



**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 Combined Ebola Virus Disease Emergency Appeals
(Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001),
Nigeria (MDRNG017), Senegal (MDRSN010), Africa Ebola Coordination
and preparedness (MDR60002))
for the year ended 31 December 2015



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Independent Auditor's Report on the IFRC's Financial Statements for the Combined Ebola Virus Disease Emergency Appeals (Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Nigeria (MDRNG017), Senegal (MDRSN010), Africa Ebola Coordination and preparedness (MDR60002)) to the Management of

International Federation of Red Cross and Red Crescent Societies (IFRC)

As independent auditor, we have been engaged to audit the accompanying financial statements of the Combined Ebola Virus Disease Emergency Appeals (Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Nigeria (MDRNG017), Senegal (MDRSN010), Africa Ebola Coordination and preparedness (MDR60002)) of the International Federation of Red Cross and Red Crescent Societies ("IFRC") for the year ended 31 December 2015. The financial statements comprise the Combined Ebola Virus Disease Emergency Appeals income and expenditure statement for the year and explanatory notes ("the financial statements"). The financial statements have been prepared in accordance with IFRC accounting policies.

Management's Responsibility for the Financial Statements

Management of the IFRC is responsible for the preparation and fair presentation of the financial statements in accordance with those requirements of the IFRC accounting policies as described in the notes to the financial statements relevant to preparing such financial statements, and for such internal control as the Management determines necessary to enable the preparation of financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financials statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require 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 our 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, we consider 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 the accounting policies used and the reasonableness of accounting estimates, if any, 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.



International Federation of Red Cross and Red Crescent Societies
IFRC's Financial Statements for the Combined Ebola Virus Disease Emergency Appeals
(MDRGN007, MDRSL005, MDRLR001, MDRNG017, MDRSN010, MDR60002)
for the year ended 31 December 2015

Opinion

In our opinion, the financial statements of the Combined Ebola Virus Disease Emergency Appeals (Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Nigeria (MDRNG017), Senegal (MDRSN010), Africa Ebola Coordination and preparedness (MDR60002)) give a true and fair view of the income, expenditure and funds held for operations for the year ended 31 December 2015 and have been prepared, in all material respects, in accordance with the IFRC accounting policies as described in the notes to the financial statements.

KPMG SA

Karina Vartanova
Licensed Audit Expert

Valentine Fargeaud
Licensed Audit Expert

Geneva, 17 August 2017

Enclosure:

- Financial statements (income and expenditure statement and explanatory notes)

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS
[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**COMBINED INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

		Year ended 31-Dec-2015 TOTAL CHF	Period from 28-Mar-2014 to 31-Dec-2014 TOTAL CHF
OPERATING INCOME	Notes		
Voluntary contributions	4	53,375,825	68,752,071
Corporate donation fees		(7,517)	(26,335)
Services income		10,870	-
Other income		34,854	3
Total INCOME		<u>53,414,032</u>	<u>68,725,739</u>
OPERATING EXPENDITURE			
Programmes and coordination: Humanitarian Response			
Employee benefits		31,085,833	5,953,636
Relief supplies, transportation and storage		18,247,002	11,183,244
Contributions to National Societies		1,699,224	-
Depreciation and amortisation		600,787	49,646
Supplementary services cost recoveries		3,248,751	808,940
Other costs & allocations	6	<u>12,313,216</u>	<u>7,906,197</u>
Total direct costs		<u>67,194,813</u>	<u>25,901,663</u>
Indirect cost recovery		4,487,926	1,681,768
Pledge fees		643,158	187,898
Total OPERATING EXPENDITURE	5	<u>72,325,897</u>	<u>27,771,329</u>
NET (DEFICIT)/SURPLUS FROM OPERATING ACTIVITIES		<u>(18,911,865)</u>	<u>40,954,410</u>
Finance (expense) / income, net	7	<u>(3,325,345)</u>	<u>328,728</u>
NET (DEFICIT)/SURPLUS FOR THE PERIOD		<u><u>(22,237,210)</u></u>	<u><u>41,283,138</u></u>
FUNDS HELD FOR OPERATIONS			
Brought forward		41,536,653	-
Allocations (to) / from IFRC funds	8	(790,234)	253,515
Net (deficit) / surplus for the period		(22,237,210)	41,283,138
FUNDS HELD FOR OPERATIONS		<u>18,509,209</u>	<u>41,536,653</u>

The notes on pages 4 to 13 are an integral part of these Combined Appeal Financial Statements.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS**

**[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Activities

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) is a membership organisation comprising 190 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 190 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'.

On 21 March 2014, an outbreak of the Ebola virus disease (EVD) was declared in Guinea. In response to this and other EVD outbreaks in the West Africa region, the IFRC launched five country specific Emergency Appeals and one Africa Coordination Emergency Appeal seeking contributions in cash or kind in support of National Societies responding to the EVD emergency. The Emergency appeals employed a five-pillar approach focusing on: Beneficiary communication and social mobilization; Contact tracing and Surveillance; Psychological support; Case management; and Safe and dignified burials and disinfection. Details of the appeals are provided below: -

Guinea (MDRGN007)

On 28 March 2014, to fund activities undertaken in response to an outbreak of EVD in Guinea, CHF 250k was allocated from the IFRC Disaster Relief Emergency Fund (DREF). On 4 April 2014, an Emergency Appeal was launched seeking CHF 926k in cash, kind or services to support the Red Cross Society of Guinea to provide 6 months' assistance to over 3 million people at risk. On 30 July 2014, the Emergency Appeal was revised upwards to CHF 2.7 million to assist 11.1 million people and the appeal timeframe extended to 9 months. On 9 September 2014, the Emergency Appeal was further revised upwards to CHF 8.9 million and the appeal timeframe extended to 30 June 2015. On 18 November 2014, the Emergency Appeal was further revised upwards to seek CHF 28.7 million. On 28 June 2015, the Emergency Appeal was revised to CHF 56 million and the appeal timeframe extended to 31 December 2017. On 22 July 2016, the Emergency Appeal was revised to CHF 39 million with timeframe ending 31 December 2016.

Sierra Leone (MDRSL005)

On 7 April 2014, CHF 113k was allocated from the IFRC DREF to fund preparedness activities in Sierra Leone in response to an outbreak of EVD in Guinea. On 10 June 2014, a second DREF allocation for CHF 114k was made. On 26 June 2014, an Emergency Appeal was launched seeking CHF 880k in cash, kind or services to support the Sierra Leone Red Cross Society to deliver assistance and support to 6 million people, for 8 months. On 18 July 2014, the Emergency Appeal was revised upwards to CHF 1.4 million to assist 6.3 million until the end of December 2014. On 9 September 2014, the Emergency Appeal was further revised upwards to CHF 12.9 million and the appeal timeframe extended to 15 June 2015. On 24 October 2014, the Emergency Appeal was further revised upwards to seek CHF 41.1 million. On 23 March 2015, the Emergency Appeal was revised to CHF 56.8 million. On 24 June 2015, the Emergency Appeal was revised to CHF 97 million and the appeal timeframe extended to 31 December 2017. In March 2016, the Emergency Appeal was revised to CHF 90.5 million.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS**

**[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. Activities (continued)

Liberia (MDRLR001)

On 9 April 2014, CHF 101k was allocated from the IFRC DREF to fund preparedness and response activities in Liberia following two confirmed EVD cases in the country. On 30 April 2014, an Emergency Appeal was launched seeking CHF 467k in cash, kind or services to support the Liberian Red Cross Society to provide a 6-month assistance to 1.5 million people at risk. On 21 July 2014, the Emergency Appeal was revised upwards to CHF 1.9 million and the timeframe extended to 9 months. On 9 September 2014, the Emergency Appeal was further revised upwards to CHF 8.5 million to assist 4.5 million people and the timeframe extended to 30 June 2015. On 28 November 2014, the Emergency Appeal was further revised upwards to seek CHF 24.5 million. On 28 June 2015, the Emergency Appeal was revised to CHF 46.3 million and the timeframe extended to 31 December 2017. In September 2016, the Emergency Appeal was revised to CHF 22.2 million with timeframe ending 31 December 2016.

Nigeria (MDRNG017)

On 12 August 2014, in response to a confirmed case of EVD in Nigeria, an Emergency Appeal was launched for CHF 1.6 million to support the Nigeria Red Cross Society to deliver assistance and support to some 5 million people until 31 May 2015. The final report was issued on 3 September 2015.

Senegal (MDRSN010)

On 8 September 2014, CHF 254k was allocated from the IFRC DREF to fund preparedness and response activities in Senegal following a confirmed case of EVD in the country. On 29 September 2014, an Emergency Appeal was launched seeking CHF 1.3 million in cash, kind or services to support the Senegalese Red Cross Society to respond to the EVD outbreak by delivering assistance and support to 2.2 million people for 6 months. The final report was issued on 2 February 2016.

Africa: Ebola Coordination and Preparedness (MDR60002)

On 19 August 2014, a regional coordination and preparedness Emergency Appeal was launched seeking CHF 2.9 million in cash, kind or services to strengthen and scale up operations support, coordination, communication, capacity building and preparedness for at risk countries in Africa and beyond, over 9 months. In January 2015, the Emergency Appeal was revised to CHF 15.8 million and the timeframe was extended to 31 December 2015. In January 2016, the Emergency Appeal was revised to CHF 14.1 million and the timeframe was extended to 31 December 2016.

The combined appeal financial statements presented comprise the Income and Expenditure Statement and supporting notes of the Ebola Virus Disease Emergency Appeals for Guinea (MDRGN007), Sierra Leone (MDRSL005), Liberia (MDRLR001), Nigeria (MDRNG017), Senegal (MDRSN010), and the Africa: Ebola Coordination and Preparedness Emergency Appeal (MDR60002) and are hereto referred to as the Combined Appeal Financial Statements.

2. Basis of accounting

The combined 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 Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, Nigeria, Senegal, and the Africa: Ebola Coordination and Preparedness Emergency Appeal is classified under the Humanitarian response functional category. For information purposes, the Combined Income and Expenditure Statement provides further analysis of operating expenditure.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS**

**[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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 Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, Nigeria, Senegal, and the Africa: Ebola Coordination and Preparedness 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.

3.2 Income

Income comprises Voluntary contributions in cash or in-kind from donors and Corporate donation fees.

(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 Appeals 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.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS**

**[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. Significant accounting policies (continued)

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 combined 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 receipt of the relevant contributions, in order to fund the costs of relationship management associated with corporate donors.

(c) Services income (Income from the provision of services)

Income from services is recognised in the period in which the service is rendered. For the provision of services across accounting periods, income is recognised according to the stage of completion of the service, by reference to services performed to date as a proportion of total services to be performed.

Income from the provision of services is primarily derived from logistics and other services provided to national societies working in the Ebola Virus Disease Emergency Operation. Income from these types of services is included under Services income in the Appeal Income and Expenditure Statement.

(d) Other income (Income from the sale of goods)

Income from the sale of goods, principally from publications and promotional goods, is recognised when the risks and rewards of ownership are passed to the buyer.

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 Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, Nigeria, Senegal, and the Africa: Ebola Coordination and Preparedness 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, in order to ensure adequate resources are available to meet the needs of disaster affected people. Within this functional expense category, the classification of operational expenditures by nature has been aligned with the Consolidated Financial Statements of the IFRC.

(b) Costing principles

The costing principle of the IFRC is one of full cost recovery therefore each appeal, including the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, Nigeria, Senegal, and the Africa: Ebola Coordination and Preparedness 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.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS**

**[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. Significant accounting policies (continued)

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.

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.

(d) Depreciation

Depreciation is calculated on the straight-line method to write off assets to their estimated residual values over their estimated useful lives as follows:

Light vehicles	5 years
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3.4 Finance (expense) / income, net

Exchange gains and losses resulting from the settlement of foreign currency transactions and from translation are included under Finance (expense)/ income, net, in the Combined Income and Expenditure Statement, with the exception of 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.

The IFRC DREF is a source of un-earmarked money created by IFRC in 1985 to ensure that immediate financial support is available for Red Cross Red Crescent responses to emergencies. The DREF is a vital part of the IFRC's disaster response system and increases the ability of National Societies to respond.

DREF allocations to Emergency Appeals such as the Ebola Virus Disease Emergency Appeals for Guinea, Sierra Leone, Liberia, and Senegal are considered as start-up funding for the operation until un-earmarked donor pledges have been made in response to the Emergency Appeal. An automatic recovery of the full allocation of the DREF loan is made for all Emergency Appeals which have received 150% of the value of the DREF loan in un-earmarked funds. For Emergency Appeals where the coverage is below 150% of the DREF loan, a complete or partial reimbursement plan is agreed. In cases where no or only partial reimbursement of the DREF loan could be made during the operation timeframe, balance of funds at the closure of the Emergency Appeal is returned to DREF up to the value of the loan.

INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
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[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]

NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

4. Voluntary contributions

				Year ended 31-Dec-2015	Period from 28-Mar-2014 to 31-Dec-2014
	Cash	Goods In-Kind	Services In-Kind	TOTAL	TOTAL
	CHF	CHF	CHF	CHF	CHF
Airbus	68,480	-	-	68,480	-
American Red Cross	1,129,466	-	-	1,129,466	2,350,315
Australian Government	50,441	-	-	50,441	-
Australian Red Cross	230,073	-	70,152	300,225	252,411
Austrian Red Cross (from Austrian Government)	-	-	-	-	1,165,158
Belgian Federal Government	2,681,041	-	-	2,681,041	-
Bill & Melinda Gates Foundation	1,987,215	-	-	1,987,215	94,564
British Red Cross	51,509	-	65,056	116,565	865,069
British Red Cross (from Band Aid)	143,333	-	-	143,333	-
British Red Cross (from British Government)	2,851,030	-	-	2,851,030	20,179,646
British Red Cross (from Children's Investment Fund)	2,698,673	-	-	2,698,673	4,025,131
British Red Cross (from DEC (Disasters Emergency Committee))	2,450,599	-	-	2,450,599	-
Canadian Red Cross	260,922	-	118,008	378,930	143,762
Canadian Red Cross (from Canadian Government)	132,562	-	-	132,562	4,108,155
China Red Cross, Hong Kong branch	(214)	-	-	(214)	72,813
Czech Government	-	-	-	-	130,033
Danish Red Cross	-	-	142,147	142,147	133,256
Danish Red Cross (from Danish Government)	-	-	-	-	77,557
European Commission - DGECHO	(545,591)	-	-	(545,591)	5,419,070
European Commission – FPI	6,350,005	-	-	6,350,005	-
FIATA - International Federation of Freight Forwarders Associations	12,584	-	-	12,584	29,541
Finnish Red Cross	7,409	145,239	89,980	242,628	229,220
Finnish Red Cross (from Finnish Government)	699,724	-	-	699,724	700,313
French Red Cross	(216)	-	-	(216)	27,285
French Red Cross (from Total S.A.)	(41,491)	-	-	(41,491)	401,020
German Red Cross	(339)	(245,250)	32,641	(212,948)	266,976
Icelandic Red Cross	-	-	-	-	874,155
Icelandic Red Cross (from Icelandic Government)	-	-	-	-	195,600
International Committee of the Red Cross (ICRC)	10,000	-	-	10,000	-
Irish Red Cross Society	37,052	-	-	37,052	36,101
Italian Government Bilateral Emergency Fund	-	-	-	-	1,203,910
Italian Red Cross	216,884	-	7,118	224,002	-
Japanese Government	8,100,240	-	-	8,100,240	1,501,809
Japanese Red Cross Society	702,191	-	-	702,191	450,184
KPMG Disaster Relief Fund	12,184	-	-	12,184	-
KPMG International Cooperative (KPMG-I)	29,347	-	-	29,347	99,394
Monaco Government	-	-	-	-	24,030
Nestle	2,377	-	-	2,377	42,000
Sub-totals carried down	30,327,490	(100,011)	525,102	30,752,581	45,098,478

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EBOLA VIRUS DISEASE EMERGENCY APPEALS**

**[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017),
SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. Voluntary contributions (continued)

	Cash	Goods In-Kind	Services In-Kind	Year ended	Period from
				31-Dec-2015	28-Mar-2014
				TOTAL	TOTAL
CHF	CHF	CHF	CHF	CHF	
Sub-totals brought down	30,327,490	(100,011)	525,102	30,752,581	45,098,478
NetHope	84,196	-	-	84,196	-
New Zealand Red Cross	-	-	131,850	131,850	-
Norwegian Red Cross	29,164	-	97,759	126,923	93,972
Online donations (from United States - Private Donors)	15,168	-	-	15,168	-
Other online donations (including those with contributions less than CHF 10,000)	27,361	-	-	27,361	88,607
Other donors (including those with contributions less than CHF 10,000)	42,936	-	15,200	58,136	30,583
Philippine Red Cross	-	-	-	-	24,110
Red Crescent Society of Islamic Republic of Iran	-	-	-	-	35,000
Red Cross of Monaco	(8,437)	-	-	(8,437)	118,280
Shell	-	-	-	-	61,599
Sime Darby Berhad	(105)	-	-	(105)	142,332
Spanish Government	(738,048)	-	-	(738,048)	6,977,746
Spanish Red Cross	(10,007)	-	1,795	(8,212)	309,003
Swedish Red Cross	518,208	-	22,800	541,008	2,632,897
Swiss Red Cross	19,339	-	60,226	79,565	436,184
Swiss Red Cross (from Swiss Government)	-	-	-	-	3,500,000
Taiwan Red Cross Organisation	-	-	-	-	26,415
The Netherlands Red Cross	1,192,066	93,091	16,148	1,301,305	1,034,716
The Netherlands Red Cross (from Netherlands Government)	-	-	-	-	3,860,836
The Netherlands Red Cross (from Netherlands Red Cross Silent Emergency Fund)	-	-	-	-	100,715
The Republic of Korea National Red Cross	-	-	-	-	60,000
The Thai Red Cross Society	199,676	-	-	199,676	-
Toyota Motor Corporation	19,102	-	-	19,102	-
Tullow Guinea Limited	-	-	-	-	181,376
UNDP - United Nations Development Programme	4,116,706	-	-	4,116,706	-
UNICEF - United Nations Children's Fund	608,872	-	-	608,872	565,825
United States Government - USAID	15,995,975	-	-	15,995,975	3,125,839
World Cocoa Foundation	72,203	-	-	72,203	247,558
	<u>52,511,865</u>	<u>(6,920)</u>	<u>870,880</u>	<u>53,375,825</u>	<u>68,752,071</u>

The Cash column includes movements in outstanding pledges in 2015, and revaluation of outstanding foreign currency pledges, which includes foreign exchange losses on pledges as at 31 December 2015 (see note 3.4).

INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES

EBOLA VIRUS DISEASE EMERGENCY APPEALS

[GUINEA (MDRGN007), SIERRA LEONE (MDRSL005), LIBERIA (MDRLR001), NIGERIA (MDRNG017), SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Operating expenditure by Emergency Appeal

	Guinea	Sierra Leone	Liberia	Nigeria	Senegal	Africa Ebola Coordination & Preparation	Year ended 31-Dec-2015 TOTAL	Period from 28-Mar-2014 to 31-Dec-2014 TOTAL
	CHF	CHF	CHF	CHF	CHF	CHF	CHF	CHF
OPERATING EXPENDITURE								
Employee benefits	8,687,792	14,153,532	6,177,621	123,629	85,236	1,858,023	31,085,833	5,953,636
Relief supplies, transportation and storage	8,743,795	7,588,699	1,841,552	3,101	15,036	54,819	18,247,002	11,183,244
Contributions to National Societies	-	-	-	-	-	1,699,224	1,699,224	-
Depreciation and amortisation	2,646	596,048	2,093	-	-	-	600,787	49,646
Supplementary services cost recoveries	869,573	1,467,256	695,988	10,975	8,179	196,780	3,248,751	808,940
Other costs & allocations	4,634,496	3,773,009	1,888,169	(25,896)	(65,598)	2,109,036	12,313,216	7,906,197
Total direct costs	22,938,302	27,578,544	10,605,423	111,809	42,853	5,917,882	67,194,813	25,901,663
Indirect cost recovery	1,448,771	1,977,688	668,231	8,101	4,628	380,507	4,487,926	1,681,768
Pledge fees	221,462	318,540	84,722	1,161	1,332	15,941	643,158	187,898
Total OPERATING EXPENDITURE	24,608,535	29,874,772	11,358,376	121,071	48,813	6,314,330	72,325,897	27,771,329
Period from 28-Mar-2014 to 31-Dec-2014								
Total OPERATING EXPENDITURE	5,222,427	14,283,083	5,967,626	500,661	351,384	1,446,148	27,771,329	

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SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS (MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. Other costs & allocations

	Year ended 31-Dec-2015	Period from 28-Mar-2014 to 31-Dec-2014
	TOTAL	TOTAL
	CHF	CHF
Workshops & training	2,132,484	725,868
Administration, office and general	1,720,005	668,813
Vehicles and equipment	2,969,069	1,185,544
Travel	2,013,959	712,607
Consultancy fees	436,394	260,993
Information	1,766,063	387,520
Other costs and allocations	<u>1,275,242</u>	<u>3,964,852</u>
	<u>12,313,216</u>	<u>7,906,197</u>

Included within Other Costs and allocations is a net reversal of working advances not yet reported by National Societies amounting to CHF 766,652 (In 2014, the amount unreported was CHF 3,455,347).

7. Finance (expense) / income, net

	Year ended 31-Dec-2015	Period from 28-Mar-2014 to 31-Dec-2014
	TOTAL	TOTAL
	CHF	CHF
Foreign exchange (losses) / gains	<u>(3,325,345)</u>	<u>328,728</u>
	<u>(3,325,345)</u>	<u>328,728</u>

The foreign exchange gains and losses resulting from conversion of foreign currency transactions into Swiss Francs and revaluation of assets and liabilities in foreign currency into Swiss Francs are reported under Finance (expense) / income, net. From November 2014 to December 2015, the automatically maintained exchange rates between CHF and SLL in the IFRC's financial system were lower than the market rate, resulting in SLL asset values, foreign exchange gains, and operating expenditure to be overstated in Swiss Francs.

In accordance with IFRC's accounting policy, market rates have been used to revalue assets and liabilities in 2015, resulting in a net foreign exchange loss. The impact of the exchange rate difference in 2014 is not material to the combined appeal financial statements and therefore the 2014 comparative figure is not restated.

8. Allocations (to) / from IFRC funds

All DREF allocations to the Ebola virus disease emergency appeals have been fully reimbursed except for the allocation for Senegal, where the DREF loan balance of CHF 248,447 would not be fully reimbursed. In 2015, an amount of CHF 790,234 was reallocated to other IFRC appeals for Ebola preparedness activities. In 2014, CHF 253,515 was reallocated from DREF to Senegal Ebola virus disease emergency appeal.

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(MDRNG017), SENEGAL (MDRSN010), AFRICA EBOLA COORDINATION AND PREPAREDNESS
(MDR60002)]**

**NOTES TO THE COMBINED APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

9. Subsequent events

9a. Guinea

In July 2016, following a fraud allegation, the IFRC carried preliminary assessment which revealed irregularities related to vehicle hire, volunteer payments, and custom clearance services. As a result, the IFRC launch full review in to these irregularities. The review is still in progress at the date of this report, however, initial findings indicate a likely loss of approximately CHF 1.5 million. If adjusted, this amount would appear as a reclassification from items of expenditure to uninsured losses under Other costs and allocations.

9b. Liberia

In May 2016, following a fraud allegation, the IFRC commissioned an independent review on Liberia Red Cross Society. The review revealed instances of non-compliance with procedures and misappropriation of funds. Based on the outcome of the review, an overpayment of CHF 462,715 for relief items was identified. This overpayment has been adjusted as loss in these combined appeal financial statements and appears under Other costs and allocations. The investigation also identified other examples of irregularities. The impact of these irregularities could not be quantified and therefore has not been adjusted in these combined appeal financial statements.

9c. Sierra Leone

In March 2016, following allegation regarding the currency exchange rate from United States Dollars (USD) to Sierra Leonean Leone (SLL), the IFRC commissioned an independent review. The review revealed that the exchange rate between USD to SLL was well below the market trading value. The loss is estimated at CHF 2 million. To reflect the impact of this loss in these combined appeal financial statements, the SLL denominated assets and liabilities have been revalued using actual market trading foreign exchange rates.

In 2016, IFRC introduced guidelines on cash disbursements and intra-account transfers, which have since strengthened internal control on currency trades to prevent similar situation from recurring. In 2017, IFRC adopted a foreign exchange risk management policy to further strengthen the control environment.

In June 2016, following a fraud allegation, the IFRC commissioned an independent review. The review revealed exceptions to the normal procurement procedures. However, as these transactions did not result in a loss to the IFRC, no adjustment has been made in these combined appeal financial statements.