the Netherlands.

No tax is due on the result of the Society, as these activities are tax exempt in The Netherlands.

Cash flow statement

The consolidated cash flow statement, which has been prepared according to the indirect method, shows the cash flow from operating activities, investing activities, financing activities and the cash position at the beginning and at the end of the year. Cash flow from operating activities is stated as operating result adjusted for non-cash operating items and working capital movements. Cash flow from investing activities comprises investments and divestments of intangible, tangible and financial assets.

New standards, interpretations and amendments effective from 1 January 2011

None of the new standards, interpretations and amendments, effective for the first time from 1 January 2011, have had a material effect on the financial statements.

New standards and interpretations not yet adopted

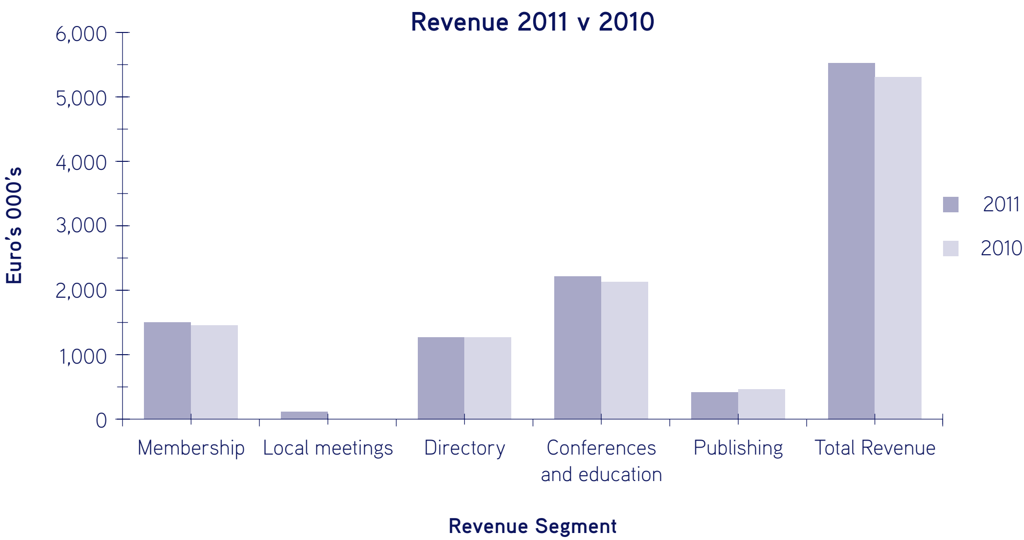
A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2011, and have not been applied in preparing these financial statements.

None of these are expected to have a significant effect on the financial statements of ESOMAR.

ABBREVIATED CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2011

Revenue

Total revenues increased by 4% from EUR 5,310K in 2010 to EUR 5,522K in 2011. Revenues can be analysed as follows: Membership and entrance fees EUR 1,496K (2010: EUR 1,454K), Local meetings EUR 98K (2010: EUR 0K), Directory entries EUR 1,290K (2010: EUR 1,269K), Conferences and education EUR 2,219K (2010: EUR 2,128K) and Publishing EUR 419K (2010: EUR 459K).



Other corporate expenditure and representation

Corporate expenditure and representation can be specified as follows:

In thousands of euro

	2011	2010
Governance (Council and committees)	100	104
Public Relations and Representation	99	124
Self-regulation	129	122
Market Research and Development projects	116	84
Other Industry Initiatives	26	30
Allocated salaries	222	250
	692	**714**

These expenses relate to the development of projects and initiatives to protect and promote the interests of the Market Research Industry as a strategic tool for business decision making in both public and private sectors alike.

Other Industry Initiatives relate for example to the strengthening of the relationship between ESOMAR and the International Associations.

Overhead costs, salaries and social charges

Overhead costs, salaries and social charges can be specified as follows:

In thousands of euro

OVERHEAD COSTS, SALARIES AND SOCIAL CHARGES	2011	2010
Salaries	1,514	1,712
Bonus reservation	207	171
Sickness benefit	(21)	(23)
Salaries and sickness benefit	**1,700**	**1,860**
Social security charges	208	201
Pension charges	176	178
Insurances	43	49
Travel allowance	26	25
Other salaries related costs	**453**	**454**
Salary cost allocated to events, publishing and other activities	**(1,640)**	**(1,860)**
Total	**513**	**454**

The pension charges relate to a defined contribution plan. The insurances charges relate to insurance of ESOMAR staff.

Office expenses

The office expenses can be specified as follows:

In thousands of euro

	2011	2010
General office and personnel costs	117	75
Rental and lease costs	217	220
Telephone, internet and fax	55	41
Computer consultancy and license fees (*)	189	88
Recruitment fees	8	15
Stationary	3	1
Cleaning	18	17
Electricity and gas	32	44
Other	(19)	-
	620	**501**

(*) Computer consultancy and license fees increased compared to 2010 due to the further investments in projects related to new technologies. License fees that are being depreciated over more than 12 months have been moved from office expenses to the tangible fixed assets.

Other expenses

The other expenses can be specified as follows:

In thousands of euro

	2011	2010
Brand/General Promotion	28	21
Website/CRM	179	309
Advisory costs: tax, legal, etc.	75	46
Audit fees	31	66
Training personnel	47	20
	360	**462**

Other tax expenses and foundation of the Dutch society

The other tax expense of EUR 467K related to the accrual on Swiss tax obligations that were recognized in 2010. The amount of EUR 467K represented management's best estimate of the (expected maximum) cash outflow when the 2010 financial statements were audited. Investments were made in 2011 for special projects related to our Governance (architecture, new statutes, move of the ESOMAR Society to the Netherlands) for a total amount of EUR 180K.

Net finance income / (expense)

The net finance expense can be specified as follows:

In thousands of euro

	2011	2010
Interest income on bank deposits	9	5
Interest income on financial assets	133	132
Dividend income on financial assets	27	35
Change in fair value of financial assets	-	91
Finance income	**169**	**263**
Change in fair value of financial assets	(74)	-
Net loss of disposal of financial assets	(74)	(10)
Management fees	(13)	(14)
Bank charges	(1)	(1)
Finance expenses	**(162)**	**(25)**
Net finance income / (expense)	**7**	**238**

Tel: +31 (0)20 543 21 00
Fax: +31 (0)20 543 21 66
info@bdo.nl
www.bdo.nl

BDO Audit & Assurance B.V.
P.O. Box 71730, 1008 DE Amsterdam
Krijgsman 9, 1186 DM Amstelveen
The Netherlands

INDEPENDENT AUDITOR'S REPORT ON THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

To: the members and the board of management of the Society of ESOMAR

The accompanying abbreviated consolidated financial statements, which comprise the abbreviated consolidated statement of financial position as at 31 December 2011, the abbreviated consolidated statements of comprehensive income, the abbreviated consolidated changes in equity and abbreviated consolidated cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information are derived from the audited financial statements of the Society of ESOMAR for the year ended 31 December 2011. We expressed an unqualified audit opinion on those financial statements in our auditor's report dated 4 July 2012. Those financial statements, and the abbreviated consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements.

The abbreviated consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Society of ESOMAR.

Management's responsibility
Management is responsible for the preparation of a summary of the audited financial statements in accordance with the principles described in note 2.

Auditor's responsibility
Our responsibility is to express an opinion on the abbreviated consolidated financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standard 810, "Engagements to report on summary financial statements".

Opinion
In our opinion the abbreviated consolidated financial statements derived from the audited financial statements of the Society of ESOMAR for the year ended 31 December 2011, are consistent, in all material respects, with those financial statements, in accordance with the principles described in note 2.

Amstelveen, 4 July 2012

BDO Audit & Assurance B.V.
on its behalf,

sgd.
O. van Agthoven RA

RA20961

GENERAL INFORMATION

Bankers

ABN AMRO Asset Management (Netherlands) B.V.
Amsterdam, The Netherlands

Auditors

BDO Audit & Assurance B.V.
Amstelveen, The Netherlands

Legal Advisors

Höcker Advocaten
Amsterdam, The Netherlands

Registered Office

(Siége Social)
Lausanne, Switzerland
Incorporated under Art. 60 of
Code Civil Suisse, in the
Canton de Vaud, No.133

Contact details

ESOMAR
Eurocenter 2
Barbara Strozzilaan 384
1083 HN Amsterdam
The Netherlands

Tel: +31-20-664.2141

ESOMAR

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