



**International Federation of Red Cross  
and Red Crescent Societies (IFRC), Geneva**

**Independent Auditor's Report**

To the Management of IFRC  
On the IFRC's Financial Statements for the  
Greece Population Movement Emergency Appeal  
(MDRGR001)  
for the year ended 31 December 2017



**KPMG SA**  
**Audit Western Switzerland**  
111 Rue de Lyon  
CH-1203 Geneva

P.O. Box 347  
CH-1211 Geneva 13

Telephone +41 58 249 25 15  
Fax +41 58 249 25 13  
www.kpmg.ch

Independent Auditor's Report on the IFRC's Financial Statements for the Greece Population Movement Emergency Appeal (MDRGR001) to the Management of

**International Federation of Red Cross and Red Crescent Societies (IFRC), Geneva**

---

**Opinion**

We have audited the accompanying grant financial statements for the Greece Population Movement Emergency Appeal (MDRGR001) of the International Federation of Red Cross and Red Crescent Societies ("IFRC"), which comprise the income and expenditure statement and notes to the financial statements, including a summary of significant accounting policies ('the financial statements') for the year ended 31 December 2017.

In our opinion, the accompanying financial statements for Greece Population Movement Emergency Appeal (MDRGR001) for the year ended 31 December 2017 are prepared, in all material respects, in accordance with the IFRC accounting policies as described in the notes to the financial statements.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the IFRC in accordance with the requirements of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter - Basis of Accounting**

We draw attention to Notes 2 and 3 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the IFRC to comply with the financial reporting provisions of the IFRC.

**Responsibilities of the Management for the Financial Statements**

The management of the IFRC is responsible for the preparation of the financial statements in accordance with the basis of accounting described in the notes and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.



*International Federation of Red Cross and Red Crescent Societies (IFRC), Geneva  
Independent Auditor's Report  
to the Management of IFRC on the IFRC's Financial Statements for the Greece  
Population Movement Emergency Appeal (MDRGR001)  
for the year ended 31 December 2017*

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 IFRC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

We communicate with the management and those charged with governance of IFRC regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG SA

Karina Vartanova  
*Licensed Audit Expert*

Jérôme Glaus  
*Licensed Audit Expert*

Geneva, 23 August 2017

*Enclosure:*

Financial statements (income and expenditure statement and explanatory notes) for the year ended 31 December 2017

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES  
EMERGENCY APPEAL (MDRGR001) – GREECE: POPULATION MOVEMENT**

**INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

		<b>Year ended 31-Dec-2017</b>	<b>Period from 22-May-2015 to 31-Dec-2016</b>
<b>OPERATING INCOME</b>	<b>Notes</b>	<b>CHF</b>	<b>CHF</b>
Voluntary contributions	4	9,575,188	29,860,345
Corporate donation fees		-	(26,323)
<b>Total OPERATING INCOME</b>		9,575,188	29,834,022
<b>OPERATING EXPENDITURE</b>			
<b>Programmes and coordination: Humanitarian Response</b>			
Employee benefits		6,699,014	4,861,237
Relief supplies, transportation and storage		3,200,558	7,336,724
Contributions to national societies		6,619,775	2,948,958
Supplementary services cost recoveries		23,343	323,912
Other costs & allocations	5	519,420	1,707,595
<b>Total direct costs</b>		17,062,110	17,178,426
Indirect cost recovery		1,087,887	1,089,776
Pledge fees		27,314	81,452
<b>Total OPERATING EXPENDITURE</b>		18,177,311	18,349,654
<b>NET SURPLUS FROM OPERATING ACTIVITIES</b>		(8,602,123)	11,484,368
Finance income / (expense), net		14,153	(32,500)
<b>NET (DEFICIT) / SURPLUS FOR THE PERIOD</b>		(8,587,970)	11,451,868
<b>FUNDS HELD FOR OPERATIONS</b>			
Brought forward		11,451,868	-
Net (deficit) / surplus for the period		(8,587,970)	11,451,868
<b>FUNDS HELD FOR OPERATIONS</b>		2,863,898	11,451,868

The notes on pages 4 to 8 are an integral part of these Appeal Financial Statements.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES  
EMERGENCY APPEAL (MDRGR001) – GREECE: POPULATION MOVEMENT**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. Activities**

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) is a membership organisation comprising 191 member Red Cross and Red Crescent societies governed by a Governing Board and with management support provided by a Secretariat with more than 60 delegations strategically located to support activities around the world. The Secretariat headquarters' address is 1, Route de Pré-Bois, 1214 Vernier, Geneva, Switzerland.

The IFRC's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. Working through its 191 member National Societies, the IFRC acts before, during and after disasters and health emergencies to meet the needs and improve the lives of vulnerable people. It does so with impartiality as to nationality, race, gender, religious beliefs, class and political opinions.

The IFRC coordinates international support for large-scale disasters and health crises, strengthens the capacities and leadership of its member National Societies, and acts at the international level to raise resources and persuade decision makers to act at all times in the interests of vulnerable people.

Guided by *Strategy 2020* – a collective plan of action for the IFRC and its member National Societies to tackle the major humanitarian and development challenges of this decade – the IFRC is committed to 'saving lives and changing minds'.

In 2015, Greece continued to experience a huge increase of migrant arrivals in its territory, primarily on its sea borders with Turkey. On 22 May 2015, CHF 269,549 was allocated from the IFRC Disaster Relief Emergency Fund (DREF) to support the Hellenic Red Cross (HRC) in delivering assistance to migrants and affected communities for four months. The DREF has been fully reimbursed in October 2015.

On 2 September 2015, Greece Population Movement Emergency Appeal (MDRGR001) was launched seeking CHF 3.03 million to support Hellenic Red Cross to respond to the needs of 45,000 people April 2016, with a focus on relief distribution, emergency health, restoring family links, psychological support, and institutional preparedness and capacity development. Over 2016 and 2017, the appeal budget was revised, and the timeframe was extended. As at 31 December 2017, the appeal budget is approximately CHF 42.7 million and the timeframe is until 31 December 2018.

The financial statements presented comprise the Income and Expenditure Statement and supporting notes of the Greece: Population Movement Appeal, and are hereto referred to as the Appeal Financial Statements.

**2. Basis of accounting**

The Appeal Financial Statements are presented in Swiss Francs and have been prepared using the accrual basis of accounting, under which, the effects of transactions and other events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

The information contained herein has been extracted from the Consolidated Financial Statements of the IFRC which are prepared in accordance with International Financial Reporting Standards (IFRS).

The Consolidated Financial Statements present operating expenditure by function (see note 3.3(a)). All operating expenditure included within the Greece: Population Movement Emergency Appeal is classified under the Humanitarian Response functional category. For information purposes, the Income and Expenditure Statement provides further analysis of operating expenditure.

**3. Significant accounting policies**

**3.1 Foreign currency transactions**

The presentation and functional currency of the IFRC is the Swiss Franc, as operating cash flows are primarily denominated in, and influenced by, the Swiss Franc. The IFRC's operations are not concentrated in any one economic environment, but appeals, including the Greece: Population Movement Emergency Appeal, are always launched in Swiss Francs and expenditure is budgeted and managed in Swiss Francs.

Foreign currency transactions are translated into Swiss Francs using rates which approximate to the rates prevailing on the dates of the transactions.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES  
EMERGENCY APPEAL (MDRGR001) – GREECE: POPULATION MOVEMENT**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. Significant accounting policies (continued)**

**3.2 Income**

Income comprises Voluntary contributions in cash or in-kind from donors.

*(a) Voluntary contributions*

Voluntary contributions are identified according to the level of earmarking. Donors can earmark contributions for use in field operations at the appeal, programme, project or sub-project level. Such earmarked contributions are fully under the control of the IFRC, and, unless they are also subject to specific contractual obligations or earmarked for use in a future period (see paragraph below), are recognised in the Income and Expenditure Statement when pledged. At the end of the accounting period, unspent earmarked contributions are included in Funds held for operations.

Government grants and contributions that are based on contracts for specific projects, akin to government grants, are recognised as expenditure is incurred and contractual obligations are fulfilled. The IFRC typically receives such contributions from diplomatic missions, United Nations (UN) agencies, European Community Humanitarian Office (ECHO) and other government agencies such as the United States Agency for International Development (USAID). Amounts received, but not recognised, are deferred for recognition in future periods as expenditure is incurred and contractual obligations are fulfilled. Government grants that are not for specific projects but are earmarked at appeal level are recognised when a confirmed written pledge has been received from the donor.

Contributions that are subject to specific contractual obligations or earmarked for use in a future period are not fully under control of the IFRC. Contributions subject to specific contractual obligations are recognised in income as expenditure is incurred and contractual obligations are fulfilled, similar to government grants. Amounts received, but not recognised, are deferred for recognition in future periods as expenditure is incurred and contractual obligations are fulfilled. Contributions which are earmarked for use in a future period are deferred for recognition in income in the future period for which they are earmarked.

In-kind contributions of goods (comprising relief supplies) and services (in the form of staff or transport) are recognised on the date of receipt of the goods or service and are recognised equally as both contributions and expenses in the Income and Expenditure Statement. In-kind goods and services received in response to the Appeal are measured at fair value.

The fair value of in-kind goods is based on the donor indication of the value. This value is tested for reasonableness by comparing it to the cost that the IFRC would incur if it were to buy in the open market similar goods for the same intended use. If the market value is found to be significantly different to the value indicated by the donor, the value is revised to the market value. The fair value of in-kind staff is taken as the average cost that would be incurred by the IFRC, if it were to employ a person in a similar position.

The IFRC sometimes agrees with a donor that the value of a confirmed written pledge previously received shall be changed - either increased or decreased. Such changes are recognised as additions to, or reductions of, income, during the period in which the change was agreed. The IFRC is not able to evaluate the potential impact of such changes on voluntary income reported in these Appeal Financial Statements.

*(b) Corporate donation fees*

In accordance with IFRC financial policy, a service fee of 5.0% is recovered on corporate donations. This service fee is recovered upon the receipt of the relevant contributions, in order to fund the costs of relationship management associated with corporate donors.

**3.3 Expenditure**

*(a) Functional expenditure categories*

All IFRC expenditure is classified under functional expense categories that aggregate costs related to each category. Expenditure incurred as part of the Greece: Population Movement Emergency Appeal activities is classified under the Programmes and coordination: Humanitarian response functional expense category. This functional expense category comprises: Coordination during the immediate response phase of disasters and crises, which require international assistance to ensure adequate resources are available to meet the needs of disaster affected people.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES  
EMERGENCY APPEAL (MDRGR001) – GREECE: POPULATION MOVEMENT**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. Significant accounting policies (continued)**

*(b) Costing principles*

The costing principle of the IFRC is one of full cost recovery, therefore each appeal, including the Greece: Population Movement Emergency Appeal, includes all associated direct costs, indirect costs and pledge fees.

*Direct costs*

Direct costs are those costs that can be readily and specifically identified with a particular project or service. Direct costs include the following:

Employee benefits including salary and benefit costs of international delegates and national staff.

In keeping with the IFRC's principle of full cost recovery, costs are recovered from operations for specific services provided in addition to the essential services funded by indirect cost recovery (below). Such recoveries include specific logistics services recoveries based on the value of procurement services provided, global fleet services including provision of the vehicle rental scheme and country level services related to the basic costs of having a presence (an IFRC office) in a given country.

*Indirect costs*

The direct costs of programmes and services are subject to 6.5% indirect cost recovery to fund the costs of providing indirect support services, essential to the success of operations. Such indirect support services include management and leadership, information and communication technology and professional and services functions in the areas of programme quality, reporting, resource mobilisation, finance, information technology and human resources.

*Pledge fees*

Costs are incurred to meet specific donor requirements. These requirements may include the tracking of expenses where a donation has been given for a specific activity or needs to be spent within a specific timeframe, or requires customised financial and / or narrative reports. Pledge fees are charged to donations to cover the costs associated with meeting these specific donor requirements.

*(c) Working with National Society partners*

In implementing its activities in the ordinary course of its business, the IFRC advances funds to member Red Cross and Red Crescent National Societies. Two mechanisms are used to advance funds to member National Societies for the implementation of activities – cash working advances and cash contributions.

*Working advances to National Societies*

The IFRC provides cash working advances to National Societies for them to implement activities on behalf of the IFRC. An expense is recognised for the value of working advances which has not been reported on by the recipient National Societies and is recorded in Operating expenditure – Other costs & allocations. When recipient National Societies report on their use of the funds, this expense is reclassified according to its nature.

*Contributions to National Societies*

The IFRC makes cash contributions to fund the activities of member National Societies. Such contributions are recognised as operational expenditure as they are incurred.

**3.4 Finance income / (expense), net**

Exchange gains and losses resulting from the settlement of foreign currency transactions and from translation are included under Finance income / (expense), net, in the Income and Expenditure Statement, with the exception of realised exchange gains and losses on voluntary contributions, which are included under Voluntary contributions.

**3.5 Funds held for operations**

The cumulative excess of income received over operating expenditure incurred is recorded as Funds held for operations. In the event that the funds cannot be spent, the IFRC obtains agreement from the donors to reallocate the unspent funds for a different use, or reimburses them to the donors.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES  
EMERGENCY APPEAL (MDRGR001) – GREECE: POPULATION MOVEMENT**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. Voluntary contributions**

	<b>Cash</b>	<b>Services</b>	<b>Year ended</b>	<b>Period from</b>
	<b>CHF</b>	<b>In-Kind</b>	<b>31-Dec-2017</b>	<b>22-May-2015 to</b>
		<b>CHF</b>	<b>CHF</b>	<b>31-Dec-2016</b>
				<b>CHF</b>
American Red Cross	101,678	-	101,678	293,249
Austrian Red Cross	-	6,129	6,129	10,640
Belgian Red Cross (Francophone)	-	18,387	18,387	-
British Red Cross	235,423	17,161	252,584	328,455
British Red Cross (from British Government)	-	-	-	3,597,133
Canadian Red Cross	35,299	53,400	88,699	221,501
Cartier Charitable Foundation	-	-	-	100,000
Celesio	-	-	-	41,888
CERN Staff Association	-	-	-	14,710
Coca Cola Foundation	-	-	-	99,674
Cyprus Red Cross	-	-	-	11,074
Danish Red Cross (from Denmark - Private Donors)	-	-	-	50,000
European Commission - DG ECHO	6,948,852	-	6,948,852	18,681,228
FedEx Services	-	-	-	191,275
Finnish Red Cross	109,829	141,157	250,986	234,099
Give Eur-Hope ASBL	-	-	-	89,305
Globalgiving Foundation Inc.	21,968	-	21,968	12,285
Google	-	-	-	11,046
Icelandic Red Cross	(109,724)	-	(109,724)	109,724
Icelandic Red Cross (from Icelandic Government)	(184,753)	-	(184,753)	184,753
Irish Red Cross Society	(54,662)	-	(54,662)	153,855
Japanese Red Cross Society	-	-	-	43,258
Lars Amundsen Foundation	-	-	-	200,000
Luxembourg Government	-	-	-	27,084
Luxembourg Red Cross (from Luxembourg Government)	(49)	-	(49)	159,139
Medtronic Foundation	-	-	-	100,499
Metro AG	-	-	-	98,128
Nestle	-	-	-	38,976
Norwegian Red Cross	118,798	-	118,798	595,514
Norwegian Red Cross (from Norwegian Government)	-	-	-	356,589
Novartis	-	-	-	24,531
Online donations	1,041	-	1,041	11,662
Online donations (from United States - Private Donors)	-	-	-	26,375
Other donors (including those with contributions less than CHF 10,000)	11,663	43,149	54,812	75,038
Red Cross of Monaco	-	-	-	16,192
Spanish Red Cross	-	3,732	3,732	84,953
Sub-totals carried down	<u>7,235,363</u>	<u>283,115</u>	<u>7,518,478</u>	<u>26,293,832</u>

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES  
EMERGENCY APPEAL (MDRGR001) – GREECE: POPULATION MOVEMENT**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**4. Voluntary contributions (continued)**

	<b>Cash</b>	<b>Services</b>	<b>Year ended</b>	<b>Period from</b>
	<b>CHF</b>	<b>In-Kind</b>	<b>31-Dec-2017</b>	<b>22-May-2015</b>
	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>to 31-Dec-2016</b>
	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>	<b>CHF</b>
Sub-totals brought down	7,235,363	283,115	7,518,478	26,293,832
Supreme Master Ching Hai International Association	-	-	-	87,805
Swedish Red Cross	-	-	-	457,105
Swiss Red Cross	(354)	15,200	14,846	317,410
Swiss Red Cross (from Swiss Government)	(236)	-	(236)	110,512
Taiwan - Private Donors	-	-	-	28,939
The Netherlands Red Cross	(17)	-	(17)	916,079
The Netherlands Red Cross (from Netherlands Government)	-	-	-	1,084,690
The Netherlands Red Cross (from Netherlands Red Cross Silent Emergency Fund)	-	-	-	54,587
UNHCR - UN Refugee Agency (from European Commission - DG ECHO)	573,752	-	573,752	-
United States Government - PRM	1,468,365	-	1,468,365	489,656
United Way	-	-	-	19,730
	<u>9,276,873</u>	<u>298,315</u>	<u>9,575,188</u>	<u>29,860,345</u>

The Cash column includes movements in outstanding pledges; gains and losses from revaluation of outstanding foreign currency pledges during the period (see note 3.4).

**5. Other costs & allocations**

	<b>Year ended</b>	<b>Period from</b>
	<b>31-Dec-2017</b>	<b>22-May-2015 to</b>
	<b>CHF</b>	<b>31-Dec-2016</b>
	<b>CHF</b>	<b>CHF</b>
Administration, office and general	257,399	329,716
Consultancy fees	16,553	150,239
Information	66,442	99,199
Travel	162,264	523,543
Vehicles and equipment	25,044	27,458
Workshops & training	74,808	86,326
Other costs and allocations	<u>(83,090)</u>	<u>491,114</u>
	<u>519,420</u>	<u>1,707,595</u>

Included within Other Costs and allocations is a reversal of provision of working advances not yet reported by National Societies amounting to CHF 312,295 (In 2016, the provision of working advances was CHF 338,606).