

Annual financial accounts 2012



profundo
RESEARCH & ADVICE

Contents

Introduction	1
Balance sheet as of 31 December 2011 and 2012.....	2
Income statement for 2011 and 2012	3
Notes to the financial accounts.....	4

Introduction

Profundo is a not-for-profit research consultancy, based in Amsterdam (the Netherlands). With profound research and advice, Profundo aims to make a practical contribution to a sustainable world and social justice. Quality comes first, aiming at the needs of our clients. Thematically we focus on commodity chains, the financial sector and corporate social responsibility.

We help our clients to realise their sustainable ambitions, by providing tailored research and advisory services. We are working for:

- Dutch and international Non-Governmental Organisations (NGOs): research into the relationship of companies and financial institutions with social and environmental problems, policy analyses and campaign advice;
- Financial institutions: advice on socially responsible investment policies and strategies, portfolio-research, analyses and data on SRI-themes and evaluation of investment opportunities;
- Governments and research institutes: policy analyses and evaluations, research into the relationship of companies and financial institutions with CSR themes;
- Media: supporting journalistic research projects.

Until the end of 2011, Profundo was a sole proprietorship, owned by Jan Willem van Gelder. As of 1 January 2012, Profundo was converted into a private company (B.V.), with the same owner.

In 2012 Profundo experienced a fruitful year. Annual revenues increased by 37% to € 427,220 and the result after tax improved from a negative result of € 28,231 in 2011 to a positive result of € 20,917 in 2012. Profundo moved to a new, less expensive office and adopted a new logo and redeveloped its website. The number of employees increased from 4 at the start of the year to 9 at year-end, plus 2 interns.

But most importantly: we were successful in undertaking fruitful and influential research and consultancy projects for our clients. Together with our clients, we have succeeded in putting important issues on the political agenda and in exploring opportunities for change towards more sustainability and social justice. We will continue doing this in 2013.

20 March 2013



Naritaweg 10
1043 BX Amsterdam
The Netherlands
Tel: +31-20-8208320
E-mail: profundo@profundo.nl
Website: www.profundo.nl

Balance sheet as of 31 December 2011 and 2012

All amounts are in euros.

Assets		Notes	31-12-2011	31-12-2012
Non-current assets				
	Intangible fixed assets	1	€ 5,000	€ 4,500
	Equipment	2	€ 11,334	€ 6,781
Current assets				
	Debtors	3	€ 142,282	€ 67,963
	Other receivables	3	€ 17,758	€ 52,000
	Cash and bank accounts	4	€ 31,286	€ 64,599
Total Assets			€ 207,659	€ 195,843

Equity and Liabilities		Notes	31-12-2011	31-12-2012
Equity				
	Share capital	5	€ 18,000	€ 18,000
	Retained earnings	5	€ 0	€ 20,917
	<i>Total Equity</i>		<i>€ 18,000</i>	<i>€ 38,917</i>
Non-current liabilities				
	Pension reserve	6	€ 43,900	€ 35,868
	Long-term loans	7	€ 44,660	€ 34,487
Current liabilities				
	Short-term loans and credits	8	€ 96	€ 97
	Deferred tax	9	€ 30,634	€ 34,380
	Creditors		€ 25,958	€ 7,399
	Other current liabilities	10	€ 44,410	€ 44,696
	<i>Total Liabilities</i>		<i>€ 189,659</i>	<i>€ 156,927</i>
Total Equity and Liabilities			€ 207,659	€ 195,843

Income statement for 2011 and 2012

All amounts are in euros.

Income		Notes	2011	2012
	Revenues	11	€ 311,018	€ 427,220
	Extraordinary income	12	€ 6	€ 5,582
	<i>Total income</i>		€ 311,024	€ 432,802
Expenses				
	Salaries and labour costs	13	€ 223,144	€ 243,560
	Free-lance researchers	14	€ 13,670	€ 56,152
	Office rent	15	€ 22,013	€ 18,938
	Databases and literature		€ 38,188	€ 43,312
	Travel costs		€ 8,814	€ 9,094
	Internet, telephone and ICT costs		€ 9,249	€ 11,380
	Depreciation costs	16	€ 13,442	€ 6,517
	Other costs	17	€ 10,735	€ 17,803
	<i>Total expenses</i>		€ 339,255	€ 406,656
Result before tax			-/- € 28,231	€ 26,146
	Corporate income tax	18	€ 0	€ 5,229
Result after tax			-/- € 28,231	€ 20,917

Notes to the financial accounts

1. Intangible fixed assets

When Profundo was converted from a sole proprietorship to a private company (B.V.) on 1 January 2012, an amount of goodwill (€ 5,000) was paid. This goodwill is depreciated in 10 years.

2. Equipment

Equipment consists of office furniture (depreciated in 5 years) and computers and other ICT equipment (depreciated in 4 years). The table below shows the development of this category during 2011 and 2012.

	Office furniture	Computers and ICT	Total equipment
Value as of 1 January 2011	€ 9,905	€ 6,350	€ 16,255
Acquisitions in 2011	€ 0	€ 1,521	€ 1,521
Depreciation in 2011	€ 3,584	€ 2,859	€ 6,442
Value as of 31 December 2011	€ 6,321	€ 5,012	€ 11,334
Acquisitions in 2012	€ 0	€ 1,464	€ 1,464
Depreciation in 2012	€ 3,509	€ 2,507	€ 6,017
Value as of 31 December 2012	€ 2,812	€ 3,969	€ 6,781

3. Debtors and other receivables

The table below shows details on the position of debtors and other receivables at the end of 2011 and 2012.

Category	31 December 2011	31 December 2012
Invoices sent	€ 149,282	€ 67,963
Provision	- € 7,000	€ 0
Total debtors	€ 142,282	€ 67,963
Work in progress	€ 9,100	€ 46,000
Prepaid costs	€ 8,658	€ 6,000
Total other receivables	€ 17,758	€ 52,000

The invoice for which a provision of € 7,000 was taken in 2011, was finally paid in 2012. After deducting collection fees, this resulted in an extraordinary income of € 5,579 (see note 12).

4. Cash and bank accounts

The table below shows details on cash and bank accounts at the end of 2011 and 2012.

Category	31 December 2011	31 December 2012
Cash	€ 0	€ 0
ING Bank	€ 4,700	€ 0
Triodos Bank	€ 26,616	€ 64,599
Total cash and bank accounts	€ 31,316	€ 64,599

Accounts at ING Bank were not actively used since 2009, but were retained as they provided a guarantee for our office rent. When we relocated to another office in June 2012, the ING accounts were terminated definitively.

5. Equity

Until the end of 2011, when Profundo was a sole proprietorship, all profits and losses were added to - and subtracted from - the amount due to the owner.

When Profundo was converted into a private company (B.V.) as of 1 January 2012, the amount due to the owner was split in share capital (€ 18,000) and a shareholder loan (€ 44,600, see note 7). For comparative purposes, this change is already applied to the figures as of 31 December 2011 in the table below, which shows details on Profundo's equity at the end of 2011 and 2012.

Category	31 December 2011	31 December 2012
Share capital	€ 18,000	€ 18,000
Retained earnings	€ 0	€ 20,917
Total equity	€ 18,000	€ 38,917

Over the year 2012, no dividends were paid. The results after tax (see note 18) were added as retained earnings to the equity of the company.

6. Pension reserve

When Profundo was converted from a sole proprietorship to a private company (B.V.) on 1 January 2012, the pension reserve was reduced from € 43,900 to € 35,170 because of legal requirements. From 1 January 2012, an annual interest rate of 2% is applicable.

7. Long-term loans

Profundo has no long-term bank loans outstanding. The only long-term loan is a shareholder loan, on which an annual interest rate of 3% is applicable. During 2012, an amount of € 11,431 was repaid on this loan.

8. Short-term loans and credits

Profundo has no short-term bank loans outstanding. The only short-term credit is the amount due on the Visa creditcard: € 96 at the end of 2011 and € 97 at the end of 2012.

9. Deferred tax

Deferred tax consists of the taxes to be paid by Profundo over the finished financial year. The table below shows details on the deferred tax at the end of 2011 and 2012.

Type of tax	31 December 2011	31 December 2012
Value added tax (VAT)	€ 25,184	€ 21,656
Wage tax and social premiums	€ 5,450	€ 11,495
Corporate income tax	€ 0	€ 1,229
Total deferred tax	€ 30,634	€ 34,380

As Profundo was a sole proprietorship in 2011, no corporate income tax was applicable.

10. Other current liabilities

The table below shows details on the other current liabilities at the end of 2011 and 2012.

Type of liabilities	31 December 2011	31 December 2012
Prepayments on research projects	€ 35,700	€ 34,465
Deferred costs	€ 8,710	€ 10,231
Total other current liabilities	€ 44,410	€ 44,696

11. Revenues

All revenues of Profundo are generated as payments by clients on consultancy and research projects. Profundo does not receive any subsidies or additional funding.

The table below shows details on the distribution of revenues across client segments in 2011 and 2012.

Group of clients	2011		2012	
	€	%	€	%
Dutch NGOs	€ 152,889	49%	€ 184,905	43%
International NGOs	€ 80,402	26%	€ 179,989	42%
Financial institutions	€ 11,200	4%	€ 24,580	6%
Governments and research institutes	€ 61,723	20%	€ 36,696	9%
Media	€ 4,804	2%	€ 1,050	0%
Total revenues	€ 311,018	100%	€ 427,220	100%

12. Extraordinary income

The table below shows details on the extraordinary income in 2011 and 2012.

Type of income	2011	2012
Rounding of VAT payments	€ 6	€ 3
Repayment of depreciated invoice	€ 0	€ 5,579
Total extraordinary income	€ 6	€ 5,582

An invoice of € 7,000 for which a provision was taken in 2011 (see note 3), was finally paid in 2012. After deducting collection fees, this resulted in an extraordinary income of € 5,579.

13. Salaries and labour costs

The table below shows details on the number of employees as well as salaries and labour costs in 2011 and 2012.

	2011	2012
Number of employees at the start of the year	7	4
Number of employees at year-end	4	9
Average number of FTEs during the year	3.9	4.4
Salaries and labour costs	€ 223,144	€ 243,560

Additional to the normal staff, Profundo trained 2 interns at the end of 2012 (2011: 0).

14. Free-lance researchers

During 2012, Profundo expanded the pool of free-lancers to which parts of projects can be outsourced when its own research capacity is not sufficient. In 2012 significantly more was spent on free-lance researchers (€ 56,1532) than in 2011 (€ 13,670). This was caused by a strong rise in the number of projects in the second half of 2012. Despite the growth of the number of employees of Profundo, capacity was lacking to undertake all projects internally.

15. Office rent

On 1 June 2012, Profundo moved to another office. As the annual rent for our new office is lower, costs for office rent decreased from € 22,013 in 2011 to € 18,938 in 2012.

16. Depreciation costs

Depreciation costs in 2011 (€ 13,442) were significantly higher than in 2012 (€ 6,517), as in 2011 a provision was taken on an invoice of € 7,000. The invoice was finally paid in 2012. After deducting collection fees, this resulted in an extraordinary income of € 5,579 (see notes 3 and 12).

17. Other costs

Other costs in 2012 (€ 17,803) were significantly higher than in 2011 (€ 10,735). This was mainly caused by costs incurred for transforming Profundo from a sole proprietorship into a private company (B.V.). The one-time costs related to the redesign of Profundo's logo and website also contributed to this increase.

18. Results before and after tax

The table below shows Profundo's results before and after tax, as well as the corporate income tax paid in 2011 and 2012. As Profundo was a sole proprietorship in 2011, no corporate income tax was applicable in that year. The owner paid personal income tax on the income gained from Profundo.

As a private company (B.V.), Profundo pays corporate income tax at the standard rate (20%).

Results before and after tax	2011	2012
Result before tax	-/- € 28,231	€ 26,146
Corporate income tax (20%)	€ 0	€ 5,229
Result after tax	-/- € 28,231	€ 20,917

Over the year 2011, a negative result after tax of € 28,231 was realised. This loss was subtracted from the shareholder loan (see note 7).

Over the year 2012, a positive result after tax of € 20,917 was realised. No dividends were paid. The results after tax were added as retained earnings to the equity of the company (see note **Fout! Verwijzingsbron niet gevonden.**).