

ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS 2012

MANAGEMENT REPORT

MANAGEMENT REVIEW

2012 – our 65th Anniversary – was an important year of transition for our Society. Based on the recommendations, suggestions and advice received from our Members over the course of the previous twelve-month period, our focus this year was to celebrate our members achievements to-date and invest in delivering new products and benefits both to our members and to our industry.

A number of key developments that were mentioned at the last years AGM came

to fruition (e.g. new status, Corporate Membership etc), and notwithstanding the global economic downturn, ESOMAR also believed that this anniversary year was an important opportunity for us to seek guidance from our key stakeholders on their market and industry expectations, and thus help us to define the next phase of investments.

Taking all of these points into consideration, the table below summarises the financial position of the Society at the end of 2012, which in real terms is an impressive result given the level of investments made:

	2012	2011
REVENUE	5,598	5,522
OPERATIONAL EXPENDITURE	(4,246)	(3,767)
GENERAL EXPENDITURE		
Overhead costs, salaries and social charges	(406)	(513)
Office expenses	(547)	(620)
Other expenses	(403)	(540)
Depreciation property plant and equipment	(199)	(108)
TOTAL GENERAL EXPENDITURE	(1,555)	(1,781)
TOTAL RESULT (EXCLUDING SPECIAL AND FINANCIAL RESULTS)	(203)	(26)
OTHER TAX EXPENSES (SWISS TAX RISKS)	-	467
ESOMAR OFFICE MOVE 2013	(195)	-
FINANCIAL RESULT	433	7
TAX	13	(52)
NET RESULT TO ACCUMULATED FUNDS	48	396

It was also decided that the Society would move offices in 2013. Due to the recession in the Netherlands, there has been a considerable over-supply of office space, all of which is available at significantly lower cost than that which the Society currently rents, and the longer-term financial implications of such a move are very beneficial.

Since April 2009, our investment portfolio shows a real and continued resilience towards the global economic situation and fluctuating market conditions. Indeed, the strength of the investment parameters established then has resulted in 2012 recording the best Financial Result for the past three years, and ensuring that our Net Result after tax shows positive results of EUR 48K, as against a break-even budget.

HIGHLIGHTS 2012

There were quite a number of notable achievements in the past year, all of which confirmed that success of certain key activities that were implemented over the course of the previous eighteen (18) months. A selection of these is:

- Corporate Membership

The Approval of the new statutes in April 2012, led to the introduction of

Corporate ESOMAR Membership for the first time in the Society's history. A selection of key Founding Companies played a very important role in providing testimonial(s) to the benefits of this membership, and we look forward to the continued increase in professional recognition that this membership brings to the industry.

- Individual Membership

A new recognition programme for mid to long-term members was instituted in 2012. Our combined invoicing facility (incorporating both membership and Directory costs) was introduced, thus reducing administrative burdens on both our, and our members' financial representatives.

- Professional Standards

3 new guidelines were launched this year, on Mobile, Social Media and Online Research. 6 new local associations were set-up with ESOMAR help and start-up funding. The ICC/ESOMAR code is now accepted or endorsed by 65 associations internationally.

- Government Affairs

In conjunction with its partners, ESOMAR has been at the forefront of lobbying the various legislatures to ensure that proposed Privacy and

Data Protection laws do not unfairly disadvantage our industry. Guided by our Legal Affairs Committees (which comprises the Chief Privacy or Legal Officers from the major global research agencies), our G.A. team continues to represent all our stakeholders interests at the legislative “table”.

- Events

2012 saw Congress being held for the first time ever in the United States – as America now represents our single largest membership country. More than 70 different local meetings were organized in 2012, to provide our members with the opportunity to “meet” ESOMAR, exchange views and provide guidance on what their local needs are.

- Technology

The utilities of the ESOMAR App were extended; video live streaming of conferences was introduced, to offer those members who could not travel to a conference, the opportunity of viewing some or all of the presentations.

- Education

Our University Days (career development programme) is now being conducted in over 20 universities globally. Our week-long Summer Academy now attracts

over 150 participants. Our webinars programme was successfully launched with 3 sessions, each attracting over 300 registered participants.

EXPLANATORY

A strong focus on Membership retention has led to a stabilisation in membership numbers 4903 at year-end 2012. This slight decrease of number of members was predictable due to the fact that ESOMAR decided to focus on medium (3 to 5 years) and long term membership recognition programme (above 5 years) (5,024 including 4 honorary members by the close of 2011).

The option of providing a combined invoicing with directory was welcomed and appreciated by our members and has facilitated the renewal of the membership in 2012.

Overall, activity on the ESOMAR Directory registered a positive result and revenue increase slightly from EUR 1,290K last year to EUR 1,307K this year. The introduction of corporate membership contributed somewhat to increase sales results of secondary directory items, and we await with interest the impact this may have in a full calendar year.

Overall, the professional development exceeded their objectives in terms of revenue and budget 2012 by over EUR 21K.

The positive impact that local meetings had in 2011 meant that this continued to be pursued as an important platform and opportunity for local members to meet, exchange views on key topics that influence the local markets and industry, and provide us with guidance on what is relevant in the local market context. 45 local meetings have been organized in 2012 across the world who welcomed more than 6,000 participants.

Webinars are an established and successful format that contributed indirectly (free of charge for the participants) to the success of the 2012 activity thanks to the contribution of the speakers, the sponsors interests brought by the participants; this platform registered more than 3,000 participants in 2012.

The introduction of a new “Young Graduate” membership tier in 2010 continued to be successful during the year 2012, attracting a further consequent applications.

The average number of employees during the year was 35, a slight growth compared to 2011 (33 employees).

ESOMAR office will be relocated May 31, 2013. It is time to renew the rental contract and find better premises (rental costs, charges, location).

FINANCIAL POSITION AND OVERVIEW

In terms of total revenue, the Society increased its turnover by 2% in year 2012, up from EUR 5,522K in 2011 to EUR 5,598K.

Contributing to this increase were:

- (1) Our events recorded positive result for the third consecutive year;
- (2) The growth of business to business activities (sponsorship, exhibition, company presentation) continued to support positively the overall activities. 15% of 2012 revenue came from this area (EUR 834K).
- (3) The membership revenue for 2012 continues to increase for the third consecutive year. (2012 – EUR 1,505K vs. EUR 1,496K in 2011).
- (4) The new directory products introduced in 2011 offered better features and search capabilities, and contributed to the continued positive results in 2012 (EUR 1,307K vs. EUR 1,290K in 2011).

Total revenue from the Professional Development category also continued to show positive results for the third consecutive year (EUR 2,672K vs. EUR 2,638K in 2011).

For our Anniversary, ESOMAR decided to host its annual Congress in the United States of America. Atlanta – the host city – welcomed 1,000 participants in total, and additionally, reinforced ESOMAR's commitment to this market – which is now our single largest membership country. The numbers of paying delegates and the number of exhibitors continue to show the interests this annual congress generates, with total sales results of EUR 500K.

Education (comprising workshops and webinars) has contributed positively to the current surplus of EUR 46K.

Research World Advertising revenue is marginally below the 2011 figure, but this reduction must be reviewed in the context of a halving of the number of issues; if anything, this simply serves to underline the intrinsic popularity of this magazine in 2012.

General expenditure 2011 included some special categories that had a positive impact of EUR 287K on overhead expenditure (release of the other Tax expenses related to the Swiss Tax risk

(EUR 467K), and the transfer of society related expenses (EUR 180K)).

2012-registered special expenditure (EUR 392K) related to various investments (EUR 197K) and the office move (EUR 195K).

Due this, the operational result for 2012 stands at a negative result of EUR (398)K compared to a positive 2011 operational result of EUR 441K.

But this must equally be revised in the context of the financial performance of our Asset portfolio, which this year provided EUR 430K, thus ensuring an overall positive result of EUR 48K for the year.

The ESOMAR investment portfolio (asset management portfolio plus cash portfolio) is built principally on Equity, Property, bonds and index trackers with a range of 12%-23%. The combination of the corporate bonds invested via index trackers and/or investments funds confirms the conservative capital management strategy followed by the ESOMAR Council since 2009. The debtors' position at the end of the year 2012 was EUR 69K lower than 2011. This was mostly due to the continued growth of rolling membership and the introduction of the Corporate membership as per 2013.

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

INDUSTRY OUTLOOK 2013

As we continue to struggle with a recession-hit Europe, a fragile euro currency and an increasing presence of non-traditional players in the “business intelligence” sector, the need to constantly review our business and our offerings is more important than even before.

While expectations for 2013 are upbeat, we must also be sensitive to these markets that are expected to deliver on those upbeat projections – and how they are placed to cope with the quality, methodological, and legislative debates that dictate much of our time in the more mature markets.

ESOMAR’s business plan for 2013-2015 has at its core our desire to “encourage, advance and elevate the cause of Market Research globally”. In review with Council, our members and our stakeholders, our plan sets out our wish(es) to help and contribute to our members day-to-day work – no matter which jurisdiction they find themselves in.

To support this objective, we will continue to invest in our core areas, as well as new means to provide access to, or disseminate such information. Whether it is peer review, best practice sharing, methodological guidelines or simply a friendly chat, we will continue to do our utmost to allow our members to “celebrate” research.

Lastly, our ability to increase the benefits we provide to our members, partners, affiliates and the global market industry in general, would not be possible without the wonderful support of our many contributors – so they too must, and will be, recognized and included in all of our efforts.

CORE AREAS

At ESOMAR’s heart is its Code – the foundation stone on which its membership is built, and the “rock” that you might “perish” on, should you not abide by its principles.

With the recent increase in digital capabilities to collect, scrape, analyse and basically harvest online data without any form of informed consent, the application of (and adherence to) a set of principles that sustains the longer-term viability of the business intelligence industry is crucial.

In this context, ESOMAR has long led the industry in the development of Professional Standards, linked to its Code, and the leverage of that Code in different legislative arenas.

ESOMAR will continue to invest heavily in designing and providing best policy and practice, by facilitating and delivering the most relevant and practical guidelines to help, guide and support market researchers in delivering superior guidance to their customers.

We will invest further in new ways to communicate, support and defend the benefits that the adherence to such a code brings, and we will continue to respond to local market requests and be present by facilitating local meetings based on the demand and interests expressed by the local associations and market researchers.

NEW TECHNOLOGIES

The constant increase of webinars participants, the growth of visitors on our website, the positive feedback on the App, and the ever-growing demand for our live streaming show that both members and non-members alike have a real interest in receiving information online.

In 2013, ESOMAR will continue to improve the current multi media tools and research into new technologies in order to increase services online to our members.

2013 AND BEYOND: MANY REASONS TO THINK “BIG”

Much is often made of the “changes” that our industry seems (constantly!) to be going through, and with all change there is a mixed reaction – some embrace it, others try to avoid it at all costs.

Some changes however, are inevitable and it is these changes that guide much of ESOMAR’s longer-term planning; for example: the increasing need to dedicate more resources to growth markets resulted in our appointing a dedicated, regional resource in Asia-Pacific, and even as we relate this, new growth markets are now establishing themselves as key areas of focus.

Some other “inevitable” changes are (i) the growth in mobile devices; (ii) the exponential growth in ‘always-on data’ and (iii) the Omni-present influence of legislators who try to control these rapid, evolutionary changes. And it is not only the supplier side who are concerned or anxious about these developments – the

buyer side has just as much cause for concern.

However, these are all significant opportunities for our industry; while Market Research has been accused of not changing quickly enough, the pace of change has often been dictated by the availability of appropriate rigour standards for the 'new', rather than just a stubborn refusal to embrace change. Furthermore, our industry's ability to selectively choose appropriate data sources and synthesise the relevant information has long been a key USP of our sector. Yes we may have to 'up our game' in light of the newcomers to the business intelligence sector, but is that not a good thing?

In light of these trends, ESOMAR wishes to continue to develop on a number of fronts:

- 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.
- We will continue to invest in, and reinforce, our Government Affairs programme, so that we may keep listening to, and participating in, the international

policy and legislation debates that could affect our industry.

- We will also continue to invite and facilitate meetings of research practitioners, so that we can propose workable and pragmatic guidelines for new and emerging 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.
- We will do this by continuing to expand our investment in, and support of the Young Researchers initiative; we will conduct more career days in universities; we will secure more guest lecture slots; we will bring more students to our events; we will more actively promote our Fringe Factory association and we will issue support texts and booklets for new entrants into our industry such that the next generation of researcher is

fully equipped to deal with the constant evolution of our industry.

- We will establish a benevolent 'branch' to 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.

We fundamentally believe that ESOMAR and its members can fortify our industry's voice; that together we can raise the quality standards of our profession and ensure that research is "celebrated" as a fundamentally important contributor to the development of society.

We look forward warmly to welcoming you – irrespective of whether you are a member or non-member – to come and speak with us, participate in an event with us, or to contribute in some other way with us at some point in the coming year, so that we may all truly

celebrate and advance the cause of research

Amsterdam, 4 July 2013
The Board of Management,

Finn Raben
Director General

Marie-Agnès Mouroit de Lathyle
Chief Finance & Operations Officer

Abbreviated consolidated statement of financial position As at 31 December 2012

In thousands of euro

	2012	2011
NON-CURRENT ASSETS		
Intangible assets	358	357
Property, plant and equipment	479	375
Financial fixed assets	6,212	6,239
TOTAL NON-CURRENT ASSETS	7,049	6,971
CURRENT ASSETS		
Inventory	15	5
Receivables		
Debtors	1,239	1,308
Prepaid expenses and other receivables	395	288
Accrued income	42	40
Total receivables	1,676	1,636
Cash and cash equivalents	422	811
	422	811
TOTAL CURRENT ASSETS	2,113	2,452
TOTAL ASSETS	9,162	9,423
CURRENT LIABILITIES		
Payables and accrued expenses	817	976
Income tax payable	39	76
Deferred income	2,652	2,765
TOTAL CURRENT LIABILITIES	3,508	3,817
TOTAL ASSETS LESS CURRENT LIABILITIES	5,654	5,606
FINANCED BY:		
accumulated funds attributable to the members of the Society	5,654	5,606

Abbreviated consolidated statement of comprehensive income For the year ended 31 December 2012

In thousands of euro

	2012	2011
PROFESSIONAL STANDARDS AND MEMBERSHIP		
Membership and entrances fee	1,505	1,496
Local meetings	114	98
Membership expenditure	(495)	(417)
	1,124	1,177
Directory entries	1,307	1,290
Directory expenditure	(469)	(412)
	838	878
Other corporate and representation expenditure	(845)	(692)
Subtotal gross margin professional standards and membership	1,117	1,363
PROFESSIONAL DEVELOPMENT AND EVENTS		
Congress revenue	1,163	1,302
Congress expenditure	(1,129)	(1,163)
	34	139
Conferences revenue	894	683
Conferences expenditure	(793)	(580)
	101	103
Education (workshops) revenue	206	234
Education (workshops) expenditure	(160)	(167)
	46	67
Publishing revenue	409	419
Publishing expenditure	(355)	(336)
	54	83
Subtotal gross margin professional development and events	235	392
Total gross profit	1,352	1,755
GENERAL EXPENDITURE		
Overhead costs, salaries and social charges	(406)	(513)
Office expenses	(707)	(620)
Other expenses	(438)	(360)
Other tax expenses	-	467
Transfer Society related expenses	-	(180)
Depreciation property plant and equipment	(199)	(108)
Total general expenditure	(1,750)	(1,314)
Operating result (carry forward)	(398)	441

Abbreviated consolidated statement of comprehensive income For the year ended 31 December 2012

In thousands of euro

	2012	2011
OPERATING RESULT (CARRIED FORWARD)	(398)	441
Finance income	479	169
Finance expenses	(46)	(162)
Net finance income / (expense)	433	7
NET RESULT BEFORE TAX	35	448
Income tax	13	(52)
NET RESULT ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY	48	396

Abbreviated consolidated statement of recognised income and expense For the year ended 31 December 2012

In thousands of euro

	2012	2011
Net result for the period	48	396
Total recognised income and expense for the period	48	396
ATTRIBUTABLE TO THE MEMBERS OF THE SOCIETY	48	396

Abbreviated consolidated cash flow statement For the year ended 31 December 2012

In thousands of euro

	2012	2011
OPERATING RESULT	(398)	441
Amortisation of intangible assets	156	117
Depreciation property, plant and equipment	195	108
	(47)	666
Changes in inventory	(10)	10
Changes in debtors	69	11
Changes in prepaid expenses, other receivables and accrued income	(104)	(56)
Changes in payables and accrued expenses	(159)	(555)
Changes in income tax position	(37)	192
Changes in deferred income	(113)	(45)
NET CASH FROM OPERATING ACTIVITIES	(401)	223
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	126	75
Other financial expenses	21	(1)
Dividends received	27	27
Asset management fee	(23)	(13)
Proceeds from sale of investments	659	1,168
Acquisitions of investments	(701)	(1,114)
Acquisitions of intangible assets	(157)	(311)
Acquisition of property, plant and equipment	(299)	(144)
NET CASH FROM/(USED) IN INVESTING ACTIVITIES	(349)	(313)
NET CASHED FROM/(USED) IN FINANCING ACTIVITIES	-	-
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(750)	(90)
Cash and cash equivalents at 1 January	4,121	4,211
Cash and cash equivalents at 31 December	3,371	4,121

Abbreviated consolidated statement of changes in equity For the year ended 31 December 2012

In thousands of euro

Balance as at 1 January 2011	5,210
Net result for the year 2011	396
Balance as at 1 January 2012	5,606
Net result for the year 2012	48
Balance at 31 December 2012	5,654

NOTES TO THE ABBREVIATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR 2012

1 REPORTING ENTITY

Activities

ESOMAR is the world organisation for enabling better research into markets, consumers and societies. With 4,903 members in 140 countries, ESOMAR's aim is to promote the value of market and opinion research in illuminating real issues and bringing about effective decision-making.

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

ESOMAR was founded in 1948 as the European Society for Opinion and Marketing Research (ESOMAR or "the Society"). The registered office of the Society is in Amsterdam, the Netherlands. Operations are managed from the office, which is located at Eurocenter 2, 11th floor, Barbara Strozzi laan 384, 1083 HN Amsterdam, The Netherlands. The Society

has a 100% subsidiary: ESOMAR B.V., which is registered in the Netherlands.

2 SIGNIFICANT ACCOUNTING POLICIES

These abbreviated consolidated financial statements have been derived from the unabridged consolidated financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union. These standards are consistently applied throughout the group and previous year. The unabridged consolidated financial statements are prepared by the Board of Management and issued on 4 July 2013. 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 18 July 2013. 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.

Reporting currency

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

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting

date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impair-

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

Property, plant and equipment

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

Office renovation: 10 years

Office equipment, licenses and furniture: 3 to 5 years.

Financial instruments

Non-derivative financial assets

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

The Group derecognises a financial asset when the contractual rights to the cash

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

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

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

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Group manages such investments and makes purchase and

sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

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

Loans and receivables

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with

original maturities of three months or less.

Available-for-sale financial assets

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

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

Non-derivative financial liabilities

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

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

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

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

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

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

Inventory

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

Impairment

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

Recognition of Income, other than events

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

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

- Directory income is recognised in the income statement of the period to which the fees relate.
- Publishing revenue is recognised in the income statement at shipment date.

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

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

Expenditure

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

Defined contribution plans

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

Financial income net

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

Income tax

Income tax on result is calculated by applying the current Dutch tax rate to the taxable result of the 100% subsidiary ESOMAR B.V. located in the Netherlands. No tax is due on the result of the Society, as these activities are tax exempt in The Netherlands.

Cash flow statement

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

New standards, interpretations and amendments effective from 1 January 2012

None of the new standards, interpretations and amendments, effective for the first time from 1 January 2012, 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 2012, 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 financial position

Non-current assets

Intangible assets

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

In thousands of euro

	2012	2011
Acquisition costs at 1 January	627	668
Disposals	-	(352)
Net investments	157	311
Acquisition costs at 31 December	784	627
Accumulated amortisation at 1 January	(270)	(505)
Disposals	-	352
Amortisation	(156)	(117)
Accumulated amortisation at 31 December	(426)	(270)
Balance at 31 December	358	357

The intangible assets are amortised over 5 years. Amortisation of the intangible assets is reported within Website, CRM and ESOMAR "App" expenses disclosed under Note 28 - "Other expenses" - on the consolidated income statement.

Property, plant and equipment

Movements were as follows:

In thousands of euro

	2012	2011
Acquisition costs at 1 January	675	671
Disposals	(38)	(140)
Net investments	299	144
Acquisition costs at 31 December	936	675
Accumulated amortisation at 1 January	(300)	(332)
Disposals	38	140
Amortisation	(195)	(108)
Accumulated amortisation at 31 December	(457)	(300)
Balance at 31 December	479	375

The depreciation method used by ESOMAR is the straight-line depreciation method with no residual value. The percentage of depreciation varies from 33.33 on software, to 20 per annum for computers, other equipment and furniture, and to 10 per annum for the renovation of the office.

ESOMAR will re-allocate 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.

Change in estimates

At the end of 2011 ESOMAR conducted a review of the useful life of its fixed assets, which has resulted in changes in the expected useful life of some of its computers and other hardware. For the new generation computers management expects a useful life of five years from the date of purchase.

Financial fixed assets

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

In thousands of euro

	2012	2011
Financial assets designated at fair value through profit and loss	6,212	6,239
Total	6,212	6,239

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

	31 Dec. 2012	31 Dec. 2011
European countries	5,225	5,425
United States	136	134
Emerging markets	0	58
Other regions	851	622
Total	6,212	6,239

Sensitivity analysis – equity price risk

Most of the Group's equity investments are listed on the Euronext. A two per cent increase in the Euronext at the reporting date would have increased the result with EUR 25K (2011: EUR 62K). The analysis is performed using the same basis as in 2011.

Current assets

Inventory

Inventory can be specified as follows:

In thousands of euro

	2012	2011
Books and Handbooks	15	5
Total	15	5

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

	2012	2011
Membership	574	511
Directory	441	572
Conferences and Education (Workshops)	28	23
Research World Advertising	9	22
Online Career Network	2	1
Credit card companies and cheques	174	183
Subtotal trade debtors	1,228	1,312
Other debtors	39	14
Impairment allowance for doubtful debtors	(28)	(18)
Total	1,239	1,308

The growth in impairment allowance for doubtful debtors mostly relates to the Rolling Membership invoices with a start date in 2012 and an end date in 2013.

The gross outstanding trade receivables at year-end relates to an amount of EUR 1,041K (2011: EUR 1,112K) 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

	2012	2011
Prepaid events expenses: Congress, Conferences, Education (Workshops)	129	76
Interest	16	18
Guarantee deposit	6	6
VAT receivable	108	13
Prepayments	20	17
Other receivables	116	158
Total	395	288

Accrued income

The accrued income can be specified as follows:

In thousands of euro

	2012	2011
WARC Royalties	42	40
Accrued Income	42	40

Cash and cash equivalents

Cash and equivalents can be specified as follows:

In thousands of euro

	2012	2011
Bank accounts	418	408
Savings accounts	4	403
Cash and cash equivalents	422	811
	422	811
Cash component of Asset Management (note 7)	2,949	3,310
Cash and cash equivalents in the cash flow statement	3,371	4,121

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

	2012	2011
Creditors	365	298
Advances for conferences or other services	38	16
Salaries payable	142	207
Holidays and holidays allowances	93	87
Social security charges/Wage Tax	82	125
Audit and advisory fees	21	23
Rental ESOMAR office	46	123
Expenses related to events and Research World	5	-
Other liabilities	25	97
Total	817	976

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.

Income tax

The income tax receivable as at 31 December 2011 relates to corporation tax for the year 2011. For a calculation of taxable result, reference is made to note 31.

The income tax payable as at 31 December 2012 relates to corporation tax for the year 2012. For a calculation of taxable result, reference is made to note 31.

Deferred income

Deferred income can be classified as follows:

In thousands of euro

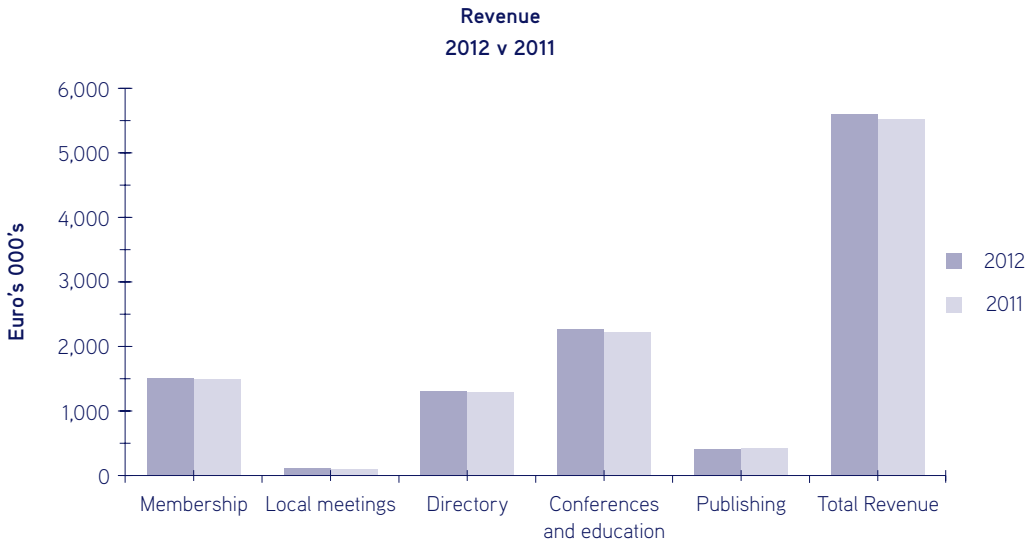
	2012	2011
Deferred income		
(Corporate) Membership	1,460	1,444
Directory	1,125	1,227
Conference and workshop registrations	58	59
Research world advertising	9	35
Total	2,652	2,765

ABBREVIATED CONSOLIDATED INCOME STATEMENT FOR THE YEAR 2012

Revenue

Total revenues increased by 1% from EUR 5,522K in 2011 to EUR 5,598K in 2012. Revenues can be analysed as

follows: Membership and entrance fees EUR 1,505K (2011: EUR 1,496K), Local meetings EUR 114K (2011: EUR 98K), Directory entries EUR 1,307K (2011: EUR 1,290K), Conferences and education EUR 2,263K (2011: EUR 2,219K) and Publishing EUR 409K (2011: EUR 419K).

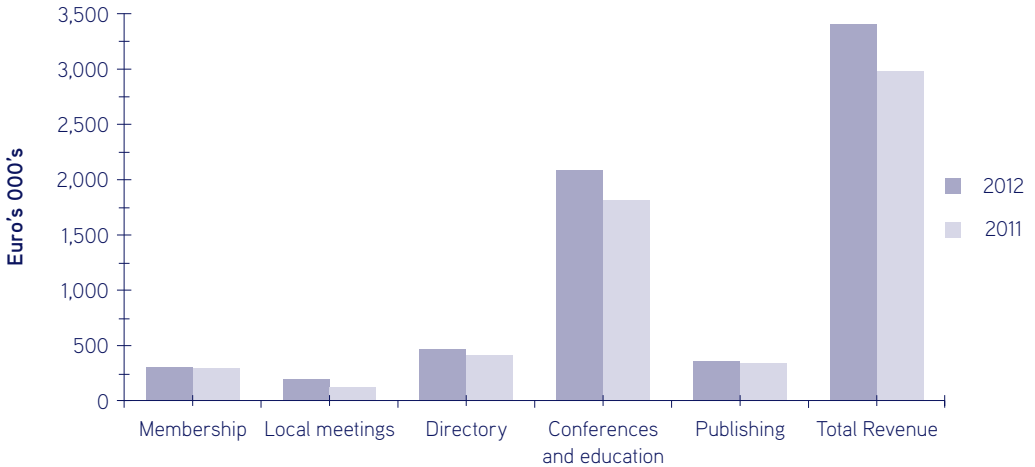


Revenue related expenditure

Total revenue related expenditure increased by 14% from EUR 2,975K in 2011 to EUR 3,401K in 2012. Expenditure can be analysed as follows: Membership EUR 300K (2011: EUR 293K), Local meetings EUR 195K (2011: EUR 124K), Directory EUR 469K (2011: EUR 412K),

Conferences and education EUR 2,082K (2011: EUR 1,810K) and Publishing EUR 355K (2011: EUR 336K).

**Revenue related expenditure
2012 v 2011**



Other Corporate expenditure and representation

Corporate expenditure and representation can be specified as follows:

In thousands of euro

	2012	2011
Governance (Council and committees)	92	100
Public Relations and Representation	152	99
Self-regulation	168	129
Market Research and Development projects	134	116
Other Industry Initiatives	52	26
Allocated salaries	247	222
	845	692

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	2012	2011
Salaries	1,614	1,514
Bonus reservation	163	207
Sickness benefit	(2)	(21)
Salaries and sickness benefit	1,775	1,700
Social security charges	203	208
Pension charges	185	176
Insurances	43	43
Travel allowance	36	26
Other salaries related costs	467	453
Salary cost allocated to events, publishing and other activities	(1,836)	(1,640)
Total	406	513

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

Office expenses

The office expenses can be specified as follows:

In thousands of euro

	2012	2011
General office and personnel costs	71	117
Rental and lease costs	337	217
Telephone, internet and fax	62	55
Computer consultancy and license fees (*)	190	189
Recruitment fees	-	8
Stationary	2	3
Cleaning	17	18
Electricity and gas	36	32
Other	(8)	(19)
	707	620

(*) 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

	2012	2011
Brand/General Promotion	19	28
Website/CRM	276	179
Advisory costs: tax, legal, etc.	78	75
Audit fees	38	31
Training personnel	27	47
	438	360

General investments

The other tax expense of EUR 467K related to the accrual on Swiss tax obligations in 2010 and the investment made in 2011 for projects related to Governance (architecture, new statutes, move of the ESOMAR Society to the Netherlands for an amount of EUR 180K) have been recognised and audited during the fiscal year 2011. 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.

Net finance income / (expense)

The net finance expense can be specified as follows:

In thousands of euro

	2012	2011
Interest income on bank deposits	5	9
Other income/financial results	41	-
Interest income on financial assets	145	133
Dividend income on financial assets	27	27
Change in fair value of financial assets	274	-
Finance income	492	169
Change in fair value of financial assets	-	(74)
Net loss of disposal of financial assets	(2)	(74)
Management fees	(23)	(13)
Bank charges	(21)	(1)
Finance expenses	(46)	(162)
Net finance income / (expense)	446	7

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

ESOMAR is the essential organisation for encouraging, advancing and elevating market research worldwide.