

# ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS 2015

## MANAGEMENT REPORT

### MANAGEMENT REVIEW

It is a “truism” that growth objectives and results are influenced by market turbulence, itself caused frequently by sudden and dramatic political and technological shifts. However these elements are also those which demand of companies an open mindedness and willingness to adapt.

This is even more applicable to a global market research organisation like ESOMAR; the fiscal year 2015 results, investments and projects developed during this year proved once again that ESOMAR showed its capacity and capability to adapt and to anticipate the Market Research and industry needs.

For the 4<sup>th</sup> consecutive year, top line revenue continued to improve, alongside

strict control regarding the general expenditure. A good example of this focus on efficiency may be seen by the fact that an increased number of projects were developed during this fiscal year, with a lower level of investment authorised by Council for these purposes.

These investments and development projects are always designed to build for the future of ESOMAR and the Market Research industry, and they would not have been possible without the wonderful support, initiative and involvement of our Membership community, together with the very many contributors, supporters, advisors, advocates outside of our membership – to all of whom ESOMAR Council, Board and Team we would like to extend a very warm and very sincere “Thank You”.

In thousands of euro	Audited 2013	Audited 2014	Unaudited 2015
<b>REVENUE</b>	<b>5,123</b>	<b>5,522</b>	<b>5,572</b>
<b>OPERATIONAL EXPENDITURE</b>	<b>(3,847)</b>	<b>(4,163)</b>	<b>(4,149)</b>
<b>TOTAL GENERAL EXPENDITURE</b>	<b>(1,356)</b>	<b>(1,353)</b>	<b>(1,402)</b>
<b>SUBTOTAL</b>	<b>(80)</b>	<b>6</b>	<b>21</b>
Financial results (incl. Assets portfolio, etc.)	175	322	115
<b>OPERATING RESULTS BEFORE SPECIAL EXPENSES</b>	<b>95</b>	<b>329</b>	<b>136</b>
Council approved expenses	(197)	(197)	(175)
Office move / Donation to ESOMAR Foundation	(82)	(125)	(35)
<b>NET RESULTS (BEFORE TAX)</b>	<b>(184)</b>	<b>6</b>	<b>(74)</b>

2015 saw changes in business moving faster and faster....as Stan Sthanunathan said at Congress in Dublin : *"never again will the pace of change be as slow as it is today"*. It was a year when ESOMAR not only continued to invest in key activities for the benefits of our Members but also the year when ESOMAR concentrated significantly on "what comes next", not only in terms of best practices, standards and opinion leadership (clear elements of our 2015 strategy) but also in terms of involving the 'next generation' of the Market Research Industry, together with the start-up community, and together

creating the movement towards the next Market Research Revolution.

From a financial perspective, 2015 showed again the fragility of the investment market, whose negative trends affected the ESOMAR financial assets in the last 2 months of the 4<sup>th</sup> quarter 2015, and which impacted upon the overall ESOMAR asset portfolio performance. Due to this drop in the value of our financial assets, ESOMAR registered a negative result after taxes (EUR (69)K vs EUR +15K in 2014) for the year.

In thousands of euro	2015	2014
<b>REVENUE</b>	<b>5,572</b>	<b>5,522</b>
<b>OPERATIONAL EXPENDITURE</b>	<b>(4,275)</b>	<b>(4,243)</b>
<b>GENERAL EXPENDITURE</b>		
Overhead costs, salaries and social charges	(464)	(459)
Office expenses	(432)	(459)
Other expenses	(364)	(391)
Depreciation property plant and equipment	(191)	(161)
<b>TOTAL GENERAL EXPENDITURE</b>	<b>(1,451)</b>	<b>(1,470)</b>
<b>TOTAL RESULT (EXCLUDING SPECIAL AND FINANCIAL RESULTS)</b>	<b>(154)</b>	<b>(191)</b>
<b>ESOMAR GRANT TOT ESOMAR FOUNDATION 2014</b>	<b>(35)</b>	<b>(125)</b>
<b>FINANCIAL RESULT</b>	<b>115</b>	<b>322</b>
<b>TAX</b>	<b>5</b>	<b>9</b>
<b>NET RESULT TO ACCUMULATED FUNDS</b>	<b>(69)</b>	<b>15</b>

Please also note that the figures above include costs relating to extraordinary expenses linked to the grant to ESOMAR Foundation, as well as investments in consultants for the revision of our current CRM system.

## HIGHLIGHTS 2015

Throughout 2015 ESOMAR analysed, defined and implemented a series of initiatives designed to move the industry forward, in the context of what we believe the future will hold. ESOMAR also continued to fulfil its role and work in attracting the youth, facilitating debate, sharing knowledge, advocating our profession at every possible opportunity and advancing professional standards. We believe that is the way to offer the best service to our Members.

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

- **Corporate Membership**  
The Corporate Membership programme continues to perform ahead of expectations; at the end of 2015, we had 462 Corporate Members - agencies and clients - against a target of 450; this represented an increase of almost 100 corporate members on 2014. Through

our Corporate membership scheme, we now believe that we can 'reach' in excess of 35,000 practitioners.

- **Individual Membership**  
In parallel with the Corporate Membership, we also want to maintain and increase the value of individual membership, for those who wished to remain as such. In the past 2 years, a greater regional focus has helped us to improve and increase the connection with our individual members and to better understand their needs and wishes. As a consequence of these elements, 2015 brought : the implementation of a 'recognition scheme' for mid to long-term members; the introduction of the Membership Matters magazine, allowing Members to share their experience and expertise within the community and beyond, as well as a number of functional improvements to our management systems, allowing for a combined (and simplified) invoicing system combining membership and directory, and greater automation of the membership renewal system.
- **Professional Standards**  
At the heart of our membership, our desire to apply the highest standards possible to our professional activities led us to...

- Answer more than 160 requests for advice about professional standards from 34 countries

- Deal with 20 complaints, one of which led to a Disciplinary Committee ruling to expel a member for unprofessional behaviour, with the sanction being published.

- Update the Opinion Polls Guide with WAPOR, to cover the latest developments.

- Launch a Data Protection Checklist to help researchers ensure they comply with emerging international data privacy regulations.

- Finalise the Online Sample Quality Guideline together with the GRBN, to set out best practice(s) in this fast-changing area (Launch in Q1 2015).

- Work with a group of experts to review the latest developments in mobile research including data integration.

- Participate in two webinars on privacy and best practice in market research

- Government Affairs

Complementing our professional standards services, ESOMAR maintains an active advocacy programme to promote both our ethical code, our professional standards and comprehensive self-regulatory expertise, designed to defend the interests of our members, and to advocate the

continued use of market, opinion, and social research in society. This has led ESOMAR to:

- Launch a new strategic positioning - the Triple Helix of Advocacy, Standards, and Membership - which will further strengthen our ability to inform,

- encourage, advance and elevate our professional community's interests;

- Host 3 Associations Meet-Ups in Latin America, Asia, and Europe for the community of national associations adopting the ICC/ESOMAR Code to strengthen awareness and collaboration;

- Solicit over 25 contributions from members for a new industry report cataloguing the social value of market research for our economies and societies, launching a sneak preview at Congress 2015;

- Facilitate delegation visits of ESOMAR's Legal Affairs Committee to meet senior EU Commission officials to establish links and promote the value, and interests, of the industry;

- Successfully establish, in cooperation with EFAMRO, the industry's interests in EU data protection legislation (the GDPR), thus securing essential exemptions for market, opinion, and social research;

- Hold and attend over 60 meetings in Europe and the United States with senior policy makers on a wide variety of policy dossiers including Data Protection, the

continued use of market, opinion, and social research in society. This has led ESOMAR to:

EU/US Safe Harbor, Copyright, and Co- and Self-Regulation;

- Hold a series of members-only webinars attended by over 300 participants to brief the membership on emerging legal and regulatory developments.

- Published quarterly articles summarising global regulatory developments on Research World Connect, LinkedIn, and many other platforms.

- Congress in Dublin

Noting the impact that geo-political circumstances can have on Congress and its results (eg Istanbul in 2013), significant efforts are now made each year to stabilise and consolidate this conference. The city of Nice in 2014 brought significant improvements, and in 2015 Dublin continued that trend, further improving the overall satisfaction score from 4.1 to 4.3 (out of 5).

During the congress, ESOMAR introduced a number of new initiatives : the new networking tool (Poken); an interactive live-stream incorporating a TV broadcasting studio; new presentation formats and a selection of 'extra-curricular' activities to enhance the experience for our delegates, Members and commercial partners.

In financial terms, all of the efforts mentioned above ensured that the Congress recorded a turnover figure of EUR 1,086K (in line with budget), and which - before these investments - recorded a result that was 33K better than budgeted.

- Live-Streaming

Since ESOMAR started to live-stream its events, the number of visitors and level of interest has more than doubled (from 1,500 registrations in 2014 to more than 3,000 in 2015). As each registration can mean more than one viewer, feedback from corporate registrations (who create a 'hub' for their employees to watch) leads us to estimate that an audience of more than 4,000 watched our conferences, and with the number of presentations in our on-demand video library (500+ in 2015) - we estimate that more than 6,000 views in total were recorded on our content. This is clear evidence to continue to invest in improving this tool, which has proven very attractive to the new generation as well as those that cannot afford to join all of ESOMAR's conferences as delegates

- Education

- Career Development: After 5 years of running career events at various universities around the world it has

been established that just under 1500 students have been reached through this initiative with between 20-30% of those students estimated to have entered the market research industry.

- To try and expand the initiative further, ESOMAR successfully presented a workshop at the ITEA career event (a large scale career event in Amsterdam attracting over 1000 students who study in the city but who come from all over the world.) This was an attempt to 'scale up' the original career event concept and present the industry to a larger amount of students.
- The Summer Academy was also successful in 2015, attracting 102 participants from 26 countries. One quarter (26%) of all attendees were members and 42% were clients. The Seminar which started the Academy looked at Media Research - an area that ESOMAR has not run an event in for a few years; however, the success of the Seminar and training has prompted ESOMAR to consider extending this "formula" to more countries and continuing to have the Seminar component focused on Media Research in 2016.
- Webinars in 2015 continued to grow their audience with more than 4500 registrations over the year, despite a reduced number of webinars compared

to 2014. ESOMAR also invested in new webinar software which offers a host of additional interactive opportunities for attendees and sponsors. This provides our webinars with the capacity and resource to grow further in the coming years.

- Publishing
  - Access to ESOMAR publications online continues to grow. The free-for-members downloads exceeded 6500 and paper downloads on WARC added an additional 40 000 downloads.
  - Research World article readership also continues to grow through the publication of the PDF of the magazine on Wiley.com with over 10.000 full articles accessed.

#### **Some additional points of note**

The community of ESOMAR members and practitioners has increased. The fact that ESOMAR membership requires a voluntary acceptance and adherence to the international Code of Conduct, is a guarantee of additional "diligence" in adhering to established standards and practices; it is also an undertaking NOT to breach pertaining data legislation. This undertaking to abide by the principles of the Code (and to abide by all disciplinary regulations in case of a breach) lies at the heart of our

membership, and the self-regulatory nature of our profession – both today and in the future.

The conversion of many Individuals to Corporate membership - since the launch of the Corporate Membership scheme in 2013 – is a clear demonstration of corporate willingness to adopt and abide by, the Code. For many of the Companies, irrespective of their size in terms of FTE's or turnover, this undertaking has allowed them to reinforce their links with local associations who also endorse or accept the principles embodied by the Code.

The new Corporate members that decided to join ESOMAR for the first time in 2015, were fully aware of the value of the ESOMAR Mark (corporate and individual) as well as the 'gravitas' associated with the link to, and endorsement by, the International Chamber of Commerce (ICC). This is of particular importance in emerging markets across the World. As a direct consequence, the Membership Community increased from 4,726 individual members in 2014 to 4,875 individual members within 139 countries in 2015; in addition we are proud to now count 462 corporate members in our community; together representing more than 35,000 employees across the world.

## FINANCIAL POSITION AND OVERVIEW

### **Revenue**

In 2015, the Society registered a turnover of EUR 5,572K compared to EUR 5,522K in 2014 and EUR 5,123K in 2013.

- (1) Our events recovered from the challenging environment of the recent past years and recorded positive results in 2015 due to a combination of additional delegates and stronger commercial support than seen in the recent past. As identified in 2014, our CEE and Indian conferences were discontinued (due to the financial challenges associated with them), but local events – and indeed speaking support – have been maintained in those regions, to ensure a continued presence for ESOMAR.
- (2) 2015 Congress ratings and the comments provided by our delegates proved once again the importance of delivering excellence in terms of format, content, venue and partnership, as well as facilitating the networking opportunities and offering the best social events
- (3) Membership revenue for 2015 increased by EUR 257K (before

re-allocations to other activities), which converts to an increase of EUR 223K (after re-allocation to other activities). Looking back at the last four years, the 2015 result is the best recorded since 2012:(2015 – EUR 1,736K vs. 2014 – EUR 1,513K vs. 2013 – EUR 1,500K vs. 2012 – EUR 1,497K).

- (4) The impact of corporate membership subscriptions has not only benefited the membership numbers, but has also contributed significantly to the Directory positive results for 2015: EUR 1,486 vs. 2014 EUR 1,476K vs. 2013 EUR 1,364K vs. EUR 1,307K in 2012). However, Directory did register a slight decrease in revenue before corporate allocation compared to 2014, 1,015K vs. 1,046K.

This slippage in revenue can be attributed to two main trends; i) substitution by corporate membership; ii) a drop in advertising revenue related to reduced “traffic” figures (driven by a Google AdWords bug)

- (5) Education (comprising workshops and webinars and summer academy) contributed positively to the 2015 accounts, generating a surplus of EUR 14K.

- (6) Research World Advertising and ESOMAR publications also contributed positively to the surplus result, by EUR 72K.

As in 2014, we must remember that it is a challenging time for printing publications. However, our Members continue to be keen and loyal readers of this publication, such that it remains a key reference document for the profession, an attractive “read” for students and young graduates, and is very much appreciated by the new generation of Market Researchers.

The distribution deal with Wiley continues to further facilitate the distribution of Research World through their library subscriber network which by 97% increases the readership potential on other digital platforms!

### **Expenditure**

General Expenditure as per the table presented on page 4 decreased slightly compared to 2014, whilst including investments in HR with regard to the revision of our current CRM system and a partial bonus to the ESOMAR team: 2015 – EUR 1,451 vs. 2014 – EUR (1,470)K vs. 2013 – EUR (1,470)K vs. 2012 – EUR (1,555)K.

As a result, the operating result for 2015 before special investments registered a positive result compared to 2014 with

EUR (173)K vs. EUR (191)K in 2014 and (277)K in 2013 – another EUR 42K of improvement.

2015 registered a special expenditure line, related to a second set-up grant for the ESOMAR Foundation, as approved by the ESOMAR Council and announced at the last AGM. This was a sum of (EUR 35K).

Regarding the ESOMAR assets portfolio, under current market conditions - despite the fact that the ESOMAR asset portfolio remains very conservative - it may not be strong enough to withstand a specific market reaction – such as the Chinese stock market crash - which occurred at the end of 2015.

As a consequence, the benefit of a strong equity and fixed income portfolio could not be maintained. However, liquidities remain strong and can withstand the EUR exchange fluctuations thanks to the index tracking and conservative composition of the overall portfolio.

The ESOMAR portfolio registered a beneficial result of EUR 119K in 2015 vs. EUR 322K in 2014, - a reduction of EUR 203K. Total investment portfolio 2015: EUR 5,636K versus EUR 5,755K in 2014.

Whilst deferred income was stable at EUR 2,938K at the end of 2015 to EUR 2,959K at the end of 2014, our debtors’ position decreased by EUR 173K compared to 2014 (2015 - EUR 807K vs. 2014 - EUR 980K). This was primarily due to the continued growth of the corporate membership in combination with the rolling individual membership.

The net result before tax shows a negative result of EUR (74)K vs. a positive result of EUR 6K in 2014.

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

### **INDUSTRY OUTLOOK 2016**

As we have been referencing for some time now, ‘change’ remains the one constant in our profession!

The phrase quoted earlier : *“never again will the pace of change be as slow as it is today ”* best encapsulates both our profession’s need, and our obligation, to evolve and remain ‘fit for purpose’.

2015 was, we believe, a year of positive change; growth was apparent – although much of this growth came from what we

might regard as the non-traditional sector; quite a number of start-ups focussed on our profession, and while some of these did cause further disintermediation of certain functions (eg 'Roamler', an app that democratizes fieldwork), it is clear that our industry is attractive to innovation; and finally, a number of substantial acquisitions and collaborations were announced, each of which were 'markers' for new ways of thinking, new approaches to data synthesis, and new ways of ensuring our skill sets continue to develop with our evolving profession.

Geopolitical and economic challenges remain – regretfully, this is the new 'normal' – and the global economy's dependence on markets such as China (as witnessed in the latter half of 2015), will continue to favour a more risk-averse attitude to innovation and development; however, this is where organisations such as ours must continue to support, publicise and advocate for the very many good things our industry does, and the many societal, legislative and commercial benefits that it brings.

One area that we are extremely involved with, is the perception of our profession (both from without AND within), and the link with our professions name.

It is increasingly clear – from a variety

of studies conducted – that the term "market research" has become somewhat devalued, and greater favour is shown towards terms such as "data analyst", "data scientist" or "business intelligence". Some of this has been prompted by the current fashionable trend of referencing big data as the only 'true' source of information, and correlation as the 'best' measure that can be achieved.

While we would be the first to recognize the potential value that large data sets can bring, not all data is relevant to every question, and correlation cannot replace an understanding of causality; "smart" data, or "right" data is what we, as researchers, can ensure is brought to the table – that is our unique skill.

If then, the term "market research" no longer clearly conveys our desire/skill/ability to provide potential solutions to business or societal questions, based on appropriate information, then perhaps we do need to revisit our naming conventions – but let us never undervalue the importance or the contribution of the role(s) researchers play.

Against this background, ESOMAR's strategy for the coming term remains:

- to reinforce the value of Market Research as a profession globally – to the public, to

legislators, to the buyers and suppliers of our professional knowledge, and to our members;

- to convince the "new" players (big & small) of the value of our profession, and of the benefits of joining it! Research is neither dead nor redundant – as some would have us believe! Rather, it is the profession that will help "big data" deliver on its sales pitch, and it is the profession without which, relevant and appropriate insights will cease to be provided.

- to extend the reach, understanding and appreciation of our worldwide Code, in support of, and in conjunction with, local conditions and regulations

- to be the global "voice" of our profession to politicians, legislators and stakeholders worldwide, in partnership with local and regional organisations

- to provide current, topical methodological and technological guidance by practitioners, for practitioners

- to entice and to recruit the next generation of researcher

- to communicate these best practices globally and in innovative manners

As always our success in achieving these objectives remains dependent on your input and your support; none of our accomplishments could have been achieved without your thoughts, contributions, critiques and debate; these

have all guided us in our work and have facilitated the generation of those key ideas that will influence the industry over the next 20 years. To all our contributors, supporters, advisors and advocates, actual and future, we wish to extend one more time our most sincere "Thank You".

## MEMBERSHIP AND THE ICC/ESOMAR CODE

As membership of ESOMAR includes the voluntary acceptance of, and adhesion to, the internationally recognized Code of Conduct, this is.....

- a uniquely powerful statement of intent
- a powerful endorsement of our self-regulatory approach, and
- an increasingly recognized mark of assurance to both buyers and suppliers alike.

Furthermore, this is now becomingly increasingly apparent to global legislators, resulting in ESOMAR now being a member of an EU self-regulatory commission which is reviewing how different industry sectors regulate themselves . This was also an important advantage in our discussions with EU legislators on the General Data Protection Regulation (GDPR), which has now been completed with considerable benefit to our profession.

This recognized status in both EU and certain US corridors of legislative power would not have been possible without ESOMAR's continued and on-going efforts to establish, reinforce and communicate our professions' increased adoption of professional standards, best practices and the leveraging of the Code in different legislative spheres, to members of the public, to legislators, to our customers and to our members. Our Code – and its adoption/endorsement at national levels – is an enormously valuable asset, and one we need to leverage even further!

In the coming year(s), we will look to broaden the appeal and the relevance of this Code to the wider business intelligence community, so that it can entice the next generation of data curation companies, who have a wide range of new, passive, and in some cases, unseen, mechanisms for collecting and analyzing information. This review will ensure that our Code remains "future-proofed", while still ensuring that it – and all our associated services – can continue to provide complementary support to our partner associations to address local market challenges and opportunities.

## 2016 AND BEYOND

Data is now (becoming) ubiquitous, contributing sources of information to large data sets can often be unseen, passive, and in the eyes of the public, surreptitious. The principles to which our profession has abided for many years have long represented the (public) assurance(s) that have allowed researchers to innovate and evolve. Legislators have now begun to recognise this, but the work is by no means over.

In this evolving world, ESOMAR undertakes to both support the traditional sector and provide guidance to the newer sector, so that the current values, principles and contribution of our sector are more actively (and widely) communicated, advertised and understood by everyone, thereby allowing us all to benefit from the opportunities represented by this new world of exponentially increasing available data. It has already begun, and so we will continue to.....

- .. explore how to expand our Code to include the new business intelligence community;
- .. promote and support 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 profession.

- .. increase the client representation in our organisation, so that they may support our advocacy of the principles and standards that underpin membership of ESOMAR
- .. invest in, and reinforce, our Government Affairs programme, so that we may stay abreast of, and keep informing our members of the relevant international policy and legislation debates
- .. 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.
- .. support and help to develop growing and emerging markets
- .. seek innovative ways to communicate with the broader business intelligence community
- .. explore a broader market definition to an agreed standard, such that our measure of the global business intelligence industry is more inclusive and provides a comprehensive voice for the industry globally.
- .. continue our efforts to ensuring that a career in Market Research IS in the consideration set of the next generation.

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, 30 June 2016  
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 2015

In thousands of euro

	2015	2014
<b>NON-CURRENT ASSETS</b>		
Intangible assets	469	441
Property, plant and equipment	741	486
Financial fixed assets	5,258	5,685
<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,468</b>	<b>6,612</b>
<b>CURRENT ASSETS</b>		
Inventory	11	17
Receivables		
Debtors	897	980
Prepaid expenses and other receivables		
Income tax receivable	376	269
	59	54
Accrued income	9	97
	1,341	1,400
Cash and cash equivalents	1,094	934
	1,094	934
<b>TOTAL CURRENT ASSETS</b>	<b>2,446</b>	<b>2,351</b>
<b>TOTAL ASSETS</b>	<b>8,914</b>	<b>8,963</b>
<b>CURRENT LIABILITIES</b>		
Payables and accrued expenses	477	487
Deferred income	2,989	2,959
<b>TOTAL CURRENT LIABILITIES</b>	<b>3,466</b>	<b>3,446</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>5,448</b>	<b>5,517</b>
<b>FINANCED BY:</b>	<b>5,448</b>	<b>5,517</b>
accumulated funds attributable to the members of the Society		

### Abbreviated consolidated statement of profit and loss For the year ended 31 December 2015

In thousands of euro

	2015	2014
<b>PROFESSIONAL STANDARDS AND MEMBERSHIP</b>		
Membership and entrances fee	1,736	1,513
Local meetings	3	15
Membership expenditure	(445)	(429)
	1,294	1,099
Directory entries	1,486	1,476
Directory expenditure	(664)	(683)
	822	793
Other corporate and representation expenditure	(963)	(880)
<b>Subtotal gross margin professional standards and membership</b>	<b>1,153</b>	<b>1,012</b>
<b>PROFESSIONAL DEVELOPMENT AND EVENTS</b>		
Congress revenue	1,086	1,166
Congress expenditure	(1,072)	(1,090)
	14	76
Conferences revenue	790	804
Conferences expenditure	(746)	(742)
	44	62
Education (workshops) revenue	140	156
Education (workshops) expenditure	(126)	(112)
	14	44
Publishing revenue	331	392
Publishing expenditure	(259)	(307)
	72	85
<b>Subtotal gross margin professional development and events</b>	<b>144</b>	<b>267</b>
<b>Total gross profit</b>	<b>1,297</b>	<b>1,279</b>
<b>GENERAL EXPENDITURE</b>		
Overhead costs, salaries and social charges	(464)	(459)
Office expenses	(432)	(459)
Other expenses	(399)	(516)
Depreciation property plant and equipment	(191)	(161)
<b>Total general expenditure</b>	<b>(1,486)</b>	<b>(1,595)</b>
<b>Operating result (carry forward)</b>	<b>(189)</b>	<b>(316)</b>

### Abbreviated consolidated statement of profit and loss For the year ended 31 December 2015

In thousands of euro

	2015	2014
<b>OPERATING RESULT (CARRIED FORWARD)</b>	<b>(189)</b>	<b>(316)</b>
Finance income	147	374
Finance expenses	(32)	(52)
<b>Net finance income / (expense)</b>	<b>115</b>	<b>322</b>
<b>NET RESULT BEFORE TAX</b>	<b>(74)</b>	<b>6</b>
Income tax	5	9
<b>NET RESULT AND COMPREHENSIVE INCOME ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY</b>	<b>(69)</b>	<b>15</b>

### Abbreviated consolidated cash flow statement For the year ended 31 December 2015

In thousands of euro

	2015	2014
<b>OPERATING RESULT</b>	<b>(189)</b>	<b>(316)</b>
Amortisation of intangible assets	145	145
Disposal of property, plant and equipment	8	-
Depreciation property, plant and equipment	191	161
	155	(10)
Changes in inventory	6	(9)
Changes in debtors	84	(24)
Changes in prepaid expenses, other receivables and accrued income	(19)	9
Changes in payables and accrued expenses	(10)	65
Changes in income tax position	(5)	(9)
Changes in deferred income	30	226
<b>NET CASHED FROM OPERATING ACTIVITIES</b>	<b>241</b>	<b>248</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	34	45
Other financial movements	(3)	(4)
Dividends received	59	64
Asset management fee	(26)	(27)
Proceeds from sale of investments	1,580	673
Acquisitions of investments	(1,301)	(363)
Acquisitions of intangible assets	(173)	(154)
Acquisition of property, plant and equipment	(454)	(209)
<b>NET CASHED FROM/(USED) IN INVESTING ACTIVITIES</b>	<b>(284)</b>	<b>25</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(43)</b>	<b>273</b>
Cash and cash equivalents at 1 January	3,753	3,480
Cash and cash equivalents at 31 December	3,710	3,753

## Abbreviated consolidated statement of changes in equity For the year ended 31 December 2015

In thousands of euro

Balance as at 1 January 2014	5,502
Net result for the year 2014	15
Balance as at 1 January 2015	5,517
Net result for the year 2015	(69)
<b>Balance at 31 December 2015</b>	<b>5,448</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2015

### 1 REPORTING ENTITY

#### Activities

ESOMAR is the world organisation for enabling better research into markets, consumers and societies. With 4,828 (and 47 applicants) members in 139 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 4,828 individual members we are proud to have more than 450 corporate members, representing more than 35,000 employees, as part of 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 consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. These standards are consistently applied throughout the group and for the previous year.

The unabridged consolidated financial statements are prepared by the Board of Management and authorised and issued on 30 June 2016. 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 abbreviated consolidated financial statements have been derived from the consolidated financial statements, which have been audited by our auditors, BDO Audit & Assurance B.V. (BDO), and who have issued an unqualified opinion dated 13 July 2016. 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 intra-group 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.

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 2015**

None of the new standards, interpretations and amendments, effective for the first time from 1 January 2015, 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 2015, 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.

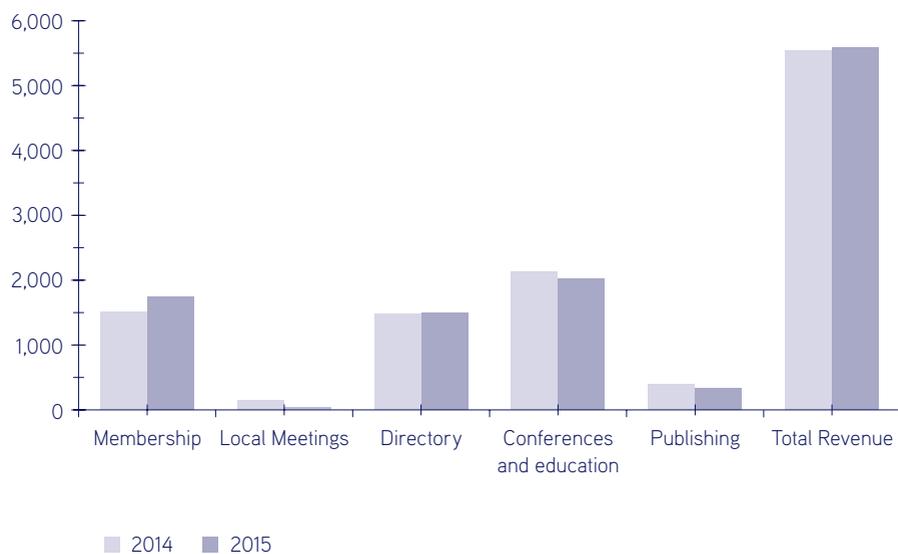
## ABBREVIATED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR 2015

### Revenue

Total revenues increased by 1% from EUR 5,522K in 2014 to EUR 5,572K in 2015. Revenues can be analysed as follows: Membership and entrance fees EUR 1,736K (2014: EUR 1,513K), Local meetings

EUR 3K (2014: EUR 15K), Directory entries EUR 1,486K (2014: EUR 1,476K), Conferences and education EUR 2,016K (2014: EUR 2,126K) and Publishing EUR 331K (2014: EUR 392K).

Euro's 000's

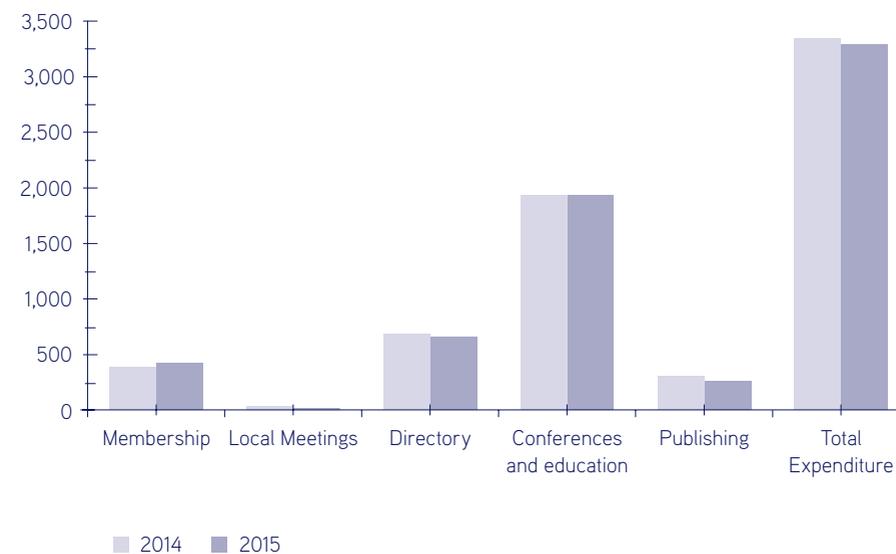


### Revenue related expenditure

Total revenue related expenditure decreased by 2% from EUR 3,363K in 2014 to EUR 3,312K in 2015. Expenditure can be analysed as follows: Membership EUR 425K (2014: EUR 391K), Local meetings

EUR 20K (2014: EUR 38K), Directory EUR 664K (2014: EUR 683K), Conferences and education EUR 1,944K (2014: EUR 1,944K) and Publishing EUR 259K (2014: EUR 307K).

Euro's 000's



### Other corporate expenditure and representation

Corporate expenditure and representation can be specified as follows:

In thousands of euro

	2015	2014
Governance (Council and committees)	122	97
Public Relations and Representation	182	153
Self-regulation	185	165
Market Research and Development projects	94	98
Other Industry Initiatives	18	35
Allocated salaries	362	332
	<b>963</b>	<b>880</b>

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.

### Overhead costs, salaries and social charges

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

In thousands of euro

	2015	2014
<b>OVERHEAD COSTS, SALARIES AND SOCIAL CHARGES</b>		
Salaries	1,810	1,888
Bonus reservation	76	64
Sickness benefit	-	(17)
<b>Salaries and sickness benefit</b>	<b>1,886</b>	<b>1,935</b>
Social security charges	253	275
Pension charges	194	194
Insurances	44	49
Travel allowance	48	53
<b>Other salaries related costs</b>	<b>539</b>	<b>571</b>
<b>Salary cost allocated to events, publishing and other activities</b>	<b>(1,961)</b>	<b>(2,047)</b>
<b>Total</b>	<b>464</b>	<b>459</b>

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

	2015	2014
General office and personnel costs	48	27
Rental and lease costs	122	141
Telephone, internet and fax	63	52
Computer consultancy and license fees (*)	161	178
Stationary	-	-
Cleaning	13	14
Electricity and gas	22	28
Other	3	19
	<b>432</b>	<b>459</b>

(\*) License fees that are being depreciated over more than 12 months have been moved from office expenses to the intangible fixed assets.

### Other expenses

The other expenses can be specified as follows:

In thousands of euro

	2015	2014
Brand/General Promotion	28	26
Website/CRM	211	223
Advisory costs: tax, legal, etc.	48	68
Audit fees	38	38
Training personnel	39	36
Grant to ESOMAR Foundation	35	125
	<b>399</b>	<b>516</b>

### General investments

2015-registered special expenditure (EUR 210K) related to various investments (EUR 175K) and a grant to the ESOMAR Foundation (EUR 35K). The 2015 expenditure have been registered within the various categories of the operational expenditure. In 2014 the special expenditure totaled EUR 325K of which EUR 200K related to various investments and EUR 125K to a grant to the ESOMAR Foundation.

### Net finance income / (expense)

The net finance expense can be specified as follows:

In thousands of euro

	2015	2014
Interest income on bank deposits	2	3
Other income/financial results	(7)	12
Interest income on financial assets	32	42
Dividend income on financial assets	59	64
Net gain on disposal of financial assets	264	60
Change in fair value of financial assets	(203)	193
<b>Finance income</b>	<b>147</b>	<b>374</b>
Change in fair value of financial assets	-	-
Management fees	(26)	(27)
Bank charges	(6)	(25)
<b>Finance expenses</b>	<b>(32)</b>	<b>(52)</b>
<b>Net finance income / (expense)</b>	<b>115</b>	<b>322</b>

### Related parties

#### Compensation of key management

The Board of Management is the group's key management. The following table summarises the compensation received by key management:

In thousands of euro

	2015	2014
Short-term employee benefits	345	328
Post-employment benefits	52	47
<b>Total</b>	<b>375</b>	<b>375</b>

The Society members elect a Council, voluntary unpaid non-executive directors who act in accordance with the statutes of the Society, on behalf of the members. The Society reimbursed the expenses incurred by Council members amounting to EUR 36K (2014: EUR 26K).

Amsterdam, 30 June 2016

The Board of Management,

**Finn Raben**  
Director General

**Marie-Agnès Mourot de Lathyle**  
Chief Finance & Operations Officer

## Independent auditor's report

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

### *Our opinion*

We have audited the accompanying abbreviated consolidated financial statements 2015 of The Society of ESOMAR, based in Amsterdam.

In our opinion the accompanying abbreviated consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of The Society of ESOMAR in accordance with the principles described in note 2.

The accompanying abbreviated consolidated financial statements comprise:

1. the abbreviated consolidated statement of financial positions as at 31 December 2015;
2. the abbreviated consolidated statement of profit and loss for 2015;
3. the abbreviated consolidated cash flow statement for 2015;
4. the notes to the abbreviated consolidated financial statements for the year 2015.

The abbreviated consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards as adopted by the European Union and 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 abbreviated consolidated statements of The Society of ESOMAR.

### *Basis for our opinion*

The abbreviated consolidated financial statements are derived from the audited consolidated financial statements of The Society of ESOMAR for the year ended 31 December 2015. We expressed an unqualified audit opinion on those consolidated financial statements in our report dated 13 July 2016. Those consolidated financial statements, and the abbreviated consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements dated 13 July 2016.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the abbreviated consolidated financial statements" section of our report.

We are independent of The Society of ESOMAR in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (VIO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of management for the abbreviated consolidated financial statements*

Management is responsible for the preparation of the abbreviated consolidated financial statements in accordance with the principles described in note 2. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the abbreviated consolidated financial statements that are free from material misstatements, whether due to errors or fraud.

As part of the preparation of the abbreviated consolidated financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the abbreviated consolidated financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the abbreviated consolidated financial statements.

### *Our responsibilities for the audit of the abbreviated consolidated financial statements*

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from errors or fraud and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these abbreviated consolidated financial statements. The materially affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standard on Auditing 810, ethical requirements and independence requirements.

Amstelveen, 13 July 2016

For and on behalf of BDO Audit & Assurance B.V.

sgd.  
A.P. van Veen RA

## 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

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