

TRANSNATIONAL INSTITUTE

ANNUAL REPORT

2012



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April 2013
dubois & co
REGISTERACCOUNTANTS

Amsterdam, 19 APR. 2013

paraaf voor identificatiedoeleinden:

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 Dütting (Board Member)
Myriam van Reisen (Board Member)

Per 1 January 2013 Kees Biekaert has left the Board. Gisela Dütting has been appointed as the new treasurer.

PERSONNEL

In 2012 the foundation had 13,44 employees (FTE) (in 2011: 12,64) on the payroll.

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

	2012	2011
Salaries	575.471	565.950
Social securities (incl sickness insurance)	83.911	85.693
Pension premium	48.082	41.465
	<u>707.464</u>	<u>693.109</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	2012	2011
gross salary	64.982	64.385
holiday pay	5.107	5.002
end of year payment	-	0
	<u>70.089</u>	<u>69.386</u>
Taxes and premiums paid by TNI	5.045	5.351
Pension scheme paid by TNI	7.592	6.387
Total salary costs	<u>82.725</u>	<u>81.124</u>

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 2011.

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.

Also there is a yearly liability of 3.750 euro for the lease contract for copiers/printers up to 2017.

BALANCE SHEET AS PER DECEMBER 31st 2012

ASSETS	31-12-2012 EUR	31-12-2011 EUR
Fixed assets		
Building (1)	2.004.612	2.066.640
Office equipment (2)	8.136	8.202
	<u>2.012.748</u>	<u>2.074.842</u>
Receivables		
Accounts receivable	23.341	109.662
Grants (3)	629.307	330.613
Other receivables (4)	14.155	12.825
Prepayments (5)	29.288	19.184
	<u>696.090</u>	<u>472.284</u>
Cash		
Petty cash		
ASN Bank note A	5.781	6.877
ABN-Amro Bank	1	-
Triodos Bank	167.031	765.593
Paypal	16.033	17.760
Accounts In foreign currencies (6)	343	22
	<u>229.414</u>	<u>78.339</u>
	<u>418.604</u>	<u>868.593</u>
Total assets	<u>3.127.442</u>	<u>3.415.718</u>
LIABILITIES		
Equity		
Balance previous years	860.328	923.302
Result current year	12.040	62.974-
	<u>872.368</u>	<u>860.328</u>
Provisions		
Buiding restoration (7)	6.238	21.750
	<u>6.238</u>	<u>21.750</u>
Long term liabilities		
Triodos Bank, mortgage (8)	<u>1.523.695</u>	<u>1.611.420</u>
Current liabilities		
Triodos Bank mortgage, redemption due in 2013	7.726	7.726
Grants (9)	273.733	514.133
Accounts payable	187.802	96.336
Liabilities to Partners note B	77.802	166.964
Wage withholding tax	21.259	16.135
Provision vacationpay/holidays	97.834	78.446
Security on rent	22.890	11.082
Other current liabilities (10)	36.095	31.398
	<u>725.142</u>	<u>922.221</u>
Total liabilities	<u>3.127.443</u>	<u>3.415.719</u>

Explanatory Notes to the Balance Sheet

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

B. 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).

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REGISTERACCOUNTANTS

Amsterdam, 19 APR, 2013

paraaf voor identificatiedoeleinden:

EXPLANATION TO THE BALANCE SHEET, DECEMBER 2012 - part 1

	31-12-2012 EUR	31-12-2011 EUR
FIXED ASSETS		
(1) <u>Building Costs</u>		
Opening balance	2.481.123	2.481.123
Investments	-	-
	<u>2.481.123</u>	<u>2.481.123</u>
<u>Accumulated depreciation of the building</u>		
Opening balance	414.483	352.455
Charge for the year	62.028	62.028
	<u>476.511</u>	<u>414.483</u>
<u>Net book value</u>	<u>2.004.612</u>	<u>2.066.640</u>
The depreciation rate is 2,5 % per annum.		
(2) <u>Office equipment cost</u>		
Opening balance	41.798	43.394
Investments 2012	5.056	3.653
	<u>46.855</u>	<u>47.047</u>
Fully depreciated	5.998-	5.248-
	<u>40.857</u>	<u>41.798</u>
<u>Accumulated depreciation of equipment</u>		
Opening balance	33.596	34.364
Charge for the year	5.123	4.480
	<u>38.719</u>	<u>38.844</u>
Fully depreciated	5.998-	5.248-
	<u>32.721</u>	<u>33.596</u>
<u>Net book value</u>	<u>8.136</u>	<u>8.202</u>
The depreciation rate is 25% or 33,33 % per annum depending on the class of the asset.		
RECEIVABLES		
(3) <u>Receivables Grants</u>		
Dutch Ministry of Foreign Affairs	505.601	-
EC - Hands off the Land	19.980	15.571
EC - Drug Prevention and Information Program	44.007	-
EC- Making European Trade work	53.110	293.070
Gesellschaft für Internationale Zusammenarbeit	2.500	-
ISVARA - Alternative Trade Mandate	3.928	-
Isvara Foundation	-	3.366
Open Society Foundation	-	13.048
Royal Dutch Embassy Bangkok	-	4.000
Royal Danish Embassy Bangkok	-	1.558
Samuel Rubin Foundation	180	-
	<u>629.307</u>	<u>330.613</u>
(4) <u>Other receivables</u>		
Advances employees	4.205	7.865
CEVI - Water Acces	3.010	-
Receivable Interest	6.939	4.960
	<u>14.155</u>	<u>12.825</u>

EXPLANATION TO THE BALANCE SHEET, DECEMBER 2012 - part 2

	31-12-2012 EUR	31-12-2011 EUR
(5) <u>Prepayments</u>		
Prepaid personnel costs	23.431	18.141
Prepaid office costs	-	1.042
Prepaid travel costs	5.857	-
	<u>29.288</u>	<u>19.184</u>
(6) <u>Accounts in foreign currencies</u>		
ABN-Amro Bank USD	229.399	73.237
ABN-Amro Bank GBP	16	181
First Union National Bank USD	-	4.921
	<u>229.414</u>	<u>78.339</u>
The exchange rates at year end were: USD, 1 \$ = € 0,7564 (In 2011: € 0,75); GBP, 1 £ = € 1,22196 (In 2011: € 1,16)		
PROVISIONS		
(7) <u>Building restoration</u>		
Opening balance	21.750	14.723
Provision	14.000	14.000
Restoration	29.512-	6.973-
	<u>6.238</u>	<u>21.750</u>
(8) <u>LONG TERM LIABILITIES</u>		
Triodos Bank, mortgage 21.21.49.342, due in 2025	1.440.000	1.520.000
Triodos Bank, mortgage 21.21.49.237, due in 2025	91.421	99.146
	<u>1.531.421</u>	<u>1.619.146</u>
The mortgage to Triodos Bank is specified as follows:		
Balance 2011	1.611.420	1.739.421
Paid off in 2012	80.000-	120.274-
Included in the current liabilities the first redemption due in the coming year:	7.726-	7.726-
	<u>1.523.695</u>	<u>1.611.420</u>
CURRENT LIABILITIES		
(9) <u>Grants next year(s)</u>		
Berghof Foundation	15.138	-
Dutch Ministry of foreign Affairs	-	398.105
EC - Drug Control	-	19.972
Isvara Foundation	9.242	-
Open Society Foundation	180.693	-
OxfamNovib Drugs South East Asia	-	20.000
OxfamNovib workshops	-	76.056
Royal Danish Embassy Bangkok	44.075	-
Swedish International Development Agency	24.585	-
	<u>273.733</u>	<u>514.133</u>
(10) <u>Other current liabilities</u>		
Payable expenses	21.069	23.800
CordAid: FATF publication	-	6.800
ATM contributions	13.316	-
Other current liabilities	1.711	798
	<u>36.095</u>	<u>31.398</u>

Explanatory Notes to the Balance Sheet

C. An extra redemption of 80.000 euro has been paid in 2012.

SUMMARY OF THE STATEMENT OF INCOME AND EXPENDITURE 2012

(Note: Amounts are rounded to multiples of 1.000 euro)

	real 2012 in euro	in %	budget 2012 in euro	in %	real 2011 in euro	in %
Income						
Total Income	3.117.000		2.476.000		2.649.000	
Expenditure						
Administration & fundraising	542.000	17,3%	455.000	18,3%	538.000	20,2%
Research & activities - projects	2.602.000	82,8%	2.029.000	81,7%	2.120.000	79,8%
	<u>3.144.000</u>	100,0%	<u>2.484.000</u>	100,0%	<u>2.658.000</u>	100,0%
Balance	27.000-		8.000-		9.000-	
Extraordinary Income	<u>39.000</u>		<u>-</u>		<u>54.000-</u>	
Total balance	12.000		8.000-		63.000-	

RESULT (using EXACT amounts, contrary to the table above where multiples of 1.000 euro are used...)

The result in 2012 of € 12040 and the result in 2011 of € -/- 62.974 are calculated as follows:

	2012		2011	
Income		3.116.525		275.825
Administration & fundraising	542.012		537.807	
Research and Activities	2.601.679		252.865-	
		<u>3.143.691</u>		<u>284.942</u>
Result		27.166-		9.117-
Extraordinary income		<u>39.206</u>		<u>53.857-</u>
		12.040		62.974-

Result appropriation 2012

General reserve	12.040
Result 2012	<u><u>12.040</u></u>

STATEMENT OF INCOME AND EXPENDITURE 2012

INCOME		real 2012 EUR	budget 2012 EUR	real 2011 EUR
Received grants	note D	2.906.357	2.320.217	2.396.472
Rent		130.869	141.000	131.149
Exchange losses/gains	note E	21.521	-	9.984
Interest		11.669	10.000	8.955
NV Werk/PANTAR		-	-	6.057
Other	note F	46.109	5.000	96.477
TOTAL INCOME		3.116.525	2.476.217	2.649.094
EXPENDITURE				
Administration and fundraising				
Personnel cost		297.971	216.921	304.275
Building expenses		171.015	174.423	165.624
Travel and accomodation		2.844	8.200	4.953
Office and communication		70.182	55.656	62.955
		542.012	455.200	537.807
Research and activities				
Activity costs	note G	1.512.252	1.499.684	1.212.763
Personnel costs		471.047	501.237	415.674
Research Fees		167.323	-	138.558
Publication and outreach		356.228	-	186.520
Web-Publications	note H	28.841	10.500	75.336
Office and communication		65.988	-	73.746
Organisational development	note I	-	18.000	17.809
		2.601.679	2.029.421	2.120.405
TOTAL EXPENDITURE		3.143.691	2.484.621	2.658.211
BALANCE		-27.166	-8.404	9.117-
EXTRAORDINARY INCOME	note J	39.206		53.857-
RESULT 2012		12.040	8.404-	62.974-

Explanatory Notes to the Profit and Loss Accounts

D. For specification see Summary of projects, page 9.

E. Out of precaution no currency exchange profit was budgeted.

F. Other income consist of contributions to specified activities and travel reimbursements.

G. As the project income is higher than in 2011 the activity costs have risen accordingly. The activity costs in the budget were not specified into the different categories.

H. In 2012 a big part of these cost could be allocated to projects and so shifted into the activity costs. Further, a clearer distinction has been made between costs relating to research and activities, shown here and automation costs for the office, shown under Administration and fundraising.

I. No external support was hired in 2012. Further organisational development was managed internally.

J. The extraordinary profit refers to profit resulting from earlier years. In 2012 a payment from CANTV, which had been written off still came in.

EXPLANATION TO THE PROFIT AND LOSS ACCOUNT 2012

		real 2012 EUR	budget 2012 EUR	real 2011 EUR
ADMINISTRATION AND FUNDRAISING				
Salaries & pension staff		197.540	181.671	226.283
Administration Consult	note K	18.693	9.500	12.099
Auditor		30.604	25.750	36.103
Arbo/sickness insurance	note L	9.483	-	2.776
Other Personnel costs	note M	41.651	-	27.014
Personnel cost		297.971	216.921	304.275
Ground lease		16.607	17.105	16.607
Provision building maintenance		14.000	14.000	14.000
Insurance and tax		8.118	9.500	9.039
Energy		24.496	25.810	25.106
Maintenance, cleaning and purchases		15.988	18.500	12.950
Depreciation building		62.028	62.028	62.028
Interest Mortgage building		65.755	67.480	64.565
Other Building Costs		7.130	-	-
Contribution tenants/Service Charges		43.107	40.000	38.671
Building expenses		171.015	174.423	165.624
Travel costs		2.784	5.200	3.489
Accommodation and Meetings		60	-	1.464
Travel and accommodation		2.844	5.200	4.953
Depreciation and maintenance of equipment		5.123	4.000	4.479
Office materials and copying costs		14.079	7.500	11.847
Phone and fax		4.756	4.000	5.252
Postage		1.888	4.000	4.506
Various domestic and organisational costs		3.206	2.000	2.214
Documentation		715	3.500	2.128
Automation costs	note H	35.089	28.656	27.842
Bank charges		5.326	2.000	4.687
Office and communication		70.182	55.656	62.955
TOTAL EXPENDITURE CORE		542.013	452.200	537.807

Explanatory Notes to the Profit and Loss Accounts

K. In 2012 we had to hire more paid administrative services when our volunteer left. This was necessary to bridge the period till we found a new volunteer. This made the total administration costs higher than budgeted.

L. The insurance premium in 2011 was extraordinary low as these costs were partially taken in 2010.

M. Other personnel costs consists of commuting costs, training costs, advice on pension matters and a provision for payable holidays

Organization	Description project	project balance 31-12-2011 EUR	Program Liabilities EUR	Expenditure 2012 EUR	Income 2012 EUR	Result for the year EUR	Project balance Receivable 31-12-2012 EUR	Balance 31-12-2012 vordering schuld
Dutch Ministry of Foreign Affairs	Fair, Green and Global	4.940.627		1.706.420	1.706.420	-	3.234.207	505.601
Isvara Foundation	European Governance	1.806		1.806	1.806	-	-	
EC/ Land	Hands of the Land	561.838		250.980	250.980	-	310.858	19.980
Isvara Foundation	Growth and Competitiveness	-	24.420	10.294	10.294	-	14.126	9.242
Royal Dutch Embassy Bangkok	Ethnic conflict in Burma		100.000	50.000	50.000	-	50.000	
EC/ Trade	Making European Trade Work	250.956		227.924	227.924	-	23.032	53.110
Ministry of Foreign Affairs of Denmark	AEPF		40.248	40.247	40.247	-	-	
Swedish International Development Agency	Ethnic conflict in Burma		108.056	30.283	30.283	-	77.773	24.585
Royal Danish Embassy Bangkok	Ethnic conflict in Burma		109.500	9.100	9.100	-	100.400	44.075
Royal Norwegian Embassy	Ethnic conflict in Burma		60.011	60.011	60.011	-	-	
Isvara Foundation	Alternative Trade Mandate		19.512	19.054	21.482	2.428	458	3.928
Foundation Open Society Institute	Drugs & Democracy	127.896	316.533	263.736	263.736	-	180.693	180.693
EC/ Drug control	Drug Policy and Interventions	81.934		63.980	63.980	-	-	44.007
Oxfam NOVIB	Drugs & Democracy SE Asia	20.000	70.000	91.115	90.000	1.115	-	
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	Informal Drug Policy Dialogue		25.000	25.792	25.000	792	2.500	2.500
Berghof Foundation	Blacklists		50.000	9.862	9.862	-	40.138	15.138
Total		5.985.056		2.861.125	2.861.125		4.031.685	629.126
								273.733

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REGISTERACCOUNTANTS

Amsterdam, 19 APR. 2013

Saldo receivables

Total grants

Receivables Samuel Rublin grant

629.126

180

629.306

identificatiecode: 14060842

GRANTS RECEIVED BY TNI IN 2012

Dutch Ministry of Foreign Affairs, Fair, Green and Global		1.706.420
European Commission		
* Hands off the Land	250.980	
* Making European trade work	227.924	
* Evaluation and Prospects of International Drug Control	63.980	
		542.884
Foundation Open Society Institute		263.736
OxfamNOVIB		90.000
Norway Embassy Bangkok		60.011
Royal Dutch Embassy Bangkok		50.000
Samuel Rubin Foundation		47.660
Ministry of Foreign Affairs Denmark		40.247
Isvara Foundation		31.154
Swedish International Development Agency		30.283
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH		25.000
Berghof Foundation		9.862
Royal Danish Embassy Bangkok		9.100
Total:		<u>2.906.357</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 2012, 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 foundation'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 foundation'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, 2012 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, 19 April 2013

Dubois & Co. Registeraccountants

Signed on original by:
G. Visser

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