ESOMAR
WORLD RESEARCH

ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS 2013

MANAGEMENT REPORT

MANAGEMENT REVIEW

2013 was a year in which it was confirmed that ESOMAR – by harnessing its members experience and expertise - could fortify our industry's voice, raise the quality standards of our profession and ensure that research is recognised as a fundamentally important and valuable contributor to the development of society.

The (successful) launch of corporate membership in 2012 reinforced this role throughout 2013; over 200 corporate members (agencies and clients) joined ESOMAR and some of them signed their engagement for more than a year.

Our members, both individual and corporate - as well as the profession in general – were able to benefit from the investments made over the past couple of years into new technologies, methodological guidelines and reinforcing the Governmental affairs lobbying programme.

On a more challenging note, 2013 also confirmed that the recession continued to affect Europe and made the Euro

In thousands of euro	2013	2012
REVENUE	5,123	5,598
OPERATIONAL EXPENDITURE	(3,930)	(4,246)
GENERAL EXPENDITURE		
Overhead costs, salaries and social charges	(441)	(406)
Office expenses	(566)	(547)
Other expenses	(297)	(403)
Depreciation property plant and equipment	(166)	(199)
TOTAL GENERAL EXPENDITURE	(1,470)	(1,555)
TOTAL RESULT (EXCLUDING SPECIAL AND FINANCIAL RESULTS)	(277)	(203)
ESOMAR OFFICE MOVE 2013	(82)	(195)
FINANCIAL RESULT	175	433
TAX	32	13
NET RESULT TO ACCUMULATED FUNDS	(152)	48

currency more fragile than in the past years. Furthermore, the increasing presence of non-traditional players in the "business intelligence" sector, the need to constantly review our business and our offerings, the unstable and unpredictable international and political environments, all made it substantially more difficult to plan than ever before.

While these disruptive factors continued to slowdown market and business exchange opportunities, ESOMAR strived throughout 2013 to maintain upbeat expectations and provide a premium quality service for the benefit of our members.

Taking all of these elements into consideration, the table below summarises the financial position of the Society at the end of 2013, which Council believes is a commendable result, given the level of investments made, the revenue challenges exacerbated by the economic climate, and the impact of socio-political instability on our ability to plan and counter-plan for differing eventualities.

Please also note that the figures above include costs relating to the office move, which was completed in 2013 (and will thus be recorded in the 2013 results), but which will contribute positively to a consequent reduction of general expenditure costs in 2014 and longer-term.

For the 4th consecutive year, our investment portfolio continued to record positive results, countering the tougher global economic situation and fluctuating market conditions. Our Net Result after tax benefit confirms this positive result by EUR 175K.

HIGHLIGHTS 2013

Our objective was to *"encourage, advance and elevate the cause of the Market Research globally"*; based on member feedback received so far, we believe we have successfully started to deliver on this objective, and we continue to invest in our core areas, providing members with access to key information to support and contribute to their day-to-day work and success in their professional projects.

Some of the key activities and projects implemented during the last past 18 months are:

- Corporate Membership
  Thanks to the testimonial(s) of a select group of key founding companies (attesting to the benefits of this membership), the Corporate Membership result confirmed at the end of 2013 was well above our expected targets (217 Corporate Members - agencies and clients - versus a target of 100).

- Individual Membership
  The combination of programmes developed in 2012, such as: the recognition programme for mid to long-term members, and from a support perspective, the automated renewal payments (direct debit implemented in 2013); helped us significantly in reaching positive levels of renewals of both individual and corporate members. This also benefitted the Directory results, as these listings are inextricably linked to membership.

- Professional Standards
  3 new guidelines were launched in 2013, on Mobile, Social Media and Online Research. 6 new local associations were set-up with ESOMAR help and start-up funding, and we are now honoured that the ICC/ESOMAR code is currently accepted or endorsed by 65 associations internationally.

- Government Affairs
  In co-operation with its partners, ESOMAR continues to be at the forefront in representing our industry with various legislatures, ensuring proposed Privacy and Data Protection laws do not unfairly disadvantage our industry. Guided by our Legal Affairs Committee (comprising the Chief Privacy or Legal Officers from the major global research agencies), our Government Affairs team regularly represent our interests at the legislative "table", and have participated in more than 20 separate meetings and conferences, have issued 4 joint statements with EFAMRO to European lawmakers, and have distributed 5 new legal reviews and briefing notes for members to use in their day-to-day activities, based on the successful launch of our new legislative monitoring service.

- While our Congress in Istanbul was successful in terms of reported (delegate) satisfaction with the content and educational programmes offered, unfortunately the congress' financial result was adversely affected by the socio-political circumstances (a) within Turkey and (b) on its border(s) with Syria, leading to an unforeseeable decrease in the number of participants. However – and despite the lower number of delegates compared to previous years - the client participation increased by 3% from 24% to 27%, a trend that continues to be apparent in our events in the first quarter of 2014.

In 2013, we also continued to offer local meetings, providing opportunities for our members in local markets to meet with ESOMAR locally. The number of local meetings slightly decreased in favour of combined events organised in partnership with local associations where ESOMAR provided guidance based on local needs.

- Live-Streaming
  The number of virtual participants (members and non-members) who are choosing to view part or whole presentations through our video live-streaming of conferences, has confirmed that this channel – designed to broaden our reach and provide wider access to knowledge and content - has been very well received by members, non-members and sponsors alike. As a result, we will continue to invest and improve the tools throughout the year.

- Education
  - Our University Days (career development programme) were conducted in over 20 universities globally last year, and continued to attract increasing interest and demand throughout the year.
  - The Summer Academy attracted over 230 participants (62% of attendees were under 35 years old; 50% were clients and 50% of the participants were members).
  - Our webinar programme continued to be successful in terms of registered participants (more than 300 registered per session) but also in terms of sponsors and speakers that wished to offer and share their professional expertise within the profession and the industry.

- Publishing
  Two points are worth noting under this heading:
  (a) Firstly, ESOMAR continues to update and re-publish the "Answers" book, a basic "What to Do / What NOT to do" reference manual for starters in our profession. With contributors from agencies, clients and consultants, the book has proven very popular, and will continue to be updated going forward. This was done in response to one of our key objectives last year, which was to 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 profession.
  (b) Secondly, an additional deal was struck with Wiley Publishers, for the onward distribution of Research World magazine. Each issue is now electronically included in the Wiley "library", which is made available to a subscriber panel of almost 20,000 librarians worldwide, and thus to an exponentially wider readership.

SOME FURTHER DETAILS

The results recorded in 2013 for membership, should be considered as transitional, as this year represented the initial (first full year) of the Corporate Membership offer and thus included a significant element of conversion of individual members to corporate membership – a trend particularly apparent during the first two quarters of 2013.

2013 registered an increase of membership from emerging markets, offset by an increase in resignations in Western European and North American markets, due mainly to changes in professional status and the economic crisis. As a result, a slight decrease in the number of members was inevitable. Our community has now 4,836 individual members within 130 countries compared to 4,903 members at the end of 2012.

However, ESOMAR members fully recognised the opportunity and benefits of converting their individual membership to corporate membership. By adopting this route, the companies demonstrated their clear willingness to adopt (and invest in) the Code. This allowed them to reinforce their links with those local associations who have also adopted or endorsed the principles embodied by the Code, facilitating better business opportunities, and improving their capacity to resist competition from non-traditional players and the global and local economic fluctuations. Accordingly, the first 2 quarters of 2013 registered a conversion of individual membership in favour of the corporate membership results.

The third and fourth quarter registered a higher level of acquisition due to new companies joining the membership community. In the end we are proud to have added more than 200 corporate members, representing more than 10,000 employees, to our member base.

Activity on the ESOMAR Directory also benefitted from the corporate membership transition (as a directory listing is included in the corporate membership package), thus leading to positive results, and revenue increasing slightly from EUR 1,307K in 2012 to EUR 1,364K this year. The introduction of corporate membership has also contributed to increasing the sales of secondary directory items, and we await with interest the impact this may have in a full calendar year.

Overall, the professional development programme finished with mixed results.
- The positive results on Webinars, workshops, young graduate programmes and the success of the Summer academy for the third consecutive year confirmed that these are important activities wherein members and non members can receive relevant knowledge and information through the contributions of expert speakers and professors.

- In contrast, Congress, conferences and local events suffered from external (political, economical) circumstances and dropped by 76K compared to budget result.

Due to its importance as an emerging theme, ESOMAR Council agreed that two Big Data Fora be organized – one in The United States and one in Europe, as an immediate response to demand and interest raised by members, non-members and the profession. These non-budgeted meetings increased the expenditure of conferences and professional development by EUR 35K; however, they recorded successful results in terms of interests, partnership and reference material.

Despite the challenges posed by socio-political and economic events, the positive results and feedback offered by delegates attending conferences, Congress and Best of ESOMAR events, has confirmed that these are considered as key platforms and opportunities to meet, chat and exchange views on topical issues that are having an influence on markets and the profession, both globally and locally.

Finally, in relation to certain key internal measures:
(1) In 2013, additional employees joined ESOMAR temporarily, in order to support the permanent team on the key investment projects for the benefit of our members and partners (38 employees versus 35 employees in 2012).

(2) Secondly, the ESOMAR office was relocated on June 01, 2013. Due to market conditions favouring tenants' abilities to improve their locales, as well as their financial and contractual liabilities, the ESOMAR office was relocated to Amsterdam South. The 2013 general expenditure results have already benefitted from this move by EUR 7K per month.

FINANCIAL POSITION AND OVERVIEW

In terms of total revenue and due to the elements explained above, the Society registered a turnover of EUR 5,123K compared to EUR 5,598K in 2012 and EUR 5,522K in 2011.

(1) Up until 2013, our events recorded positive results for the 3 prior, consecutive years. 2013 saw additional and new conferences being organized - responding to additional requirements raised by the profession – but these did require investment to setup and run.
(2) Despite difficult political circumstances, Istanbul hosted the 2013 Congress. The conference performed very well in terms of attendee ratings on content, ideas, thoughts and initiatives, but performed less well financially due to a reduced number of delegates.
(3) The membership revenue for 2013 remained steady (2013 – EUR 1,497K vs. 2012 – EUR 1,505K vs. 2011 – EUR 1,496K).
(4) The benefit of corporate membership subscriptions contributed to the Directory's positive results in 2013 with EUR 1,363K vs. 2012 EUR 1,307K vs. EUR 1,290K in 2011).

Education (comprising workshops and webinars and summer academy) contributed positively to the current surplus of EUR 59K.

Research World Advertising revenue is in line with the 2012 figure. This magazine produced and published for the industry (6 issues per year) remains a key reference for the profession and remains very popular for young graduates and the new generation of Market Researchers. We hope that the new Wiley deal – and its extended readership potential – will allow us to consolidate and perhaps increase this revenue stream in the coming years – a significant challenge for all hard-copy publications!

General expenditure 2013 has been influenced both positively and negatively by special categories mainly related to office move and overall depreciation linked to this exercise: 2013 – EUR (1,551)K vs. 2012 – EUR (1,750)K.

2013, as well as 2012, registered special expenditure related to the remaining office move expenditure (EUR 81K vs. EUR 195K).

The operating result for 2013 registered a better result compared to 2012 with EUR (359)K vs. EUR (398)K. Our Asset portfolio, despite the economic and political crises, continued to prove resilient and stable in contrast to certain markets and the EURO zone. The Asset portfolio contributed to 2013 by adding EUR 175K to the net results of the year.

The ESOMAR investment portfolio (asset management portfolio plus cash portfolio) is principally built on Equity, Property, bonds and index trackers, and a combination of corporate bonds invested via index trackers or/and investments funds.

The debtors' position at the end of the year 2013 was EUR 283K lower than 2012 (2013 - EUR 956K vs. 2012 - EUR 1,239K). This was due to the continued growth of the corporate membership in combination with the rolling individual membership.

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

INDUSTRY OUTLOOK 2014

As the global economy continues to recover from the worst recession since the Great Depression, 2014 is likely to be another year of ups and downs.

In 2014, each region will face its own set of challenges; but we also believe that each region has its own set of positive influences that may have the potential to offset the negatives.

We continue to believe, as we did in 2013, that a strong presence and regular contribution to the methodological and legislative debates surrounding our sector will lead to the continued promotion and safeguarding of the interests of the industry and the profession.

ESOMAR's strategy remains to elevate the standing & perception of our profession by supporting our members in their day-to-day activities and long-term projects and "celebrating" how research contributes responsibly to the betterment of business and society; for this, we commit to continuing to provide the information, tools, advice, place and infrastructure that will facilitate these.

It is therefore very important for us to acknowledge that without the support of all our contributors, it would be impossible to deliver the best benefits to our members, affiliates, the profession and the industry, and it would be impossible to maintain the level of expertise and qualification in terms of output, guidelines, and representation activities. To all our contributors, supporters, advisors and advocates, we therefore wish to extend a most sincere "Thank You".

ESOMAR CORE AREAS

There are 2 elements that cannot be dissociated: the ESOMAR code and the membership. Together, they embody the principles that distinguish and elevate our profession and guide us in terms of specifying the needs for the current and future industry.

While ESOMAR has already increased its delivery of the most accurate business intelligence, and the most up-to-date information relating to methodologies and technologies, this is not always enough in light of the constant need to adjust and refine our practices based on emerging legal and policy initiatives. ESOMAR therefore considers part of its role and responsibilities to be the establishment, reinforcement and communication of our professions' increased adoption of professional standards, best practices and the leveraging of the Code in different legislative spheres.

This will be implemented through continued investment and provision of workgroups, guidelines, best practice reference points and delivering the most relevant and practical support and guidance to help market researchers in providing superior insight and direction to their customers.

We will continue to develop various channels of communication in order to broaden our reach to members and facilitate access to the information and benefits.

In cooperation with local associations, we will continue to respond together to local market needs and providing complementary support to address local market challenges.

THE FOUNDATION

In 2013, ESOMAR launched at the Istanbul Congress the ESOMAR Foundation. The Foundation – a distinctly separate organization, but one actively supported by ESOMAR – was established in response to the worldwide requests for aid that ESOMAR has traditionally received, but was structurally incapable of responding to. The launch of this institution was also in response to one of our key objectives last year, which was to strengthen the benevolent 'branch' of our organisation, such that the often dangerous – even life threatening – work that is carried out in many parts of the world may be recognised; that the educational efforts that are conducted in less privileged arenas may be supported, and that the less fortunate in our industry may be cared for.

Council agreed to setting up the ESOMAR Foundation as a charitable organization, so that it could support four programmes of activities: (i) supporting researchers in need, (ii) providing operating and project grants to charities, (iii) supporting the charitable activities of researchers, and (iv) facilitating dialogues and exchanges between the profession and the industry and the non-profit sector. It is one of the first cross-sector charitable foundations of its kind and it strongly underpins ESOMAR's objective of elevating our industry and the contribution it makes to the betterment of business and society.

The ESOMAR Council invited Gunilla Broadbent and Phyllis MacFarlane to form the initial, Supervisory Board of the ESOMAR Foundation, and they in turn appointed an inaugural Board of Directors.

The ESOMAR Council allocated a 2013-2014 starting capital of EUR 125K to the Foundation so that it could begin its charitable work. Communication efforts were initially (and will continue to be) driven by exposure through our programme of external events, the Foundation's first charity grant was made at Congress in Istanbul, to Afghani charity Skateistan, an award-winning charity listed on the top 100 most influential charities in the world.

A further program of charitable works has already been planned for 2014, along with a broader communications plan, utilizing wider communications platforms.

NEW TECHNOLOGIES

ESOMAR will continue to invest in those technologies and platforms that served large audiences in 2013 such as webinars, the revamp of MyESOMAR (our unique platform dedicated exclusively to our members), and our conference Live-streaming channel - for both members and non-members alike.

2014 will also see a number of additional initiatives, designed to make our members' access to their membership benefits faster, easier, and always on-line, whatever the platform. It is one of our objectives to ensure that ESOMAR can (and will) give free access to content to our members anytime, anywhere.

2014 AND BEYOND: A "BIG" OPPORTUNITY

In reviewing the list of activities that ESOMAR undertook to progress last year, much remains the same:

- We will continue to promote and support adherence to our Code – on both an Individual and Corporate level – so that our Professional Standards remain at the leading edge of our industry, and provide a real distinguishing and discriminating force for our members, and for the global profession.
- We will continue to invest in, and reinforce, our Government Affairs programme, so that we may keep listening to, participating in, and advising our members of, the international policy and legislation debates that could affect our industry.
- We will continue to invite and facilitate meetings of research practitioners, so that we can exchange best practices and propose workable and pragmatic guidelines for new and emerging methodologies, which do not run in contravention to local legislative discussions.
- We will seek to broaden our market definition to an agreed standard, such that our measure of the global market research industry becomes more inclusive and can provide a more comprehensive voice for the industry globally.
- We will dedicate significant time and resource to ensuring that a career in Market Research is a real contender in the consideration set of the next generation.

But the context in which these activities are managed has changed somewhat. The buzzword of 2013 was undoubtedly "BIG" – big data, big analysis, and big changes in our market. This latter point was nothing new, but a rumour was started that created some concern.

This rumour suggested that the Market Research industry was dead, that it simply did not know it yet, and that the future – based on Big Data applications – was the realm of Data Scientists and Chief Insight Officers. Given that Big Data relies on the compilation of (large) dissimilar data sources, the discrete selection of those that pertain to the issue at hand, and the subsequent analysis, interpretation and application of the findings (all core market research skills), then 'Data Scientists' and 'Insight officers' are simply market researchers by another name, and opportunities for the further growth of Market Research as a valued profession, abound. So much so, that one might misquote Mark Twain & say that *"the rumours of Market Research's death have been greatly exaggerated"*.

Nonetheless, for those opportunities to be realised, so must the current value and contribution of research be more actively communicated, advertised and understood; only by doing so will we be ensuring our industry is 'future-proofed' for the next generation.

These emphases on value will neither detract from us maintaining our focus on growth markets, nor from exploring what further technological advances can help us to "spread the word" farther, faster, and more regularly. Nor will it prevent us from keeping a watchful eye on the potential influence of legislators; but it WILL allow us to channel our efforts into clearly articulating the contribution this profession makes, the benefits it brings and the value it has.

Any individual or company who chooses to join our association, sign up to the Code and invest in the future of this profession, demonstrates a clear and distinct desire to set themselves apart as a responsible, distinguished provider of insights. ESOMAR promises to support and develop that distinction with all that it does.

As always, we look forward enormously to welcoming you – irrespective of whether you are a member or non-member – to join us, to chat with us, to participate in an event with us, or to contribute in some other way with us, so that we may all truly celebrate and advance the cause of research.

Amsterdam, 27 June 2014
The Board of Management,

Finn Raben
Director General

Marie-Agnès Mourot de Lathyle
Chief Finance & Operations Officer

Abbreviated Consolidated statement of financial position
As at 31 December 2013

In thousands of euro

	2013	2012
NON-CURRENT ASSETS		
Intangible assets	432	358
Property, plant and equipment	438	479
Financial fixed assets	5,832	6,212
TOTAL NON-CURRENT ASSETS	**6,702**	**7,049**
CURRENT ASSETS		
Inventory	8	15
Receivables		
Debtors	956	1,239
Prepaid expenses and other receivables	333	395
Income tax receivable	45	-
Accrued income	42	42
Total receivables	1,376	1,676
Cash and cash equivalents	571	422
	571	422
TOTAL CURRENT ASSETS	**1,955**	**2,113**
TOTAL ASSETS	**8,657**	**9,162**
CURRENT LIABILITIES		
Payables and accrued expenses	422	817
Income tax payable	-	39
Deferred income	2,733	2,652
TOTAL CURRENT LIABILITIES	**3,155**	**3,508**
TOTAL ASSETS LESS CURRENT LIABILITIES	**5,502**	**5,654**
FINANCED BY: accumulated funds attributable to the members of the Society	5,502	5,654

Abbreviated consolidated statement of profit and loss
For the year ended 31 December 2013

In thousands of euro

	2013	2013	2012	2012
PROFESSIONAL STANDARDS AND MEMBERSHIP				
Membership and entrances fee	1,500		1,505	
Local meetings	128		114	
Membership expenditure	(482)		(495)	
		1,146		1,124
Directory entries	1,364		1,307	
Directory expenditure	(520)		(469)	
		844		838
Other corporate and representation expenditure		(775)		(845)
Subtotal gross margin professional standards and membership		**1,215**		**1,117**
PROFESSIONAL DEVELOPMENT AND EVENTS				
Congress revenue	937		1,163	
Congress expenditure	(988)		(1,129)	
		(51)		34
Conferences revenue	639		894	
Conferences expenditure	(675)		(793)	
		(36)		101
Education (workshops) revenue	206		206	
Education (workshops) expenditure	(147)		(160)	
		59		46
Publishing revenue	349		409	
Publishing expenditure	(343)		(355)	
		6		54
Subtotal gross margin professional development and events		**(22)**		**235**
Total gross profit		**1,193**		**1,352**
GENERAL EXPENDITURE				
Overhead costs, salaries and social charges	(441)		(406)	
Office expenses	(573)		(707)	
Other expenses	(297)		(438)	
Depreciation property plant and equipment	(241)		(199)	
Total general expenditure		**(1,552)**		**(1,750)**
Operating result (carry forward)		**(359)**		**(398)**

Abbreviated consolidated statement of profit and loss
For the year ended 31 December 2013

In thousands of euro

	Note	2013	2012
OPERATING RESULT (CARRIED FORWARD)		**(359)**	**(398)**
Finance income	30	377	479
Finance expenses	30	(202)	(46)
Net finance income / (expense)		**175**	**433**
NET RESULT BEFORE TAX		**(184)**	**35**
Income tax	31	32	13
NET RESULT ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY		**(152)**	**48**

Abbreviated consolidated cash flow statement
For the year ended 31 December 2013

In thousands of euro

	2013	2012
OPERATING RESULT	**(359)**	**(398)**
Amortisation of intangible assets	33	156
Depreciation property, plant and equipment	242	195
	(84)	(47)
Changes in inventory	7	(10)
Changes in debtors	283	69
Changes in prepaid expenses, other receivables and accrued income	71	(104)
Changes in payables and accrued expenses	(395)	(159)
Changes in income tax position	(85)	(37)
Changes in deferred income	81	(113)
NET CASHED FROM OPERATING ACTIVITIES	**(122)**	**(401)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	120	126
Other financial expenses	10	21
Dividends received	21	27
Asset management fee	(33)	(23)
Proceeds from sale of investments	2,379	659
Acquisitions of investments	(1,960)	(701)
Acquisitions of intangible assets	(107)	(157)
Acquisition of property, plant and equipment	(201)	(299)
NET CASHED FROM/(USED) IN INVESTING ACTIVITIES	**229**	**(347)**
NET CASHED FROM/(USED) IN FINANCING ACTIVITIES	**-**	**-**
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**107**	**(748)**
Cash and cash equivalents at 1 January	3,371	4,121
Cash and cash equivalents at 31 December	3,478	3,371

Abbreviated consolidated statement of changes in equity
For the year ended 31 December 2013

In thousands of euro

Balance as at 1 January 2012	5,606
Net result for the year 2012	48
Balance as at 1 January 2013	5,654
Net result for the year 2013	(152)
Balance at 31 December 2013	**5,502**

NOTES TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2013

1 REPORTING ENTITY

Activities

ESOMAR is the world organisation for enabling better research into markets, consumers and societies. With 4,836 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. In addition to the 4,836 individual members we are proud to have added more than 200 corporate members, representing more than 10,000 employees, to our member base.

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.

Registered office

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 Amsterdam, the Netherlands. Operations are managed from the office, which is located at Atlas Arena, Hoogoorddreef 5, 1101 BA 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 27 June 2014. 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 6 June 2014. 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.

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 (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: 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 its 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.

Deferred income
As far as revenue is presented on the balance sheet under Deferred income the amounts relate to the sum of what has been invoiced throughout the reporting year with regard to revenue to be recognised in the income statement of the following reporting year.

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 2013
None of the new standards, interpretations and amendments, effective for the first time from 1 January 2013, 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 2013, 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 statement of the financial position as at 31 December 2013

Non-current assets

Intangible assets
The intangible assets consist of software and implementation expenses. Movements were as follows:

In thousands of euro

	2013	2012
Acquisition costs at 1 January	784	627
Disposals	-	-
Net investments	107	157
Acquisition costs at 31 December	891	784
Accumulated amortisation at 1 January	(426)	(270)
Disposals	-	-
Amortisation	(33)	(156)
Accumulated amortisation at 31 December	(459)	(426)
Balance at 31 December	**432**	**358**

The intangible assets are amortised over 5 years.

Property, plant and equipment

Movements were as follows:

In thousands of euro

	2013	2012
Acquisition costs at 1 January	936	675
Disposals	(207)	(38)
Net investments	200	299
Acquisition costs at 31 December	929	936
Accumulated amortisation at 1 January	(457)	(300)
Disposals	207	38
Amortisation	(241)	(195)
Accumulated amortisation at 31 December	(491)	(457)
Balance at 31 December	**436**	**479**

The depreciation method used by ESOMAR is the straight-line depreciation method with no residual value. The percentage of depreciation varies 10 per annum for the renovation of the office to 20 per annum for all other categories.

ESOMAR re-allocated its office in 2013. For this reason an additional depreciation of the renovation of the EUROCENTER office of EUR 37K has been recognised in 2012 and another amount of EUR 75K in 2013.

Financial fixed assets

As of December 31, the Company has the following financial assets:

In thousands of euro

	2013	2012
Financial assets designated at fair value through profit and loss	5,832	6,212
Total	**5,832**	**6,212**

The maximum exposure to credit risk for the investments at reporting date by geographic region was:

In thousands of euro

	2013	2012
European countries	5,062	5,225
United States	179	136
Emerging markets	0	-
Other regions	591	851
Total	**5,832**	**6,212**

Sensitivity analysis – equity price risk

A two per cent increase in equities at the reporting date would have increased the result with roughly EUR 17K (2012: EUR 25K). The analysis is performed using the same basis as in 2012.

Current assets

Inventory
Inventory can be specified as follows:

In thousands of euro

	2013	2012
Books and Handbooks	8	15
Total	**8**	**15**

Inventory relates to books and other publications purchased for re-sale from third party publishers.

Debtors
The debtors can be specified as follows:

In thousands of euro

	2013	2012
Membership	536	574
Directory	279	441
Conferences and Education (Workshops)	12	28
Research World Advertising	6	9
Online Career Network	-	2
Credit card companies and cheques	132	174
Subtotal trade debtors	965	1,228
Other debtors	36	39
Impairment allowance for doubtful debtors	(45)	(28)
Total	**956**	**1,239**

The growth in impairment allowance for doubtful debtors mostly relates to the Rolling Membership invoices with a start date in 2013 and an end date in 2014.

The gross outstanding trade receivables at year-end relates to an amount of EUR 785K (2012: EUR 1,041K) deferred income for the year 2013. Based on experience from prior years, ESOMAR believes that no impairment allowance is necessary for trade receivables past due less than 90 days.

Prepaid expenses and other receivables
The prepaid expenses and other receivables can be specified as follows:

In thousands of euro

	2013	2012
Prepaid events expenses: Congress, Conferences, Education (Workshops)	69	129
Interest	11	16
Guarantee deposit	6	6
VAT receivable	47	108
Prepayments	48	20
Other receivables	152	116
Total	**333**	**395**

Income tax
The company has recognized a provision for Corporate Income Tax, calculated on the taxable result of 100% subsidiary ESOMAR B.V. (*), as follows:

In thousands of euro

Description	**2013**	**2012**
Net profit/(loss) before tax ESOMAR consolidated	(185)	35
Net profit/(loss) before tax The Society of ESOMAR	(23)	101
Net profit/(loss) before tax ESOMAR B.V. (*)	(162)	(66)
Permanent differences / non tax deductible expenses	-	-
Taxable profit/ (loss)	**(162)**	**(66)**
Corporation tax (benefit) / expense (**)	(32)	(13)
Tax relating to prior years	(13)	52
Total tax (benefit) / expense	**(45)**	**39**

(*) The Society is not subject to Dutch income tax.
(**) The effective tax rate in 2013 is 20% (2012: 20%) based on the commercial result before tax. The nominal tax rate was 25% in 2013 and 25% in 2012.

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the Netherlands applied to profits for the year are as follows:

In thousands of euro

	2013	2012
Profit/loss before income taxes	(185)	35
Expected tax charge based on the standard rate of the Netherlands corporation tax at the domestic rate of 20% over the EUR 200,000 and 25% over the excess (2012: 20% over EUR 25,000, 25% over the excess)	37	(7)
Adjustment for part of the profit related to the result of the Society	(5)	20
Total tax expense	**32**	**13**

Accrued income

The accrued income can be specified as follows:

In thousands of euro

	2013	2012
WARC Royalties	42	42
Accrued Income	**42**	**42**

Cash and cash equivalents

Cash and equivalents can be specified as follows:

In thousands of euro

	2013	2012
Bank accounts	156	418
Savings accounts	15	4
Cash and cash equivalents	171	422
Short term deposits	400	-
	571	**422**
Cash component of Asset Management	2,909	2,949
Cash and cash equivalents in the cash flow statement	**3,480**	**3,371**

The cash and equivalents are at free disposal of the company

Current liabilities

Payables and accrued expenses

The payables and accrued expenses can be specified as follows:

In thousands of euro

	2013	2012
Creditors	162	365
Advances for conferences or other services	-	38
Salaries payable	-	142
Holidays and holidays allowances	115	93
Pension premiums	4	-
Social security charges/Wage Tax	95	82
Audit and advisory fees	21	21
Rental ESOMAR office	-	46
Expenses related to events and Research World	-	5
Other liabilities	25	25
Total	**422**	**817**

The salaries payable includes bonuses for employees and the Management Team. The pension premiums relate to the Group's contribution to the pension commitments for staff. The pension system is a defined contribution scheme.

Deferred income

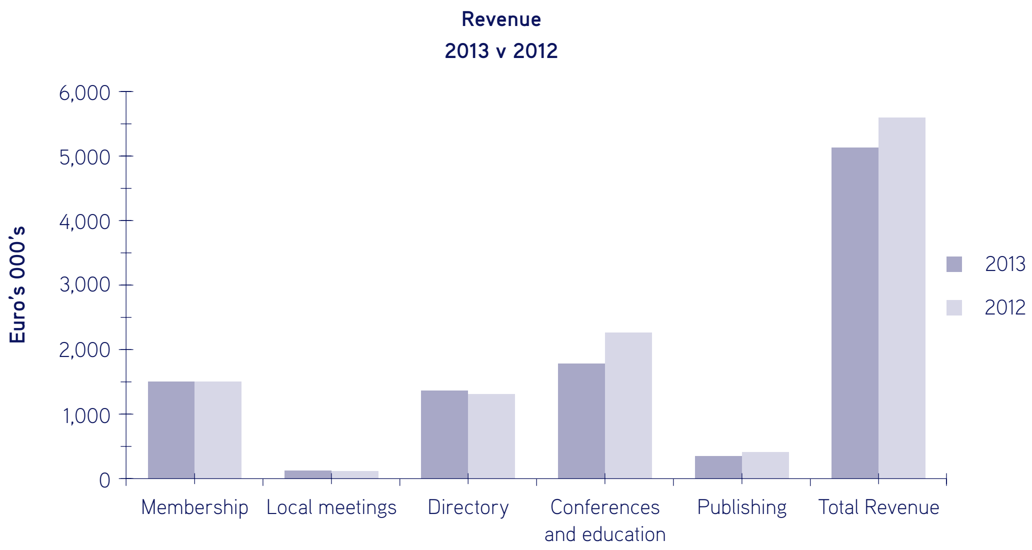
Deferred income can be classified as follows:

In thousands of euro

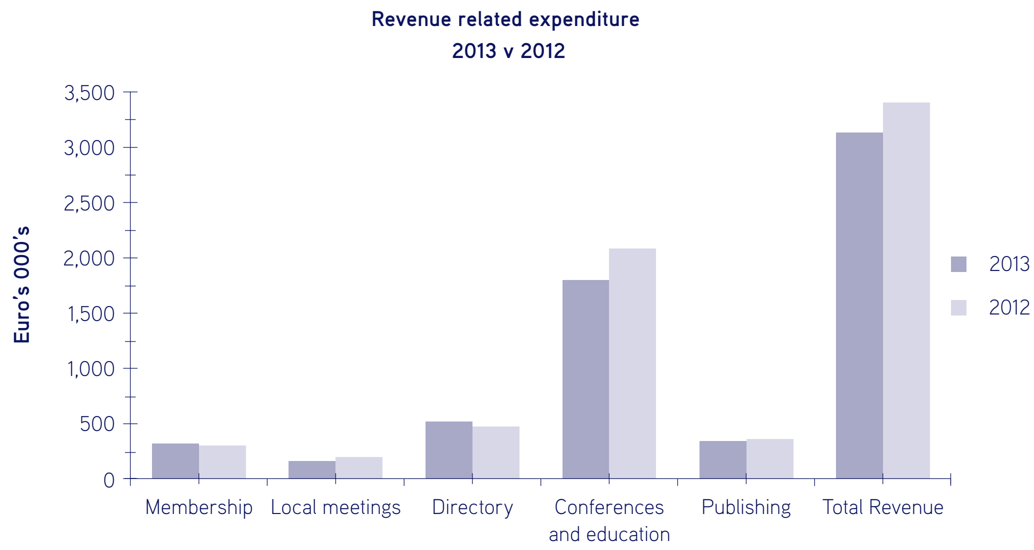
Deferred income	2013	2012
(Corporate) Membership	1,623	1,460
Directory	1,039	1,125
Conference and workshop registrations	67	58
Research world advertising	4	9
Total	**2,733**	**2,652**

ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR 2013

Revenue
Total revenues increased by 9% from EUR 5,598K in 2012 to EUR 5,123K in 2013. Revenues can be analysed as follows: Membership and entrance fees EUR 1,500K (2012: EUR 1,505K), Local meetings EUR 128K (2012: EUR 114K), Directory entries EUR 1,364K (2012: EUR 1,307K), Conferences and education EUR 1,782 (2012: EUR 2,263K) and Publishing EUR 349K (2012: EUR 409K).



Revenue related expenditure
Total revenue related expenditure decreased by 7% from EUR 3,401 in 2012 to EUR 3,155K in 2013. Expenditure can be analysed as follows: Membership EUR 321K (2012: EUR 300K), Local meetings EUR 161K (2012: EUR 195K), Directory EUR 520K (2012: EUR 469K), Conferences and education EUR 1,810K (2012: EUR 2,082K) and Publishing EUR 343K (2012: EUR 355K).



Other Corporate expenditure and representation

Corporate expenditure and representation can be specified as follows:

In thousands of euro

	2013	2012
Governance (Council and committees)	114	92
Public Relations and Representation	116	152
Self-regulation	148	168
Market Research and Development projects	112	134
Other Industry Initiatives	20	52
Allocated salaries	265	247
	775	**845**

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. 2012 Other initiatives also include the costs of the Celebration change book that was given to our delegates at the ESOMAR conferences and annual congress 2012 to celebrate the 65th anniversary of ESOMAR.

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	2013	2012
Salaries	1,749	1,614
Bonus reservation	-	163
Sickness benefit	-	(2)
Salaries and sickness benefit	**1,749**	**1,775**
Social security charges	211	203
Pension charges	207	185
Insurances	45	43
Travel allowance	34	36
Other salaries related costs	**497**	**467**
Salary cost allocated to events, publishing and other activities	**(1,805)**	**(1,836)**
Total	**441**	**406**

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

	2013	2012
General office and personnel costs	89	71
Rental and lease costs	167	337
Telephone, internet and fax	65	62
Computer consultancy and license fees (*)	190	190
Recruitment fees	-	-
Stationary	2	2
Cleaning	18	17
Electricity and gas	21	36
Other	21	(8)
	573	**707**

(*) License fees that are being depreciated over more than 12 months have been moved from office expenses to the tangible fixed assets. The increase of the rental and lease costs in 2012 is related to rental costs to be paid in 2013 (EUR 160K), for which an accrual had to be booked in 2012.

Other expenses

The other expenses can be specified as follows:

In thousands of euro

	2013	2012
Brand/General Promotion	21	19
Website/CRM	135	276
Advisory costs: tax, legal, etc.	73	78
Audit fees	36	38
Training personnel	32	27
	297	**438**

General investments

2012-registered special expenditure (EUR 392K) related to various investments (EUR 197K) and the office move in 2013 (EUR 195K). The 2012 expenditure have been registered within the various categories of the operational expenditure. In 2013 the special expenditure totaled EUR 279K of which EUR 197K related to various investments and EUR 82K to the office move in 2013.

Net finance income / (expense)

The net finance expense can be specified as follows:

In thousands of euro

	2013	2012
Interest income on bank deposits	3	5
Other income/financial results	10	41
Interest income on financial assets	117	145
Dividend income on financial assets	21	27
Net gain on disposal of financial assets	226	-
Change in fair value of financial assets	-	274
Finance income	**377**	**492**
Change in fair value of financial assets	(166)	-
Net loss of disposal of financial assets	-	(2)
Management fees	(33)	(23)
Bank charges	(3)	(21)
Finance expenses	**(202)**	**(46)**
Net finance income / (expense)	**175**	**446**

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INDEPENDENT AUDITOR'S REPORT ON THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS

To: the members and the 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 2012, the abbreviated consolidated statement of comprehensive income, the abbreviated changes in equity and the abbreviated cash flows for the year then ended and the 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 2012. We expressed an unqualified audit opinion on those financial statements in our auditor's report dated 18 July 2013. 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 and by Part 9 of Book 2 of the Dutch Civil Code. Reading the abbreviated consolidated 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 2012, are consistent, in all material respects, with those financial statements, in accordance with the principles described in note 2.

Amstelveen, 18 July 2013

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
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