

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

Independent Auditor's Report

On the IFRC's Financial Statements for the
Haiti Earthquake Emergency Appeal
(MDRHT008)
for the year ended 31 December 2011



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Independent Auditor's Report

Haiti Earthquake Emergency Appeal (MDRHT008) of the International Federation of Red Cross and Red Crescent Societies (IFRC)

We have audited the accompanying financial statements (income and expenditure statement and related notes) of the Haiti Earthquake Emergency Appeal (MDRHT008) of the International Federation of Red Cross and Red Crescent Societies ("IFRC") for the year ended 31 December 2011.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the IFRC's management. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of 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 financials statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of 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 the internal control system relevant to the entity's preparation 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 made, 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 accompanying financial statements give a true and fair view of the income, expenditure and funds held for operations for the year ended 31 December 2011 and have been prepared, in all material respects, in accordance with the IFRC accounting policies as described in the notes to the accompanying financial statements.

KPMG SA

Pierre-Henri Pigeon
*Licensed Audit Expert
Auditor in Charge*

Christine Fox

Geneva, 19 December 2012

Enclosure:

- Income and expenditure statement and related notes

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT008) – HAITI EARTHQUAKE**

**INCOME AND EXPENDITURE STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER**

| | | Year ended 31-Dec-2011 | Period from 12-Jan-2010 to 31-Dec-2010 |
|--|--------------|-----------------------------------|---|
| | Notes | CHF | CHF |
| INCOME | | | |
| Voluntary contributions | 2.3(a) & 3 | 23,388,938 | 226,325,048 |
| Corporate donation fees | 4 | (745) | (312,084) |
| Services income | 2.3(b) | 569,432 | 174,989 |
| Other income | | - | 17,264 |
| Total INCOME | | <u>23,957,625</u> | <u>226,205,217</u> |
| OPERATING EXPENDITURE | | | |
| Employee benefits | 2.6 | 21,828,304 | 15,379,993 |
| Relief supplies | | 21,225,131 | 45,615,845 |
| Transportation and storage | 2.5 | 4,047,858 | 11,917,343 |
| Land and buildings | | 8,773 | 1,171,877 |
| Vehicles and equipment | | 2,035,115 | 1,301,423 |
| Travel | | 688,191 | 1,445,640 |
| Communications | | 430,625 | 385,830 |
| Workshops & training | | 972,802 | 346,503 |
| Information | | 271,369 | 534,981 |
| Legal, professional and consultancy fees | | 1,048,842 | 2,530,010 |
| Administration, office and general | | 607,655 | 1,198,875 |
| Finance (income), net | 2.2 | (841,722) | (341,274) |
| Depreciation | 2.7 | 1,442,053 | 425,041 |
| Provisions for operations | 5(a) | (191,380) | 610,513 |
| Contributions to national societies | 5(b) | - | 10,047,461 |
| Contributions to other organisations | | 52,550 | 141,429 |
| Voluntary contributions reimbursed to donors | 6 | 21,720,630 | - |
| Services and recoveries | 7 | 1,281,674 | 1,047,943 |
| Programme and services support recovery | 8 | 3,446,972 | 5,688,701 |
| Total OPERATING EXPENDITURE | | <u>80,075,442</u> | <u>99,448,134</u> |
| RESULT FOR THE PERIOD | | <u>(56,117,817)</u> | <u>126,757,083</u> |
| FUNDS HELD FOR OPERATIONS | | | |
| Brought forward | 2.4 & 9 | 126,757,083 | - |
| Allocations to other IFRC appeals, net | 9(a) | (3,466,578) | - |
| Transfer from IFRC designated, unrestricted reserves | 9(b) | 829,000 | - |
| Result for the period | | (56,117,817) | 126,757,083 |
| FUNDS HELD FOR OPERATIONS | | <u>68,001,688</u> | <u>126,757,083</u> |

The notes on pages 4 to 14 are an integral part of these Appeal Financial Statements.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
EMERGENCY APPEAL (MDRHT008) – HAITI EARTHQUAKE**

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. Activities

Founded in 1919, the International Federation of Red Cross and Red Crescent Societies (IFRC) is a membership organisation comprising 187 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 17, Chemin des Crêts, Geneva, Switzerland.

The IFRC's mission is to improve the lives of vulnerable people by mobilizing the power of humanity. Working through its 187 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 12 January 2010, an earthquake of magnitude 7 (Mw) (reference: United States Geological Survey), struck the Haitian coast rocking the capital and generating a tsunami alert in Haiti and neighbouring countries. The epicentre was located 22 kilometres from the capital, Port-au-Prince and 15 kilometres from the closest towns. A series of aftershocks occurred, the strongest measuring 5.9 and 5.5 respectively.

The resultant humanitarian needs were widespread, meriting significant humanitarian action. Despite difficulty in ascertaining exact figures of dead, destruction and damage, it was estimated that 700,000 people survived in conditions without adequate shelter. The internally displaced population, estimated at between 800,000 and 1,000,000 people, was putting an array of pressures on receptor regions that had not been directly affected by the earthquake. Demands for shelter, sanitation and hygiene; childcare, food and healthcare, in particular, hospital capacity to attend post-surgical patients, were particularly high.

In response to the situation, the IFRC launched a preliminary Emergency Appeal, on 12 January 2010, seeking CHF 10.1 million, in order to support the Haitian Red Cross Society (HNRCS) deliver immediate, life-saving assistance to 20,000 families (some 100,000 beneficiaries) over nine months. On 26 January 2010, the IFRC revised the preliminary Emergency Appeal, increasing the budget to CHF 105.7 million, in order to assist up to 60,000 families (300,000 people) over 3 years. On 9 February 2010, the IFRC further extended and increased the Emergency Appeal to seek CHF 218.4 million in cash and/or in-kind goods and services, in order to support the Haitian Red Cross Society to assist up to 80,000 beneficiary families with basic non-food items and emergency shelter solutions. On 5 October 2010 this figure was further revised to seek CHF 314.3 million in cash, in kind or services to support the plan of action of the Haitian Red Cross Society and the IFRC. This plan of action sought to provide basic non-food items and emergency/transitional shelter to 80,000 beneficiary families and provide emergency health care, fulfilment of basic needs in water and sanitation and livelihoods support for vulnerable populations in the earthquake-affected region. On 29 December 2011 a revised plan of action was published to reflect the transition from emergency relief to the recovery phase of the operation. The appeal budget was further revised downwards to CHF 282.1 million.

The financial statements presented comprise the Income and Expenditure Statement and supporting notes of the Haiti Earthquake Emergency Appeal (appeal MDRHT008) and are hereto referred to as the Appeal Financial Statements.

2. Significant accounting policies

2.1 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.

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
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**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

2. Significant accounting policies (continued)

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).

Adjustments have been made to certain comparative figures in the Income and Expenditure Statement, in order to be consistent with the current year presentation. Specifically:

- Voluntary contributions income for period 12 January 2010 to 31 December 2010 has been increased by CHF 1,127,204, as an amount of income deferred for recognition during the year ended 31 December 2011, in fact related to the period ended 31 December 2010.
- Relief supplies expenditure in the period 12 January 2010 to 31 December 2010 has been reduced by CHF 252,100, as the items purchased, in fact, related to a different appeal.
- CHF 928,406 has been reclassified from Relief supplies expenditure to Employee benefits, as some amounts were provisioned as Relief supplies expenditure, but the invoices, in fact, related to personnel expenditure.

The above adjustments have resulted in an increase of CHF 1,379,304 in the reported balance of Funds held for operations from CHF 125,377,779, as previously reported at 31 December 2010 to CHF 126,757,083 as reported at 31 December 2010 in these Appeal Financial Statements. Management considers that the adjustments to the comparative figures do not materially impact the current year presentation.

2.2 Foreign currency transactions

The statutory, functional and presentation 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 Haiti Earthquake 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.

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

2.3 Income

Income comprises contributions in cash or in-kind from donors and income from services.

(a) Voluntary Contributions

Voluntary contributions are identified according to the level of earmarking. Donors can earmark contributions for use on 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

**INTERNATIONAL FEDERATION OF RED CROSS AND RED CRESCENT SOCIETIES
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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.

**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

2. Significant accounting policies (continued)

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 reported as equal 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 and adjusted accordingly, by comparing it to the cost that would be incurred by the IFRC, if it were to buy similar goods, in the open market, for the same intended use.

The fair value of in-kind staff is taken as the average cost that would be incurred by the IFRC, if it were to directly employ a person in a similar position.

The IFRC sometimes agrees with a donor the 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) 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 percentage of total services to be performed.

The majority of income from the provision of services is derived from services provided to national societies including in countries where national societies are working bi-laterally with the Haitian Red Cross Society, rather than multi-laterally with the IFRC and the Haitian Red Cross Society. Income from these types of services is included under Services income in the Appeal Income and Expenditure Statement.

2.4 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 (see note 9).

2.5 Transportation and storage

The cost of renting vehicles from the IFRC's Vehicle Fleet Base and from third parties, for use in the operation, is recorded under Transport and storage.

2.6 Employee benefits

Personnel expenditure includes salary and benefit costs of international delegates, in-kind delegates and national staff.

2.7 Depreciation

Depreciation is charged to those projects which are using the related vehicles. It is calculated on the straight-line method to write off assets to their estimated residual values over their estimated useful lives as follows:

| | |
|--------------------------|---------|
| Heavy and light vehicles | 5 years |
|--------------------------|---------|

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**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. Voluntary contributions

| | Cash | Outstanding pledges (Revalued) | Services In-Kind | Year ended 31-Dec-2011 TOTAL | Period from 12-Jan-2010 to 31-Dec-2010 TOTAL |
|---|-----------|--------------------------------------|---------------------|------------------------------------|---|
| | CHF | CHF | CHF | CHF | CHF |
| Albanian Red Cross | - | - | - | - | 15,828 |
| American Red Cross | 306,657 | 380,990 | 491,084 | 1,178,731 | 68,642,717 |
| Andorran Red Cross | - | - | - | - | 71,872 |
| Antigua and Barbuda Red Cross | - | - | - | - | 108,684 |
| Arcos Dorados B.V. | - | - | - | - | 1,215,429 |
| Argentine Red Cross | - | - | - | - | 272,916 |
| Australian Red Cross | 305,334 | - | 204,517 | 509,851 | 2,994,100 |
| Australian Red Cross (from Australian Government) | - | - | - | - | 926,900 |
| Austrian Red Cross | - | - | - | - | 607,451 |
| Austrian Red Cross (from Austria - Private Donors) | - | - | - | - | 46,677 |
| Austrian Red Cross (from Austrian Government) | - | - | - | - | 684,275 |
| Bain & Co. Inc. | - | - | - | - | 46,921 |
| Belarus Red Cross | - | - | - | - | 14,935 |
| Belgian Red Cross | - | - | - | - | 271,369 |
| Belgian Red Cross (Flanders) | - | - | - | - | 1,115,534 |
| Belgium - Private Donors | - | - | - | - | 14,682 |
| Belize Red Cross Society | - | - | - | - | 341,663 |
| Botswana Red Cross Society | - | - | - | - | 28,788 |
| British Red Cross | 22,549 | - | 109,546 | 132,095 | 2,262,515 |
| British Red Cross (from DEC (Disasters Emergency Committee)) | - | - | - | - | 1,699,020 |
| British Red Cross (from DFID - British Government) | - | - | - | - | 1,086,366 |
| Bulgarian Red Cross | - | - | - | - | 292,200 |
| Cambodian Red Cross Society | - | - | - | - | 10,415 |
| Canadian Government | - | - | - | - | 950,605 |
| CARE International | 68,280 | - | - | 68,280 | - |
| CERN Staff Association | - | - | - | - | 17,000 |
| Chilean Red Cross | - | - | - | - | 547,044 |
| China Red Cross, Hong Kong branch | 1,118,961 | (1,127,205) | - | (8,244) | 3,448,149 |
| China Red Cross, Macau Branch | - | - | - | - | 103,000 |
| Colombian Red Cross Society | - | - | - | - | 431,143 |
| Consolidated Contractors Co. (CCC) | - | - | - | - | 72,020 |
| Costa Rican Red Cross | - | - | - | - | 1,383,795 |
| Credit Suisse | - | - | - | - | 16,162 |
| Croatian Red Cross | - | - | - | - | 441,772 |
| Sub-totals carried down | 1,821,781 | (746,215) | 805,147 | 1,880,713 | 90,181,947 |

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**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. Voluntary contributions (continued)

| | Cash CHF | Outstanding pledges (Revalued) CHF | Services In-Kind CHF | Year ended 31-Dec-2011 TOTAL CHF | Period from 12-Jan-2010 to 31-Dec-2010 TOTAL CHF |
|--|-------------|---|----------------------------|---|--|
| Sub-totals brought down | 1,821,781 | (746,215) | 805,147 | 1,880,713 | 90,181,947 |
| CWT Beheermaatschappij BV | - | - | - | - | 104,145 |
| Czech Government | - | - | - | - | 81,808 |
| Czech Red Cross | - | - | - | - | 165,107 |
| Danish Red Cross | - | - | (3,750) | (3,750) | 1,394,954 |
| Danish Red Cross (from Danish Government) | - | - | - | - | 563,119 |
| Dominica Red Cross Society | - | - | - | - | 105,745 |
| Economist Group | - | - | - | - | 16,689 |
| Egyptian Red Crescent Society | - | - | - | - | 52,010 |
| Ericsson | - | - | - | - | 513,084 |
| Estonia Government | - | - | - | - | 235,246 |
| Estonia Red Cross | - | - | - | - | 66,946 |
| European Commission - DGECHO | 1,672,330 | 115,770 | - | 1,788,100 | 38,174 |
| European Economic & Social Committee (EESC) | - | - | - | - | 19,887 |
| Finnish Red Cross | - | - | 75,226 | 75,226 | 326,963 |
| Fixed Mobile Convergence Alliance (FMCA) | - | - | - | - | 11,581 |
| French Red Cross | - | - | - | - | 803,176 |
| GDF Suez | - | - | - | - | 10,613 |
| German Red Cross | 244,858 | 365,675 | - | 610,533 | 147,264 |
| Ghana Red Cross Society | - | - | - | - | 13,151 |
| Great Britain - Private Donors | - | - | - | - | 16,412 |
| Guatemalan Red Cross | - | - | - | - | 66,482 |
| Hellenic Red Cross | - | - | - | - | 73,790 |
| Hilton Worldwide | 847 | - | - | 847 | 778,130 |
| Hungarian Red Cross | - | - | - | - | 41,560 |
| Icelandic Red Cross | 54,000 | - | 31,570 | 85,570 | 190,627 |
| IFRC at the UN Inc (from Alcatel Lucent) | 109 | - | - | 109 | 25,839 |
| IFRC at the UN Inc (from Alcatel-Lucent Foundation) | - | - | - | - | 49,665 |
| IFRC at the UN Inc (from Analog Devices Incorporated) | - | - | - | - | 53,530 |
| IFRC at the UN Inc (from BlackRock) | 31,378 | - | - | 31,378 | 18,738 |
| IFRC at the UN Inc (from BP Foundation) | - | - | - | - | 315,459 |
| IFRC at the UN Inc (from Brazilian Government) | 700 | - | - | 700 | 1,004,898 |
| Sub-totals carried down | 3,826,003 | (264,770) | 908,193 | 4,469,426 | 97,486,739 |

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**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. Voluntary contributions (continued)

| | Cash | Outstanding | Services | Year ended | Period from |
|---|------------|-------------|-----------|-------------|----------------|
| | CHF | pledges | In-Kind | 31-Dec-2011 | 12-Jan-2010 to |
| | | (Revalued) | CHF | TOTAL | 31-Dec-2010 |
| | CHF | CHF | CHF | CHF | TOTAL |
| | | | | | CHF |
| Sub-totals brought down | 3,826,003 | (264,770) | 908,193 | 4,469,426 | 97,486,739 |
| IFRC at the UN Inc (from CoreLogic) | - | - | - | - | 22,531 |
| IFRC at the UN Inc (from DELL Direct Giving Campaign) | - | - | - | - | 250,053 |
| IFRC at the UN Inc (from Electronic Theatre Controls, Inc.) | - | - | - | - | 63,406 |
| IFRC at the UN Inc (from Fibrogen) | - | - | - | - | 10,052 |
| IFRC at the UN Inc (from Gallagher Arthur J. & Co.) | - | - | - | - | 116,361 |
| IFRC at the UN Inc (from Jones Apparel Group) | - | - | - | - | 130,603 |
| IFRC at the UN Inc (from Mellon Bank) | - | - | - | - | 163,675 |
| IFRC at the UN Inc (from The Mosaic Company) | - | - | - | - | 125,027 |
| IFRC at the UN Inc (from ThermoFisher Scientific) | - | - | - | - | 24,624 |
| IFRC at the UN Inc (from United States - Private Donors) | - | - | - | - | 31,755 |
| Indian Red Cross Society (from India - Private Donors) | 7,533 | - | - | 7,533 | 56,484 |
| Ireland - Private Donors | - | - | - | - | 23,968 |
| Irish Government | - | - | - | - | 368,895 |
| Irish Red Cross Society | - | - | - | - | 3,563,763 |
| Irish Red Cross Society (from Irish Government) | 221,988 | - | - | 221,988 | - |
| Italian Government Bilateral Emergency Fund | - | - | - | - | 737,681 |
| Italian Red Cross | 493,097 | 1,218,918 | - | 1,712,015 | - |
| Jamaica Red Cross | - | - | - | - | 213,206 |
| Jamaica Red Cross (from Jamaica - Private Donors) | 265,281 | - | - | 265,281 | - |
| Japanese Government | 5,365,828 | - | - | 5,365,828 | 626,589 |
| Japanese Red Cross Society | 4,999,272 | (5,000,000) | 293,247 | 292,519 | 11,475,309 |
| Kuwait - Private Donors | - | - | - | - | 50,374 |
| Kuwait Red Crescent Society | - | - | - | - | 1,414,488 |
| Lebanese Red Cross | - | - | - | - | 45,975 |
| Lithuanian Red Cross Society | - | - | - | - | 37,296 |
| Luxembourg Red Cross | - | - | - | - | 366,979 |
| Malaysian Red Crescent Society | - | - | - | - | 10,895 |
| Malta Red Cross Society | - | - | - | - | 63,699 |
| Sub-totals carried down | 15,179,002 | (4,045,852) | 1,201,440 | 12,334,590 | 117,480,427 |

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**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. Voluntary contributions (continued)

| | Cash | Outstanding pledges (Revalued) | Services In-Kind | Year ended 31-Dec-2011 TOTAL | Period from 12-Jan-2010 to 31-Dec-2010 TOTAL |
|--|------------|--------------------------------------|---------------------|------------------------------------|---|
| | CHF | CHF | CHF | CHF | CHF |
| Sub-totals brought down | 15,179,002 | (4,045,852) | 1,201,440 | 12,334,590 | 117,480,427 |
| Mauritius Red Cross Society (from Mauritius Private Donors) | - | - | - | - | 70,097 |
| McDonald Corp. | - | - | - | - | 513,084 |
| Mexican Red Cross | - | - | - | - | 326,278 |
| Moroccan Red Crescent | - | - | - | - | 32,560 |
| Morocco Private Donors | 16,705 | - | - | 16,705 | - |
| Namibia Red Cross | - | - | - | - | 56,716 |
| Nestle | - | - | - | - | 205,655 |
| New Zealand Red Cross | 55,305 | - | 26,180 | 81,485 | 895,480 |
| New Zealand Red Cross (from New Zealand Government) | - | - | - | - | 298,380 |
| Nicaraguan Red Cross | - | - | - | - | 167,971 |
| Norway - Private Donors | - | - | - | - | 10,830 |
| Norwegian Red Cross | 795,289 | - | - | 795,289 | 3,166,903 |
| Office of the Representative of the Dalai Lama | - | - | - | - | 100,000 |
| Online donations | 6,686 | - | - | 6,686 | 887,970 |
| OPEC Fund For International Development | - | - | - | - | 538,097 |
| Other donors (including those with contributions less than CHF 10,000) | 5,064,519 | (2,999) | 72,123 | 5,133,643 | 261,740 |
| Peruvian Red Cross | - | - | - | - | 72,717 |
| Polish Red Cross | 128,947 | - | - | 128,947 | - |
| Portuguese Red Cross | - | - | - | - | 737,078 |
| Qatar Red Crescent Society | - | - | - | - | 156,342 |
| Red Crescent Society of the United Arab Emirates | - | - | - | - | 401,073 |
| Red Cross of Monaco | - | - | - | - | 73,649 |
| Red Cross of Montenegro (from Montenegro Government) | - | - | - | - | 87,038 |
| Red Cross of Viet Nam | - | - | - | - | 21,395 |
| Red Cross Society of China | - | 2,225,222 | - | 2,225,222 | 965,267 |
| Red Cross Society of China (from Jet Lee One Foundation) | - | - | - | - | 319,898 |
| Red Cross Society of Côte d'Ivoire | - | - | - | - | 22,354 |
| Romanian Red Cross | 69,633 | - | - | 69,633 | - |
| Saint Kitts and Nevis Red Cross Society | - | - | - | - | 68,876 |
| Sub-totals carried down | 21,316,086 | (1,823,629) | 1,299,743 | 20,792,200 | 127,937,875 |

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3. Voluntary contributions (continued)

| | Cash | Outstanding pledges (Revalued) | Services In-Kind | Year ended 31-Dec-2011 TOTAL | Period from 12-Jan-2010 to 31-Dec-2010 TOTAL |
|--|------------|--------------------------------------|---------------------|------------------------------------|---|
| | CHF | CHF | CHF | CHF | CHF |
| Sub-totals brought down | 21,316,086 | (1,823,629) | 1,299,743 | 20,792,200 | 127,937,875 |
| Saint Lucia Red Cross | - | - | - | - | 63,426 |
| Saint Vincent and the Grenadines Red Cross | - | - | - | - | 90,463 |
| Save the Children (from Great Britain - Private Donors) | 101,010 | 109,154 | - | 210,164 | - |
| Seychelles Red Cross Society | - | - | - | - | 12,948 |
| Seychelles Red Cross Society (from Seychelles private donors) | - | - | - | - | 26,339 |
| Singapore Red Cross Society | - | - | - | - | 583,749 |
| Singapore Red Cross Society (from New Creation Church) | - | - | - | - | 20,836 |
| Singapore Red Cross Society (from Rahmatan Lil Alamin (Blessings-to-all) Foundation) | - | - | - | - | 50,782 |
| Slovak Red Cross | - | - | - | - | 219,505 |
| Slovenia Government | - | - | - | - | 73,746 |
| Slovenian Red Cross | 1,783 | - | - | 1,783 | 106,663 |
| Société Internationale de Télécommunications Aéronautiques | - | - | - | - | 77,226 |
| Soft Choice Corporation | - | - | - | - | 23,069 |
| Sonesta Maho BC | - | - | - | - | 26,582 |
| Spain - Private Donors | - | - | - | - | 15,228 |
| Spanish Red Cross | - | - | 77,000 | 77,000 | 1,856,076 |
| Sphene International Ltd | - | - | - | - | 1,570,081 |
| SSI (Survey Sampling International) | - | - | - | - | 20,638 |
| Suriname Red Cross | - | - | - | - | 600,921 |
| Swedish Red Cross | 769,509 | (35,100) | 25,410 | 759,819 | 6,479,179 |
| Government) | 1,058,739 | - | - | 1,058,739 | 1,875,469 |
| Swiss Red Cross | - | - | - | - | 1,117,852 |
| Switzerland - Private Donors | - | - | - | - | 41,442 |
| Synovate Inc. | - | - | - | - | 30,203 |
| Syrian Arab Red Crescent | - | - | - | - | 164,284 |
| Thailand - Private Donors | - | - | - | - | 52,443 |
| Thasia International Development Ltd | - | - | - | - | 53,637 |
| The Bahamas Red Cross Society | - | - | - | - | 675,792 |
| The Barbados Red Cross Society | - | - | - | - | 413,594 |
| Sub-totals carried down | 23,247,127 | (1,749,575) | 1,402,153 | 22,899,705 | 144,280,048 |

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**NOTES TO THE APPEAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

3. Voluntary contributions (continued)

| | Cash | Outstanding pledges (Revalued) | Services In-Kind | Year ended 31-Dec-2011 TOTAL | Period from 12-Jan-2010 to 31-Dec-2010 TOTAL |
|---|------------|--------------------------------------|---------------------|------------------------------------|---|
| | CHF | CHF | CHF | CHF | CHF |
| Sub-totals brought down | 23,247,127 | (1,749,575) | 1,402,153 | 22,899,705 | 144,280,048 |
| The Canadian Red Cross Society | (453,628) | (47,945) | 413,491 | (88,082) | 25,962,312 |
| The Canadian Red Cross Society (from Canadian Government) | - | - | - | - | 33,853,840 |
| The Guyana Red Cross Society | - | - | - | - | 69,507 |
| The Netherlands Red Cross | - | - | - | - | 13,645,162 |
| The Netherlands Red Cross (from Netherlands Government) | - | - | - | - | 735,943 |
| The Red Cross of Serbia & Montenegro (from Government of Serbia & Montenegro) | - | - | - | - | 172,162 |
| The Red Cross of The Former Yugoslav Rep. Macedonia | - | - | - | - | 95,161 |
| The Red Cross Society of Bosnia and Herzegovina | 31,403 | - | - | 31,403 | - |
| The Red Cross Society of Bosnia and Herzegovina (from Government of Bosnia & Herzegovina) | - | - | - | - | 171,317 |
| The Republic of Korea National Red Cross | 250,000 | - | - | 250,000 | 94,134 |
| The Republic of Korea National Red Cross (from Republic of Korea - Private Donors) | - | - | - | - | 545,955 |
| The South African Red Cross Society | - | - | - | - | 286,805 |
| The Thai Red Cross Society | - | - | - | - | 4,341,900 |
| The Thai Red Cross Society (from Thai Government) | 30,658 | - | - | 30,658 | - |
| The Trinidad and Tobago Red Cross Society | 262,734 | - | - | 262,734 | 1,000,020 |
| Thomson Reuters | - | - | - | - | 14,048 |
| Trinidad & Tobago - Private Donors | - | - | - | - | 15,046 |
| United Arab Emirates - Private Donors | - | - | - | - | 13,084 |
| United States - Private Donors | - | - | - | - | 18,089 |
| Uruguayan Red Cross | 2,520 | - | - | 2,520 | 11,686 |
| Xstrata AG | - | - | - | - | 508,906 |
| Z Zurich Foundation | - | - | - | - | 250,000 |
| Zurich Insurance Company | - | - | - | - | 239,923 |
| | 23,370,814 | (1,797,520) | 1,815,644 | 23,388,938 | 226,325,048 |

The Outstanding pledges column shows movements in outstanding pledges between 1 January 2011 and 31 December 2011, together with the revaluation of outstanding foreign currency pledges as at 31 December 2011.

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FOR THE YEAR ENDED 31 DECEMBER 2011**

4. 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.

5. Provisions for operations and contributions to national societies

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.

(a) Provisions for operations

The IFRC provides cash working advances to national societies for them to implement activities on behalf of the IFRC.

Amounts advanced are recognised as receivables until such time as recipient national societies report to the IFRC on their use of the funds. A provision is recognised for the value of working advances which has not been reported on by the recipient national societies and the related expense is recorded in Operating expenditure - Provisions for operations. When recipient national societies report on their use of the funds, the provision is reversed and the expense is reclassified according to its nature.

The value of unreported working advances at 31 December 2011 was CHF 191,380 lower than at 31 December 2010.

(b) 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. During the period 1 January 2011 to 31 December 2011, the IFRC contributed CHF nil (2010: CHF 10,047,461) to the Haitian Red Cross Society.

6. Voluntary contributions reimbursed to donors

As explained in note 2.4, in the event that appeal funds cannot be spent, the IFRC obtains agreement from the donors for a reallocation of those funds for a different use, or reimburses them to the donors.

During the year ended 31 December 2011 a total of CHF 21,720,630 was reimbursed to donors (2010: CHF nil). Out of this total, an amount of CHF 18,612,525 was exceptionally reimbursed to the American Red Cross Society in respect of voluntary contributions received for the Haiti Earthquake Emergency Appeal operation, when the IFRC agreed to hand over part of the emergency appeal operation to the American Red Cross Society; and an amount of CHF 3,108,105 was exceptionally reimbursed to the Canadian Red Cross Society when the IFRC agreed to reimburse the unspent balance on a voluntary contribution so that the Canadian Red Cross Society could reallocate the funds for a different purpose within the emergency appeal operation.

7. Services and recoveries

In keeping with the IFRC's principle of full cost recovery, fees and other charges are made to operations for specific services provided in addition to the essential services funded by programme and services support recovery (see also note 8). Such fees include specific logistics service fees based on the value of procurement services provided, together with pledge earmarking and reporting fees that are charged to donations where donors either require their donations to be used for specific purposes, or require specific financial or narrative reports on IFRC's use of the donations. For 2011 such fees charged to the Haiti Earthquake Emergency Appeal amounted to CHF 1,281,674 (2010: CHF 1,047,943).

8. Programme and services support recovery

In keeping with the IFRC's principle of full cost recovery, the direct costs of programmes and services are subject to 6.5% indirect cost recovery to fund the costs of providing indirect support services, such as human resources, finance, administration and information technology services, essential to the success of operations. The support for 2011 amounted to CHF 3,446,972 (2010: CHF 5,688,701).

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9. Funds held for operations

(a) Allocations to other IFRC appeals, net

As explained in note 2.4, in the event that appeal funds cannot be spent, the IFRC obtains agreement from the donors for a reallocation of those funds for a different use, or reimburses them to the donors.

During the period from 1 January 2011 to 31 December 2011, CHF 3,542,132 was reallocated from the Haiti Earthquake Emergency Appeal to the Haiti and Dominican Republic: Cholera Outbreak Emergency Appeal (2010: CHF nil). Additionally, CHF 71,639 was reallocated from the 2008 Haiti Hurricane Season Emergency Appeal, and CHF 3,915 was reallocated from the 2009 Haiti Country Plan Health Programme (2010: CHF nil) to the Haiti Earthquake Emergency Appeal.

(b) Transfer from IFRC designated, unrestricted reserves

As explained in note 8, in keeping with the IFRC's principle of full cost recovery, the direct costs of programmes and services are subject to 6.5% indirect cost recovery to fund the costs of providing indirect support services, such as human resources, finance, administration and information technology services, essential to the success of operations.

In the event that, in a given year, there is an operation with expenditure in excess of CHF 50,000,000, and the total amount of indirect cost recovery for that year exceeds the total cost of providing indirect support services, the excess is allocated to projects according to a Governing Board decision. Pending the Governing Board decision, the IFRC allocates the excess to an unrestricted reserve designated for specific projects.

In 2010, the Haiti Earthquake Emergency Appeal operation expenditure reached CHF 99,448,134, thereby exceeding CHF 50,000,000, and the total amount of programme and services support recovered on all programmes and services exceeded the total costs of providing indirect support services by CHF 829,000. This excess was allocated to the unrestricted reserve designated for specific projects pending a decision from the Governing Board. Following a Governing Board decision in April 2011, this amount was allocated to the Haiti Earthquake Emergency Appeal.