

TRANSNATIONAL INSTITUTE

ANNUAL REPORT

2013



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June 2014
REGISTER ACCOUNTANTS

Amsterdam, 20 JUNI 2014

paraaf voor identificatie doeleinden

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

PERSONNEL

In 2013 the foundation had **15,39** employees (FTE) (in 2012: 13,44) on the payroll.

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

	2013	2012
Salaries	631.387	575.471
Social securities (incl sickness insurance)	88.633	83.911
Pension premium	54.088	48.082
	<u>774.108</u>	<u>707.464</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	2013	2012
gross salary	65.911	64.982
holiday pay	5.159	5.107
end of year payment	0	0
	<u>71.070</u>	<u>70.089</u>
Taxes and premiums paid by TNI	8.368	5.045
Pension scheme paid by TNI	7.666	7.592
Total salary costs	<u>87.104</u>	<u>82.725</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 2012.

Up to now the depreciation period was set at 40 years. After consultation we decided to prolong the period to 50 years. So the buildings depreciation rate changed from 2,5 to 2%.

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.

EU - Investment: Total liability for the 10 partners is € 654.918 over the period 1 February 2013 - 31 January 2016.

EU - Drug Policy: Total liability for the 3 partners is € 229.321 over the period 1 January 2013 - 31 December 2014.

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

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REGISTERED ACCOUNTANTS

Amsterdam 20 JUNI 2014

paraaf voor identificatie doeleinden

BALANCE SHEET AS PER DECEMBER 31st 2013

ASSETS	31-12-13 EUR	31-12-12 EUR
Fixed assets		
Building (1)	1.957.259	2.004.612
Office equipment (2)	4.620	8.136
	<u>1.961.879</u>	<u>2.012.748</u>
Receivables		
Accounts receivable	8.274	23.341
Grants (3)	376.520	629.307
Other receivables (4)	19.931	14.155
Prepayments (5)	41.892	29.288
	<u>446.618</u>	<u>696.090</u>
Cash		
Petty cash	9.903	5.781
ASN Bank	264.998	1
ABN-Amro Bank	99.825	167.031
Triodos Bank	20.952	16.033
Paypal	10.877	343
Accounts in foreign currencies (6)	296.841	229.414
	<u>703.396</u>	<u>418.604</u>
Total assets	<u>3.111.893</u>	<u>3.127.442</u>
LIABILITIES		
Equity		
Balance previous years	872.368	860.328
Result current year	6.967	12.040
	<u>879.335</u>	<u>872.368</u>
Provisions		
Buiding restoration (7)	15.817	6.238
	<u>15.817</u>	<u>6.238</u>
Long term liabilities		
Triodos Bank, mortgage (8)	<u>1.515.969</u>	<u>1.523.695</u>
Current liabilities		
Triodos Bank mortgage, redemption due in 2013	7.726	7.726
Grants next year (9)	282.394	273.733
Accounts payable	81.508	187.802
Liabilities to Partners	191.450	77.802
Wage withholding tax	14.353	21.259
Provision vacationpay/holidays	59.469	97.834
Security on rent	12.870	22.890
Other current liabilities (10)	51.001	36.095
	<u>700.771</u>	<u>725.142</u>
Total liabilities	<u>3.111.892</u>	<u>3.127.443</u>

Explanatory Notes to the Balance Sheet

A. All the liquidities are per 31/13 on cash accounts and directly available when needed

B. Liabilities to partners derive from contracts with partners under grants of the European Union. This concerns 27 partners (10 EU-Land, 4 EU-Trade, 10 EU-Investment and 3 EU-Drugs Control).

EXPLANATION TO THE BALANCE SHEET, DECEMBER 2013 - part 1

	31-12-13 EUR	31-12-12 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>
<u>Accumulated depreciation of the building</u>		
Opening balance	476.511	414.483
Charge for the year	47.353	62.028
	<u>523.864</u>	<u>476.511</u>
<u>Net book value</u>	<u>1.957.259</u>	<u>2.004.612</u>
The depreciation rate is 2,0 % per annum.		
(2) Office equipment cost		
Opening balance	40.857	41.798
Investments 2013	1.364	5.056
	<u>42.221</u>	<u>46.855</u>
Fully depreciated	3.797-	5.998-
	<u>38.424</u>	<u>40.857</u>
<u>Accumulated depreciation of equipment</u>		
Opening balance	32.721	33.596
Charge for the year	4.880	5.123
	<u>37.601</u>	<u>38.719</u>
Fully depreciated	3.797-	5.998-
	<u>33.804</u>	<u>32.721</u>
<u>Net book value</u>	<u>4.620</u>	<u>8.136</u>
The depreciation rate is 25% or 33,33 % per annum depending on the class of the asset.		
RECEIVABLES		
(3) Receivables Grants		
Dutch Ministry of Foreign Affairs - FGG	159.751	505.601
EC/DEAR - Hands off the Land	112.255	19.980
EC/DPIP - New Approaches in Drug Policy	-	44.007
EC/DEAR - Making European Trade work for the MDG's	25.007	53.110
EC/DEAR - Just Investment	42.839	-
Gesellschaft für Internationale Zusammenarbeit	5.687	2.500
Norway Ministry	-	-
Isvara Alternative Trade Mandate 2012 - 2013	4.884	3.928
Isvara Foundation Governance Project	6.097	-
Samuel Rubin Foundation	-	180
Royal Dutch Embassy Bangkok	20.000	-
	<u>376.520</u>	<u>629.307</u>
(4) Other receivables		
Advances employees	10.236	4.205
CEVI - Water Acces	-	3.010
Receivable interest	9.695	6.939
	<u>19.931</u>	<u>14.155</u>

EXPLANATION TO THE BALANCE SHEET, DECEMBER 2013 - part 2

	31-12-13 EUR	31-12-12 EUR
(5) <u>Prepayments</u>		
Prepaid costs	41.892	29.288
	<u>41.892</u>	<u>29.288</u>
(6) <u>Accounts in foreign currencies</u>		
ABN-Amro Bank USD	295.468	229.399
ABN-Amro Bank GBP	1.373	16
	<u>296.841</u>	<u>229.414</u>
The exchange rates at year end were: USD, 1 \$ = € 0,72633 (in 2012: € 0,7564); GBP, 1 £ = € 1,19763 (in 2012: € 1,22196)		
PROVISIONS		
(7) <u>Building restoration</u>		
Opening balance	6.238	21.750
Provision	16.000	14.000
Restoration	6.421-	29.512-
	<u>15.817</u>	<u>6.238</u>
(8) <u>LONG TERM LIABILITIES</u>		
Triodos Bank, mortgage 21.21 49.342, due in 2025	1.440.000	1.440.000
Triodos Bank, mortgage 21.21.49.237, due in 2025	83.695	91.421
	<u>1.523.695</u>	<u>1.531.421</u>
The mortgage to Triodos Bank is specified as follows:		
Balance 2012	1.523.695	1.611.420
Paid off in 2012/2013	0	80.000-
Included in the current liabilities the first redemption due in the coming year:	7.726-	7.726-
	<u>1.515.969</u>	<u>1.523.695</u>
CURRENT LIABILITIES		
(9) <u>Grants next year(s)</u>		
Berghof Foundation	18.109	15.138
EC - Drug Prevention and Information Program	104.671	-
Foundation Open Society Institute	143.847	180.693
Isvara Foundation Governance Project	-	9.242
ISVARA - Alternative Trade Mandate 2013 - 2014	1.063	-
Samuel Rubin Foundation	9.079	-
Joseph Rowntree Foundation	5.625	-
Royal Danish Embassee Bangkok	-	44.075
Swedish International Development Agency	-	24.585
	<u>282.394</u>	<u>273.733</u>
(10) <u>Other current liabilities</u>		
Payable expenses	34.846	21.069
ATM contributions	16.155	13.316
Other current liabilities	-	1.711
	<u>51.001</u>	<u>36.095</u>

SUMMARY OF THE STATEMENT OF INCOME AND EXPENDITURE 2013

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

	real 2013 in euro	in %	budget 2013 in euro	in %	real 2012 in euro	in %
Income						
Total income	2.876.000		2.884.000		3.117.000	
Expenditure						
Administration & fundraising	449.000	15,8%	435.000	15,1%	542.000	17,3%
Research & activities - projects	2.393.000	84,2%	2.449.000	84,9%	2.602.000	82,8%
	<u>2.842.000</u>	100,0%	<u>2.884.000</u>	100,0%	<u>3.144.000</u>	100,0%
Balance	34.000		-		27.000-	
Extraordinary losses/profits	<u>27.000-</u>		<u>-</u>		<u>39.000</u>	
Total balance	7.000		-		12.000	

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

The result in 2013 of € 6.967 and the result in 2012 of € 12.040 are calculated as follows:

	2013		2012	
Income		2.875.511		3.116.525
Administration & fundraising	449.222		542.012	
Research and Activities	2.392.663		2.601.679	
		<u>2.841.885</u>		<u>3.143.691</u>
Result		33.626		27.166-
Extraordinary losses/profits		<u>26.659-</u>		<u>39.206</u>
		6.967		12.040

Result appropriation 2013

General reserve	6.967
Result 2013	<u><u>6.967</u></u>

STATEMENT OF INCOME AND EXPENDITURE 2013

INCOME		real 2013 EUR	budget 2013 EUR	real 2012 EUR
Received grants	note C	2.668.262	2.717.782	2.906.357
Rent		137.533	135.716	130.869
Exchange losses/gains		4.701-		21.521
Interest		12.502	10.000	11.669
Other	note D	61.915	20.000	46.109
TOTAL INCOME		2.875.511	2.883.498	3.116.525
EXPENDITURE				
Administration and fundraising				
Personnel cost	note E	241.499	203.334	297.971
Building expenses	note F	148.484	165.410	171.015
Travel and accomodation		3.061	7.500	2.844
Office and communication		56.178	58.742	70.182
		449.222	434.986	542.012
Research and activities				
Activity costs		1.381.515	1.477.548	1.512.252
Personnel costs	note E	458.875	556.976	471.047
Research Fees		100.443	117.939	167.323
Publication and outreach		357.365	236.765	356.228
Web-Publications	note H	13.377	30.825	28.841
Office and communication	note G	81.088	13.459	65.988
Organisational development	note I	-	15.000	-
		2.392.663	2.448.512	2.601.679
TOTAL EXPENDITURE		2.841.885	2.883.498	3.143.691
BALANCE		33.626	0	27.166-
EXTRAORDINARY INCOME	note J	-26.659		39.206
RESULT 2013		6.967	-	12.040

Explanatory Notes to the Profit and Loss Accounts

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

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

E. Personnel costs are higher than budget due to the division of the personnel costs between administration and project activities. Under Research activities the personnel costs are lower than expected. These amounts vary depending on the amount of time staff can be allocated to projects.

F. Building costs are lower because of the lower depreciation costs due to the change in depreciation period from 40 to 50 years.

G. This line has been budgeted too low; by mistake the office costs were not included. As we had more and bigger EU projects in 2013 compared to 2012 the office costs are higher.

H. Costs on the website were high in 2012 compared to 2013 as the website was redesigned.

I. Originally an organisational development process was planned, but during the year the money was reallocated to other priorities.

J. Some creditors had to be written of as payment is not to be expected anymore (total amount 17.500 euro). Besides that TNI is engaged in an appeal with the EU concerning the final payment on an EU grant. The amount has been written of to prevent any risk (30.000 euro). Fortunately there were also some unexpected positive results: a guarantee was no longer needed (10.000 euro) and we could write off some payments as they were paid in 2012 (9.700) and some minor issues (1.100 euro)

EXPLANATION TO THE PROFIT AND LOSS ACCOUNT 2013

		real 2013 EUR	budget 2013 EUR	real 2012 EUR
ADMINISTRATION AND FUNDRAISING				
Salaries & pension staff		223.830	175.811	197.540
Administration Consult	note K	8.486	1.000	18.693
Auditor		24.152	26.523	30.604
Arbo/sickness insurance		10.265	-	9.483
Other Personnel costs	note L	25.234-	-	41.651
Personnel cost		241.499	203.334	297.971
Ground lease		16.605	16.607	16.607
Provision building maintenance		16.000	14.000	14.000
Insurance and tax		7.304	6.740	8.118
Energy		26.692	22.866	24.496
Maintenance, cleaning and purchases		14.821	14.046	15.988
Depreciation building	note F	47.353	62.028	62.028
Interest Mortgage building		59.113	63.000	65.755
Other Building Costs	note M	-	4.080	7.130
Contribution tenants/Service Charges		39.404-	37.957-	43.107-
Building expenses		148.484	165.410	171.015
Travel costs		2.971	7.500	2.784
Accommodation and Meetings		90		60
Travel and accommodation		3.061	7.500	2.844
Depreciation and maintenance of equipment		4.880		5.123
Office materials and copying costs		12.328	12.965	14.079
Phone and fax	note N	647	4.317	4.756
Postage	note N	41	3.785	1.888
Various domestic and organisational costs	note O	9.699	7.036	3.206
Documentation		3.712	2.000	715
Automation costs	note H	19.997	25.139	35.089
Bank charges		4.875	3.500	5.326
Office and communication		56.178	58.742	70.182
TOTAL EXPENDITURE CORE		449.222	434.986	542.013

Explanatory Notes to the Profit and Loss Accounts

K. These are costs for hiring in support for the finance department. This was less than last year, but not as low as we expected. Extra capacity was needed during a very busy time when several project reports had to be finished.

L. Other personnel costs consists of commuting costs, training costs, advice on pension matters and a provision for payable holidays. This year most staff members forfeited their outstanding payable holidays leading to a positive balance of 25.200 euro.

M. In 2012 tenants moved. As a consequence of that TNI had to make extra costs in order to find new tenants. Also a new estimation of the building had to be made. All these extra costs were not necessary in 2013.

N. The phone company restituted 1.700 euro over 2012. Costs for phone and postage keep dropping as communication more often takes place through means like skype or email.

O. Costs for the Annual Report 2013 are included here.

SUMMARY OF THE PROJECTS 2013

Organization	Description project	Project balance 31-12-12 EUR	2013 Project Liabilities EUR	Expenditure 2013 EUR	Income 2013 EUR	Result for the year	Project balance 31-12-13 EUR	Balance 31-12-13 Receivable Liability
Dutch Ministry of Foreign Affairs	Fair, Green & Global	3.234.207	107.745	1.151.007	1.151.007	-	2.190.945	159.751
Isvara Foundation	Building a Pan-European campaign	14.126		14.126	14.126	-		4.884
Isvara Foundation	Building People's Resistance		25.000	6.097	6.097	-	18.903	6.097
Isvara Foundation	Alternative Trade Mandate	458	20.000	15.395	15.395	-	5.063	1.063
European Union/ DEAR	Hands Off the Land	310.858		92.275	92.275	-	218.583	112.255
European Union/ DEAR	European Trade and MDG's	23.032		23.032	23.032	-	-	25.007
European Union/ DEAR	Just Investment		994.197	360.967	360.967	-	633.230	42.839
Royal Dutch Embassy Bangkok	Ethnic conflict in Burma	50.000		50.000	50.000	-	-	20.000
Swedish International Development Agency	Ethnic conflict in Burma	77.773		77.773	77.773	-	-	
Royal Danish Embassy Bangkok	Ethnic conflict in Burma	100.400		101.422	100.400	1.022- *)	-	
Royal Norwegian Embassy Bangkok	Ethnic conflict in Burma	-	57.532	57.532	57.532	-	-	
Foundation Open Society Institute	Drug Policy Dialogues	180.693	292.826	315.115	315.115	-	158.404	143.847
European Union/ DPIP	New Approaches in Drug Policy	-	454.312	246.152	246.152	-	208.160	104.671
OxfamNOVIB	Burma Treaty		17.400	17.400	17.400	-	-	
OxfamNOVIB	Drug Policies South East Asia		40.000	45.000	40.000	5.000- **)	-	
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	Drug Policies South East Asia	-	146.000	50.593	50.593	-	95.407	5.687
Joseph Rowntree	Blacklists		15.000				15.000	5.625
Berghof Foundation	Blacklists	40.138		22.029	22.029	-	18.109	18.109
Total		4.031.685	2.170.012	2.645.915	2.639.893	6.022-	3.561.805	376.520 273.315

Check Balance Project Receivables
 Total in Summary 376.520
 Other Receivable Grants -
 In Annual Account : 376.520

Check Balance Project Liabilities
 Total in Summary 273.315
 Plus: Rubin core grant Liability 9.079
 In Annual Account : 282.395

GRANTS RECEIVED BY TNI IN 2013

Dutch Ministry of Foreign Affairs (Fair, Green and Global)	1.151.007
European Union	
* Hands off the Land	92.275
* Making European trade work for the Millennium Development Goals	23.032
* New Approaches in Drug Policy & Interventions	246.152
* Making EU Investment Policy work for Sustainable Development	360.967
Foundation Open Society Institute	315.115
OxfamNOVIB	57.400
Royal Norwegian Embassy Bangkok	57.532
Royal Dutch Embassy Bangkok	50.000
Samuel Rubin Foundation	28.370
Isvara Foundation	35.616
Swedish International Development Agency	77.773
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH	50.593
Berghof Foundation	22.029
Royal Danish Embassy Bangkok	100.400
Total:	<u>2.668.262</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 2013, 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 31 December 2013 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, 20 June 2014

Dubois & Co. Registeraccountants



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