

TRANSNATIONAL INSTITUTE

ANNUAL REPORT

2011



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July 2012
dubois & co
REGISTERACCOUNTANTS

Amsterdam, 13 JULI 2012

paraaf voor identificatiedoelenden

AIMS OF TNI

The foundation "Stichting Transnational Institute" was created on March 21st of 1974.

The aims of the foundation are:

- to undertake, promote and supervise scientific research in the fields of culture, politics and social sciences,
- to create and promote international cooperation in the study of and research into solutions for world problems such as pollution, militarism, social injustice and racism on the one hand and development on the other hand.

The foundation shall attempt to realise its goal by, amongst other things:

- providing courses (in study groups) and organising international scientific conferences,
- collaborating with non-profit organisations which have a similar objective

COMPOSITION OF THE BOARD OF DIRECTORS

The Executive Board of Directors of the Transnational Institute consists of:

Susan George (Chairperson)
David Sogge (Honorary Secretary)
Kees Biekart (Treasurer)
Gisela Düting (Board Member)
Myriam van Reisen (Board Member)

PERSONNEL

In 2011 the foundation had 12,64 employees (FTE) (in 2010: 13,73) on the payroll.

The costs of the employees on the payroll are (in EUR):

	2011	2010
Salaries	565.950	544.651
Social securities (incl sickness insurance)	85.693	91.973
Pension premium	41.465	25.716
	<u>693.109</u>	<u>662.341</u>

SALARY DIRECTOR

The Board of Transnational Institute has assessed the salary scale of the Director.

The salaries at Transnational Institute comply with the recommendations of VFI, as well as of Code Wijffels.

Income Director	2011	2010
gross salary	64.385	63.050
holiday pay	5.002	4.851
end of year payment	-	3.640
	<u>69.386</u>	<u>71.542</u>
Taxes and premiums paid by TNI	5.351	5.539
Pension scheme paid by TNI	6.387	4.404
Total salary costs	<u>81.124</u>	<u>81.485</u>

At the end of 2011 no extra salary payment has been done. The figures of 2010 are corrected as holiday payment and end of year payment were counted twice.

NOTES TO THE ACCOUNTS AND OTHER INFORMATION

General

Assets and liabilities are stated at face value unless a different valuation principle is mentioned.

RJ 640

This presentation of the financial statements is in accordance with Dutch Accounting Standard Board's Guideline for Annual Reporting 640 for not-for-profit organisations.

Currency

Amounts denominated in foreign currency have been calculated at the last known rates for the financial year, using Oanda Currency Converter.
Exchange differences are accounted for in the profit and loss account, unless a different rate is mentioned.

Comparative figures

The figures for the previous year included in the annual accounts have been adjusted for purposes of comparison only.

Changes in accounting principles

The valuation and the principles for determination of results remained unchanged compared to 2010.

Fixed assets

These are shown at historical cost. Depreciation and amortisation are calculated based upon these assets according to the straight line method on the expected useful life of the class of asset concerned. If there is deemed to be a permanent diminution in the value of an asset, the appropriate value adjustment is made.

Receivables

Receivables are stated at face value with a net of provisions for doubtful debts where necessary.

OTHER INFORMATION

Allocation of results

The result has been allocated to the general reserves in advance of discussion of the Meeting of the Board of Directors.

Contingent liabilities

In the balance sheet are under liabilities also the liabilities to partners accounted for. These liabilities derive from contracts with partners under grants of the European Union. These liabilities are calculated for one year though the contracts in some cases have a longer duration. A committee yearly makes the decision for the exact amount per partner.

These contracts are:

EU-Hands off the Land: Total liability for the 10 partners is € 686.139 over the period 1 April 2011 - 31 march 2014.
EU-Making European Trade work: Total liability for the 4 partners is € 530.354 over the period 23 February 2010 - 22 February 2013.

BALANCE SHEET AS PER DECEMBER 31st 2011

ASSETS	31-12-2011 EUR	31-12-2010 EUR
Fixed assets		
Building (1)	2.066.640	2.128.668
Office equipment (2)	8.202	9.030
	<u>2.074.842</u>	<u>2.137.698</u>
Receivables		
Accounts receivable	109.662	75.880
Grants (3)	330.613	421.161
Other receivables (4)	12.825	48.644
Prepayments (5)	19.184	47.129
	<u>472.284</u>	<u>592.814</u>
Cash		
Petty cash	6.877	773
ABN-Amro Bank	765.593	937.773
Triodos Bank	17.760	8.781
Paypal	22	-
Accounts in foreign currencies (6)	78.339	10.021
	<u>868.593</u>	<u>957.348</u>
Total assets	<u>3.415.718</u>	<u>3.687.860</u>
LIABILITIES		
Equity		
Balance previous years	923.302	1.132.963
Correction opening balance: extra provision holiday pay	-	40.844
Samuel Rubin Young Scholars' Fund	62.974	5.458
Result current year	<u>860.328</u>	<u>174.275</u>
	<u>860.328</u>	<u>923.302</u>
Provisions		
Buiding restoration (8)	21.750	14.723
	<u>21.750</u>	<u>14.723</u>
Long term liabilities		
Triodos Bank, mortgage (9)	<u>1.611.420</u>	<u>1.731.645</u>
Current liabilities		
Triodos Bank mortgage, redemption due in 2012	7.726	7.776
Project balance (10)	-	505.960
Grants (11)	520.933	258.891
Accounts payable	96.336	114.797
Liabilities to Partners	166.964	-
Wage withholding tax	16.135	46.886
Provision vacationpay/holidays	78.446	55.581
Security on rent	11.082	11.082
Other current liabilities (12)	24.598	17.217
	<u>922.221</u>	<u>1.018.190</u>
Total liabilities	<u>3.415.719</u>	<u>3.687.860</u>

Explanatory Notes to the Balance Sheet

A. All the liquidities are per 31/12 on cash accounts and directly available when needed

B. The Samuel Rubin Young Scholars' Fund has been liquidated at the end of 2010.

C. The project balance is now specified per donor (see summary of projects, page 9). Under receivables and liabilities these amounts are shown as grants and specified under Specification (3) (page 4) and (11) (page 5).

D. Liabilities to partners are shown for the first year. These liabilities derive from contracts with partners under grants of the European Union. This concerns 15 partners (10 EU-Land, 4 EU-Trade and 1 EU-Drugs Control).

EXPLANATION TO THE BALANCE SHEET, DECEMBER 2011 - part 1

	31-12-2011 EUR	31-12-2010 EUR
FIXED ASSETS		
(1) Building Costs		
Opening balance	2.481.123	2.481.123
Investments	-	-
	<u>2.481.123</u>	<u>2.481.123</u>
Accumulated depreciation of the building		
Opening balance	352.455	290.427
Charge for the year	62.028	62.028
	<u>414.483</u>	<u>352.455</u>
Net book value	<u>2.066.640</u>	<u>2.128.668</u>
The depreciation rate is 2,5 % per annum.		
(2) Office equipment cost		
Opening balance	43.394	49.640
Investments 2011	3.653	8.772
	<u>47.047</u>	<u>58.412</u>
Fully depreciated	5.248	15.018
	<u>41.798</u>	<u>43.394</u>
Accumulated depreciation of equipment		
Opening balance	34.364	45.563
Charge for the year	4.480	3.819
	<u>38.844</u>	<u>49.382</u>
Fully depreciated	5.248	15.018
	<u>33.596</u>	<u>34.364</u>
Net book value	<u>8.202</u>	<u>9.030</u>
The depreciation rate is 25% or 33,33 % per annum depending on the class of the asset.		
RECEIVABLES		
(3) Grants		
OxfamNovib Core Grant	-	75.000
EU- Making European Trade work	293.070	73.741
EU - Water Acces	-	11.912
Isvara Foundation	3.366	2.096
European Commission URB-AL	-	3.775
la Compañia Anónima Nacional Teléfonos	-	34.781
Foundation Open Society Institute	13.048	219.856
Royal Danish Embassy Bangkok / DANIDA	1.558	-
Royal Netherlands Embassy Bangkok	4.000	-
EU - Landgrabbing	15.571	-
	<u>330.613</u>	<u>421.161</u>
(4) Other receivables		
Advances employees	7.865	9.174
Miscellaneous	4.960	39.470
	<u>12.825</u>	<u>48.644</u>

EXPLANATION TO THE BALANCE SHEET, DECEMBER 2011 - part 2

	31-12-2011 EUR	31-12-2010 EUR
(5) Prepayments		
Prepaid personnel costs	18.141	3.035
Prepaid housing costs	-	34.915
Prepaid office costs	1.042	1.042
Prepaid travel costs	-	8.137
	<u>19.184</u>	<u>47.129</u>
(6) Accounts in foreign currencies		
ABN-Amro Bank USD	73.237	4.365
ABN-Amro Bank GBP	181	530
First Union National Bank USD	4.921	5.126
	<u>78.339</u>	<u>10.021</u>
The exchange rates at year end was: 1 US \$ = € 0,75 (in 2010: € 0,75); 1 GB £ = € 1,16 (in 2010: € 1,17)		
PROVISIONS		
(8) Building restoration		
Opening balance	14.723	8.952
Provision	14.000	14.000
Restoration	6.973-	8.229-
	<u>21.750</u>	<u>14.723</u>
(9) LONG TERM LIABILITIES		
Triodos Bank, mortgage 21.21.49.342, due in 2025	1.520.000	1.600.000
Triodos Bank, mortgage 21.21.49.237, due in 2025	99.146	139.421
	<u>1.619.146</u>	<u>1.739.421</u>
The mortgage to Triodos Bank is specified as follows:		
Balance 2010	1.739.421	1.739.421
Paid off in 2011	120.274-	-
Included in the current liabilities the first redemption due in the coming year:	7.726-	7.776-
	<u>1.611.420</u>	<u>1.731.645</u>
(10) CURRENT LIABILITIES		
Project balance (see summary of the projects)	<u>-</u>	<u>505.960</u>
(11) Grants next year(s)		
OxfamNovib Core Grant		65.000
OxfamNovib workshops	76.056	
OxfamNovib Drugs South East Asia	20.000	
Ministry of foreign Affairs, Fair Green Global	398.105	
CordAid: FATF publication	6.800	
Swedish International Development Agency		37.404
European Commission- Drug Control	19.972	144.575
European Commission on Water Access		11.912
	<u>520.933</u>	<u>258.891</u>
(12) Other current liabilities		
Accountant	-	10.115
Payable expenses	23.800	15.111
Miscellaneous	798	8.009-
	<u>24.598</u>	<u>17.217</u>

Explanatory Notes to the Balance Sheet

E. An extra redemption of 80.000 euro has been paid in 2011. Besides that the second smaller mortgage has been corrected as the wrong redemption method had been used in previous years.

SUMMARY OF THE PROFIT AND LOSS ACCOUNT 2011

(Note: Amounts are rounded to multiples of 100 euro)

	real 2011 in euro	in %	budget 2011 in euro	in %	real 2010 in euro	in %
Income						
Core income	275.800	10,4%	291.400	9,6%	387.800	22,6%
Project income	2.373.300	89,6%	2.738.500	90,4%	1.446.900	77,4%
	<u>2.649.100</u>	100,0%	<u>3.029.900</u>	100,0%	<u>1.834.700</u>	100,0%
Expenditure						
Administration & fundraising	537.800	20,3%	480.600	15,8%	440.600	23,3%
Research & activities - core	93.700	3,5%	91.400	3,0%	166.000	8,1%
Research & activities - projects	2.026.700	76,2%	2.482.300	81,3%	1.396.900	68,5%
	<u>2.658.200</u>	100,0%	<u>3.054.300</u>	100,0%	<u>2.003.500</u>	100,0%
Balance	9.100-		24.400-		168.800-	
Extraordinary loss	<u>53.800-</u>		<u>-</u>		<u>-</u>	
Total balance	62.900-		24.400-		168.800-	

RESULT (using EXACT amounts, contrary to the table above where multiples of 100 euro are used...)

The result in 2011 of € -62974 and the result in 2010 of € 168.817 are calculated as follows:

	2011	2010
Core income (balance projects EXCL.)	275.825	387.758
Administration & fundraising	537.807	440.627
Projects	346.601-	50.008-
Research & activities - core	93.736	165.956
	<u>284.942</u>	<u>556.575</u>
Extraordinary loss	9.117-	168.817-
	<u>53.857-</u>	<u>-</u>
	62.974-	168.817-

Result appropriation 2011

General reserve	-62.974
Result 2011	<u><u>-62.974</u></u>

PROFIT AND LOSS ACCOUNT 2011

INCOME		real 2011 EUR	budget 2011 EUR	real 2010 EUR
Core income				
Rubin Foundation and OxfamNovib Core Grant	note F	119.178	132.947	265.139
NV Werk/PANTAR		6.057	-	11.974
Rent	note G	131.149	150.000	122.300
Publications & royalties	note H	-	-	132
Interest		8.955	8.000	11.590
Exchange losses/gains	note I	9.984	-	21.538
Miscellaneous		501	500	44.914
Total core income		275.825	291.447	387.758
Project income				
Received grants		2.277.293	2.738.490	1.738.544
Publication sales		16	-	-
Miscellaneous		95.960	-	92.803
Subtotal		2.373.269	2.738.490	1.831.347
Project balance 2011	note J	-	-	505.960
Project balance 2010	note J	-	-	121.484
Total project income		2.373.269	2.738.490	1.446.871
TOTAL INCOME		2.649.094	3.029.937	1.834.629
EXPENDITURE				
Core: Administration and fundraising				
Personnel cost		304.275	186.751	231.991
Building expenses		165.624	219.167	179.561
Travel and accomodation		4.953	3.000	1.035
Office and communication	note K	62.955	71.700	26.577
Publication and outreach		-	-	1.463
		537.807	480.618	440.627
Core: Research and activities				
Fellow/Board Meetings	note L	592	8.500	25.038
Young Fellows Program	note M	-	-	2.130
Web/Publications	note K	75.336	62.866	129.746
World Social Forum/conferences		-	-	10
Organisational development		17.809	20.000	9.032
		93.736	91.366	165.956
Projects: Research and activities				
Personnel costs		415.674	516.117	430.022
Research Fees	note N	138.558	-	-
Office and communication		73.746	-	23.460
Activity costs	note O	1.212.171	1.966.210	832.386
Publication and outreach		186.520	-	110.996
		2.026.668	2.482.327	1.396.864
TOTAL EXPENDITURE		2.658.211	3.054.311	2.003.448
BALANCE		-9.117	24.374-	168.817-
EXTRAORDINARY Profits and Losses	note P	-53.857		
RESULT 2011		62.974-	24.374-	168.817-

Explanatory Notes to the Profit and Loss Accounts

F. Grants for core activities are more and more difficult to obtain. In 2011 TNI received the last part of the OxfamNovib core grant. Core grant will diminish further in the next years.

G. The figures of 2010 are adjusted for comparison. The service charges from the tenants have been deducted from the rent and placed under building expenses. The service charges are meant for coverage of electricity, water and so on.

H. Publications and royalties are moved to miscellaneous income.

I. The dollar was less unstable compared to 2010.

J. The project balances are better specified. This made it possible to show them in the balance sheet (see note C).

K. Automation costs has in earlier years been allocated to 'Web/publications' under Core Research and activities. This leads to more core costs.

L. In 2011 there were again two fellow meetings, one in Durban and one in Amsterdam. The costs are shown under project costs.

M. The young fellows Program ended in 2010.

N. In 2010 the amount for research fees was included in the personnel costs. In 2011 these costs only show the personnel costs of staff.

O. As the project income is a lot higher than in 2010 the activity costs have risen accordingly.

P. The extraordinary losses refer to losses resulting from earlier years.

EXPLANATION TO THE PROFIT AND LOSS ACCOUNT 2011

		real 2011 EUR	budget 2011 EUR	real 2010 EUR
ADMINISTRATION AND FUNDRAISING				
Salaries & pension core staff		226.283	132.751	166.469
I/D-banen	note Q	-	-	16.435
Administration Consult		12.099	9.500	5.262
Auditor		36.103	25.000	30.536
Training	note R	-	4.000	662
Arbo/sickness insurance		2.776	7.500	7.603
Miscellaneous Personnel costs	note R	27.014	8.000	5.024
Personnel cost		304.275	186.751	231.991
Ground lease		16.607	16.139	16.139
Provision building maintenance		14.000	16.000	14.000
Purchases		67	2.500	864
Insurance and tax		9.039	9.500	10.343
Energy		25.106	25.000	25.976
Maintenance and cleaning		12.883	17.000	14.722
Depreciation building		62.028	62.028	62.028
Interest Mortgage building		64.565	71.000	70.599
Contribution tenants-Service Charges		38.671-	-	35.110-
Building expenses		165.624	219.167	179.561
Travel costs		3.489	3.000	198
Accommodation and Meetings		877	-	838
Per diem		586	-	-
Travel and accomodation		4.953	3.000	1.035
Depreciation and maintenance of equipment		4.479	2.000	5.065
Office materials and copying costs	note S	11.847	5.000	10.282
Phone and fax	note S	5.252	4.000	3.947
Postage	note S	4.506	3.000	1.943
Various domestic costs		2.218	3.000	2.021
Documentation		2.128	5.000	2.219
Automation costs	note K	27.842	45.000	7.899
Bank charges	note S	4.687	3.000	2.327
Miscellaneous organisational costs		4-	1.700	2.218
Office cost charges	note S	-	-	11.345-
Office and communication		62.955	71.700	26.577
Printing		-	-	1.344
Buy books		-	-	-
Contributions for web and editing		-	-	119
Other activity costs		-	-	-
Publication and conferences	note T	-	-	1.463
TOTAL EXPENDITURE CORE		537.807	480.618	440.627

Explanatory Notes to the Profit and Loss Accounts

Q. From 2011 onwards no jobs will be subsidized anymore by Pantar.

R. Training is now included under Miscellaneous personnel costs.

S. Several costs under office costs have become higher with the introduction of a full cost tariff. Only more than average office costs can be allocated to projects where the full cost tariff is used. Also the office cost charges disappear in 2011 as costs are distributed to the teams on tariff base.

T. The costs for publication and conferences are shown under Core projects (page 7).

SUMMARY OF THE PROJECTS 2011

Organization	Description project	Project balance 31-12-2010	Program Liabilities	Expenditure 2011	Income 2011	Result for the year	Income 2.011	Project balance 31-12-2011	Program Receivable 31-12-2011	Receivable Liability
BUZA MFS	Economic Justice EJ general		5.756.167	825.245	825.245	0	825.245	4.940.627	4.542.522	-398.105
Isvara	EJ, Reg. promoting exemp.		25.860	24.054	24.054	0	24.054	1.806	5.172	3.366
OxfamNovib	EJ, water building society EJ, water building society	13.318 27.900		13.318	13.318	0	13.318	0	0	0
EU	Water Acces	11.912		8.902	8.902	0	8.902	3.010	3.010	0
EU	Hands off the Land		842.663	280.825	280.825	0	280.825	561.838	577.409	15.571
Irish Aid	Corporate power	32.918		32.918	32.918	0	32.918	0		
EU	Trade	13.608	557.633	324.812	324.812	0	324.811	250.955	544.025	293.070
	AEPF			7.183	5.000	-2.183	5.000			
OxfamNovib	Global Workshops (Kp 5)	76.374		4.046	318	-3.728	318	76.056		-76.056
balance 2010	Drugs & Development	16.421		214	20.585	20.371	20.585	0		
OSI	D&D Drugs, pol Dialogue 1st	171.212		127.904	181.177	53.273	181.177	0		
OSI	D&D Drugs, pol Dialogue 2nd		276.087	132.487	132.596	-109	132.596	127.896	140.944	13.048
EU-DPIP/ OSI	D&D Int. Drugs control, TNI	4.932	218.075	141.074	141.074	0	141.073	81.933	61.961	-19.972
OxfamNovib/OSI	D&D SEA	66.445	50.000	94.583	96.445	-1.862	96.445	20.000		-20.000
EU	CREPE	15.968		6.831	15.968	9.137	15.968	0		
	Birma, Military bases	2.665		53	2.655	2.612	2.665	0		
	Birma, Ethnic conflict	64.199		184.824	186.289	1.465	186.289	0	5.558	5.558
Total		517.872	7.726.485	2.209.273	2.292.181	106.876	2.292.189	6.064.121	5.880.601	330.613 -514.133

GRANTS RECEIVED BY TNI IN 2011

Dutch Ministry of Foreign Affairs, Fair, Green and Global		825.245
Foundation Open Society Institute		363.037
NOVIB		
* Core	65.000	
* South East Asia	70.000	
* Reclaim Public Water	13.318	
* Workshops	318	
		148.636
European Commission		
* Hands off the Land	280.825	
* Making European trade work	306.677	
* Evaluation and Prospects of International Drug Control	124.601	
* Water Access Through Empowerment of Rights	8.902	
* CREPE	15.968	
		736.973
Royal Danish Embassy Bangkok		80.791
Samuel Rubin Foundation		54.178
Isvara Foundation		24.054
Irish Aid		32.918
Royal Dutch Embassy Bangkok		20.000
Swedish International Development Agency		82.738
Others		27.900
	Total:	<u>2.396.470</u>

The connection between the overview above and the figures in the profit and loss account (page 7) is as follows:

119.178	Core income: Rubin Foundation and NOVIB core grant
<u>2.277.293</u>	<u>Project income: Received grants</u>
<u>2.396.471</u>	<u>Total received Grants</u>

INDEPENDENT AUDITOR'S REPORT

To: the board of Stichting Transnational Institute, Amsterdam.

We have audited the accompanying financial statements of Stichting Transnational Institute, Amsterdam, which comprise the balance sheet as at 31 December 2011, the profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements and for the preparation of the management board report, both in accordance with the Guidelines for annual reporting of the Dutch Accounting Standard Board, especially Guideline 640 "Not-for-profit organizations". Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Transnational Institute as at December 31, 2011 and of its result for the year then ended in accordance with the Guidelines for annual reporting of the Dutch Accounting Standard Board, especially Guideline 640 "Not-for-profit organizations".

Amsterdam, 13 July 2012

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser

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