

The Netherlands  Red Cross

Annual report 2010



The Netherlands
Red Cross
Immediate Help



Together 1 - HAÏTI - PAKISTAN - 3FM SERIOUS REQUEST BREAKS RECORD

Mission AND VISION

The Red Cross was born of a desire to bring assistance - without discrimination - and it has pursued this mission since its foundation in 1863. However much the world may change, there always will be people in need. The mission of the Red Cross therefore remains, in essence, the same. And it is to this mission we dedicate ourselves, every day, as volunteers and professionally.

Aim

Our aim is to contribute to a peaceful, tolerant and humane world by assisting those whose life, health, well-being or dignity is under threat.

Mission

Our mission is to prevent and alleviate human suffering - wherever it may be found - to protect life and health and to ensure everybody is treated with respect, in particular during armed conflict and other emergency situations. To this end, we mobilize the power of humanity and solidarity; we bring volunteer aid workers and donors together with people in need, and put into practice the responsibility we all have to help others.

Vision

Our vision is that our voluntary assistance must and can strengthen communities in a way that enables them to respond independently and justly to human suffering by offering hope and respect for the dignity of each individual.

Fundamental Principles

In our work we are guided by seven Fundamental Principles:

- Humanity;
- Impartiality;
- Neutrality;
- Independence;
- Voluntarism;
- Unity;
- Universalism.

To us these principles mean that everyone has a right to be treated with respect and dignity. That those in greatest need should be the first to receive aid. That assistance should be given regardless of one's religious beliefs, nationality, race, class or political opinions. That we take no sides in hostilities, other than the victim's. That we do not let ourselves be guided by governments and their preferences. That our assistance is prepared professionally but offered voluntarily. That we are a global Movement of Red Cross and Red Crescent Societies with equal status that help and support each other.

Task

The task of the Red Cross has been specified by international legal mandate and - specific to the Netherlands Red Cross - stipulated by Royal Decree.



Preface

2010. The year which showed once again how vulnerable humankind is when faced with the forces of nature. The earth shook in Haiti; Pakistan experienced severe floods; hurricanes in the Caribbean took their toll; and a volcano eruption in Indonesia resulted in tens of thousands of people displaced.

2010. The year in which it became clear once again how much we, the Red Cross, can do for those in greatest need, by providing basic but essential assistance: temporary shelter, a blanket, clean drinking water or simply a shoulder to lean on. Hugely rewarding work that gives one the energy to do it again when needed. In the words of Henry Dunant, founder of the Red Cross, following his efforts on the battlefield of Solferino (1859):

"The moral sense of the importance of human life; the human desire to lighten a little the torments of all these poor wretches, or restore their shattered courage; the furious and relentless activity which a man summons up at such moments: all these combine to create a kind of energy which gives one a positive craving to relieve as many as one can."

Small gestures in particular are moving. It is remarkable to see how people show their solidarity and involvement with others. By doing voluntary work, or by donating to charity to help alleviate human suffering. Whether you are a donor, member, volunteer or employee, whenever our help is needed we get stuck in together, united in the humanitarian spirit, by focusing on

the most vulnerable in our midst. In 2011 as in previous years. The Red Cross. Immediate Help. ■



Mr Elco Brinkman LLB
Chairman



Mr Dr. Cees Breederveld
Director General,
Netherlands Red Cross

20 April 2011

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Red Cross assistance in 2010:

Haiti Earthquake

On 12 January Haiti, one of the poorest countries in the world, is hit by a devastating earthquake. In one blow 1.3 million people become homeless and a further 300,000 are injured. Without delay the Red Cross starts one of its biggest and most difficult emergency operations in its history. Hurricane Tomas and a cholera outbreak later in the year further complicate the relief effort.



Identification of war victim

The Working Group Missing Persons WWII, of which the Red Cross is a member, identifies one of the 28 unknown Dutchmen buried at Loenen Military Cemetery with the help of DNA research. The hitherto unknown Dutchman turns out to be resistance fighter G.M.T. (Gerard) Putter.

Sahel Drought

In March part of the African Sahel is struck by extreme drought. The Red Cross swiftly sets up a disaster prevention plan. By providing farmers with drought-resistant seeds, famine is prevented. In addition, the Red Cross helps to dig bore holes and promotes soil protection.



World Malaria Day

The 25th of April marks World Malaria Day, which focuses on the fight against this disease. Partly thanks to the proceeds of the 2009 3FM Serious Request (the Glass House), the Red Cross is able to distribute 700,000 mosquito nets, improving the protection of more than a million mothers and children in Malawi, Sierra Leone and Burkina Faso against this feared disease.



Volunteers put in the limelight

Despite the heavy rain on 8 May 2010, birthday of Henry Dunant, more than 40,000 volunteers gather at Kamp Nieuw Milligen in Uddel at the 2010 National Volunteer Day, which is being held once every five years. The day programme offers many activities and performances to thank all Red Cross volunteers for their efforts and dedication.

Refugees in Kyrgyzstan

Ethnic violence in Kyrgyzstan sadly results in over a 100 dead and 1,200 injured. More than 80,000 people in the Central Asian country are displaced. The Red Cross opens a giro account number and provides the victims with food, water, shelter and medical assistance.



A SUMMARY



First Aid during Vierdaagse (Four Days Marches) in Nijmegen

Around 40,000 participants start off at the Nijmegen Four Days Marches. As in previous years, Red Cross volunteers offer their services to the participants in the largest marching event in the world - alongside the route, manning the First Aid posts and making sure First Aid can be given swiftly.

Flood disaster in Pakistan

In August Pakistan is hit by the most extensive floods in its history: 20 million people are affected by the rising waters and an area six times the size of the Netherlands is inundated. Access to the disaster area is severely hampered but the Red Cross nevertheless succeeds in distributing food and clean drinking water.



Fast-track course in First Aid

"Do you know what to do?" is the slogan used in the First Aid information campaign launched by the Red Cross in 2010. Research shows that only 1 in 30 Dutchmen, or 3.2 % of the Dutch population, can answer this question with "Yes". In September, therefore, the Red Cross introduces an online fast-track course in First Aid, teaching people the basics of First Aid in a short space of time.



Indonesia struck by water and fire

In October Indonesia is struck twice: a tsunami destroys several villages on the Mentawai islands. Hundreds of residents die or go missing. At the same time, the Merapi volcano on the island of Java erupts, causing the evacuation of 50,000 people. The Red Cross provides food, shelter and clean drinking water.

Margriet Winter Fair

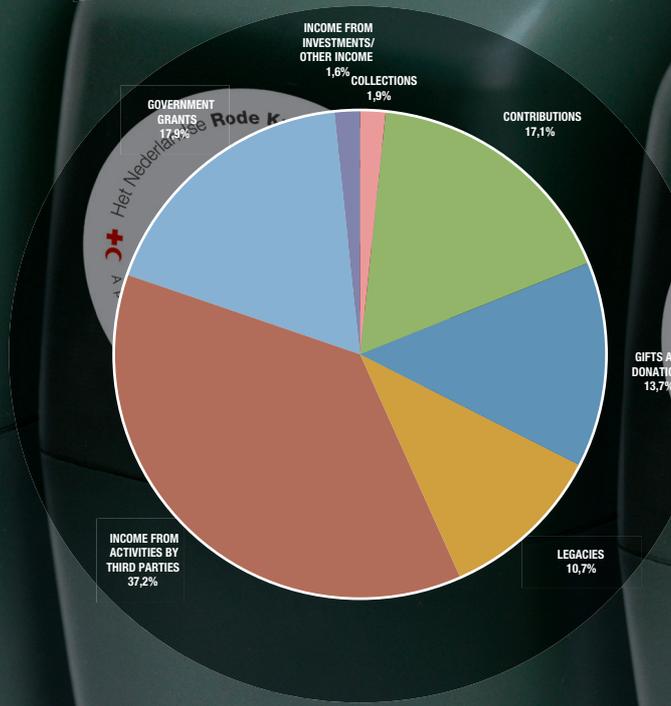
The Margriet Winter Fair celebrates its 10th anniversary. The perfect occasion, the renowned women's weekly decides, to create a special foundation for the benefit of the Red Cross. During the fair, 90 cents from each entrance ticket sale is donated to the fund. The proceeds are used by the Red Cross to organise holidays for people who are socially isolated.



AIDS took away their parents; help us give them back their future

Children orphaned by HIV/AIDS are the chosen cause for the 2010 jointly run Red Cross and Radio 3FM campaign. In December both parties cooperate for the 7th year in a row in the national Serious Request campaign. This year the Glass House is located in Eindhoven and proves an unprecedented success.

FINANCE



TOTAL INCOME NRC

INTRODUCTION



In 2010 the general public showed its unabated support for the Netherlands Red Cross through the successful campaigns for Haiti, Pakistan and 3FM Serious Request. Still, the economic crisis was felt by the Red Cross too, with corporate support in particular slowing down. In summary:

The Netherlands Red Cross was financially healthy in 2010, but has realised it needs to make clear choices in order to guarantee good health in the long term. The broad support from the general public demands transparent financial reporting. The merger into one organisation (Together 1) helps to improve Red Cross financial transparency. This chapter includes the Directors' Report, the Annual Accounts and other relevant information.

A young child with dark skin and curly hair is leaning over a public water tap, drinking water from their hands. The child is looking directly at the camera with a focused expression. In the background, other people are visible, suggesting a public water station in a community setting. The text 'DIRECTORS' REPORT' is overlaid in white on a dark grey rectangular background in the upper left corner of the image.

DIRECTORS' REPORT

Together 1

Our Directors' Report describes the development of income and expenditure in 2010, as well as the 2011 budget. In addition, attention is given to how we comply with current legislation and agreements entered into by the Netherlands Red Cross with regards to accountability.

The Netherlands Red Cross Society was founded in 1867 and has its statutory seat in The Hague. The tasks of the Netherlands Red Cross are partly dictated by the Geneva Conventions and their Additional Protocols, partly by Royal Decree dd. 22 December 1988. The mission of the Netherlands Red Cross is to alleviate human suffering, wherever it may be found, protecting life and health and to ensure respect for each human being. This mission has translated itself into the strategy as explained on page 13 and is implemented through the annual plan into activities.

Netherlands Red Cross activities focus on Emergency Assistance (following disasters and during conflict), First Aid and Social Assistance – they are described in more detail in Chapter 2 to 6 of this Annual Report.

The Netherlands Cross is part of the international Red Cross Movement and a member of the International Federation of Red Cross and Red Crescent Societies (IFRC). In 2010 the Netherlands Red Cross sat on the Federation Board. As of 1 January 2010, the 'Together 1' merger has taken effect and the Netherlands Red Cross Statutes have been amended accordingly.

An important element of this merger is the legal amalgamation of all 356 autonomous local branches and districts into one Society with the Members' Council as its highest body. As a result of Together 1, names of the various parts have since changed. The General Meeting is now called the Members Council. The National Board is now called the Board of Governors. The most significant statutory change brought about by Together 1 is that only natural persons, and no longer district and local branches, can be a member of the Society. An organisation chart can be found on page 15.

Salary Director General

In 2010 various articles about the salary of the Netherlands Red Cross Director General appeared in the media. Below our answers to the three most asked questions.

1. How much does the Netherlands Red Cross Director General earn?

The Netherlands Red Cross Board of Directors consists of a Director General alone. His 2010 salary amounted to €142,000 (2009: €141,829), holiday allowance included. Social security contributions plus pension costs came to a total of €28,000 (2009: €27,686) and all other additional benefits and costs added up to €11,000 (2009: €11,101). Compared to 2009 the salary showed no significant change.

2. Why does the Netherlands Red Cross Director General earn this much?

The Netherlands Red Cross is a large organisation with over 30,000 volunteers and more than 500 professional employees. When it comes to Emergency Assistance, First Aid and Social Assistance, the Red Cross works in a complex national and international environment and is regularly deployed to

dangerous areas. The ability to act quickly is of paramount importance for any humanitarian organisation. The Director General's salary reflects this responsibility.

3. Does the Netherlands Red Cross Director General's salary comply with the Balkenende norm¹, the VFI (Vereniging van Fondsenwervende Instellingen – Association of Fundraising Charities) norm² and the DG norm³?

The Director General's salary complies with the Balkenende norm and VFI norm. Both norms use different calculation models. The Balkenende norm takes the taxable income including company car and employer pension costs, and deducts the individual pension contributions. This amounts to €176,000 for the Director General. The Balkenende norm for 2010 came to €193,000.

The VFI norm includes salary, holiday allowance and annual bonus (not received by the Netherlands Red Cross Director General). The norm takes into account the challenges that come with the position, the complexity and size of the organisation, etc. The Red Cross falls within the 'heavyweight' category,

which allows for a gross annual salary of €158,115. This amount excludes social security contributions, pension costs and other costs. The Director General's salary of €142,000 stays below the maximum specified.

The DG norm (MFS II norm) was introduced by the Ministry of Foreign Affairs (*Ministerie van Buitenlandse Zaken*) end of 2009 and requires that the Director's salary of aid organisations does not exceed the basic salary of a Director General at a Ministry (in 2010 approximately €124,000 for a 36-hour working week). The norm shall take effect on 1 January 2011 and from then onwards the Netherlands Red Cross Director General will comply with this regulation (and sacrifice pay).

See also page 41 of this Annual Report.

¹ Salary should not exceed the salary of the Dutch Prime Minister

² Remuneration according to the rate of pay drawn up by VFI

³ Salary should not exceed the salary of a Director General at a Ministry

The Netherlands Red Cross Members Council, Board of Governors and the Board of Directors subscribe and act according to the Good Governance Code for NGOs (Wijffels Code in short). Central to the principles of Good Governance is the separation of responsibilities.

The Netherlands Red Cross is one of the few aid organisations where employee participation and control both form an intrinsic part of the Society structure, as well as the separation between supervisory and governing tasks.

The organisation's governance is in the hands of the Society's Board of Governors. Daily management at a national level rests with the Board of Directors. The Society's Board of Governors carries out the governing task. It outlines Red Cross policy and takes decisions at the strategic level. The Members' Council supervises the Board of Governors.

Daily management and the implementation of strategy rest with the Board of Directors. At the district and branch levels, the local Councils will call the committees to account with regards to chosen policies and the implementation of work plans. With regards to all daily managerial matters at the district and branch level, the Board of Governors has given the District and Branch Committees permanent power of attorney.

Who does what in our Society?

The Members' Council

- Approves the organisation's general policy.
- Decides on the long-term plan and annual working plan plus accompanying budgets.
- Approves the Annual Report and Annual Accounts.
- Appoints, reappoints and dismisses members of the Board of Governors, with the exception of its Chairman. Up until 2009, candidates to the chairmanship were presented to the Crown by the Board. This is not in accordance with the guidelines for Good Governance (Wijffels Code). As of the 1st of January 2010, the Members' Council has taken over this function.

The Board of Governors

- Determines the organisation's policy, taking into account any decisions made by the Members' Council.
- Supervises the overall implementation of the long-term plan and annual plan.

- Draws up and approves the Annual Report and Annual Accounts.
- Determines the agenda for the Members Council.
- Appoints the Director General.
- Acts as the formal point of contact for the government, the International Red Cross and other National Societies.

The Board of Directors

- Prepares and implements the organisation's general policy.
- Prepares decisions by the Members Council and carries out decisions made by the Board of Governors and the Members Council.
- Prepares the long-term plan and annual plan plus budgets, the Annual Report and Annual Accounts for the Board of Governors.
- Attends all meetings of the Board of Governors.
- Maintains contact with other National Societies and promotes Red Cross activities in the Netherlands and abroad.

Members

The Netherlands Red Cross is a society with members, all of whom subscribe to its fundamental principles. The Red Cross is embedded in Dutch society through its members. As with each society our members have the power of decision. Twice a year during the Members Council, the highest body within the Netherlands Red Cross, delegates from all districts meet with the Society's Board of Governors to decide on the organisational direction to be taken. Essential to the work carried out by the Netherlands Red Cross is its body of volunteers. Volunteers can be members of our Society but are not required to. In 2010 30,468 volunteers were actively involved with the Red Cross.

Composition Board of Governors in 2010

Honorary Chairman:

H.R.H. Princess Margriet of the Netherlands
(as of 11 December 2010)

Board of Governors:

- Mr L.C. Brinkman LLB (Chairman)
- Mr E.M. d'Hondt LLB (Vice-Chairman)
- H.R.H. Princess Margriet of the Netherlands (Vice-Chairman; resigned as of 11 December 2010)
- Mr A.E.M. Theunissen (Treasurer; resigned as of

11 December 2010)

- Mr V.W.J.A. van Stijn RA MGA (Treasurer; took office as of 11 December 2010)
- H.H. Prince Pieter-Christiaan van Oranje-Nassau, van Vollenhoven (in office as of 11 December 2010)
- General (retired) D.L. Berlijn (in office as of 11 December 2010)
- Mr J.W. Egtberts (in office as of 11 December 2010)
- Mr S. Harchaoui LLB

- Mrs P.C. Krikke
- Mrs S.I. van Oord LLB
- Mr P. Rosenmöller
- Mr P.J.A. van Schijndel CEng
- Mrs J.F.M.M. Tummers (in office as of 11 December 2010)
- General (retired) W.F. Vader (resigned as of 11 December 2010)
- Mrs M. Yousufzai (in office as of 11 December 2010)

Board of Governors

The Statutes stipulate that the Netherlands Red Cross Board of Governors consists of at least nine members and that their total should be an uneven number. Job descriptions have been drawn up for all positions on the Board. All Board members have been appointed in a voluntary capacity and receive no compensation, with the exception of compensation for any expenses claims. In 2010 the Board of Governors claimed a total amount of €2,271 for expenses incurred. Board members are appointed for a four-year period. The maximum term in office is three four-year periods.

A roster of resignation has been drawn up, including all reappointments per period. In 2010 three Board members resigned and six were appointed.

Board of Directors

The Netherlands Red Cross Board of Directors consists only of a Director General, Dr. Cees Breederveld. The Director General is on a permanent contract. The Board of Governors determines the Director General's remuneration. The Netherlands Red Cross remuneration policy states that the position of Director General, given its scope and challenging character, should be remunerated accordingly. Remuneration is

in line with the Remuneration of Directors of NGOs (Code Wijffels) and the Act on Disclosure of Publicly Funded Top-end Incomes (*Wet Openbaarmaking uit Publieke middelen gefinancierde Topinkomens – WOPT*) or Balkenende Norm).

Communication

The Netherlands Red Cross greatly values clear and transparent communication with its relations, be they beneficiaries, members, donors, volunteers or the general public. By means of various online and 'offline' media channels, different target groups are informed about assistance, other operational issues, management and policy, fundraising and financial issues. Copies of the Annual Report and Annual Accounts can be ordered, and the text in full can be viewed on the Netherlands Red Cross website. In 2010 the Red Cross brought into use a new CRM (Customer Relationship Management) system, allowing it to better communicate with its members, volunteers and donors.

2010 also saw the launch of a renewed intranet (for volunteers) and a new website. The Communication Department was divided into a Marketing Communication Department (brand protection, marketing and campaigns) and a Corporate

Communication Department (image management and communication towards strategic relations such as journalists and politicians) in order to give both areas the attention they require. Corporate Communication focused on the internal communication within the Society. The Red Cross Contact & Administration Department manages the CRM system and serves as the first point of contact for anyone wishing to share questions, comments, ideas or complaints over the telephone, or via mail/email.

Annual evaluation

The Board of Governors evaluates its own performance throughout the year. The Chairman of the Board of Governors and the Director General review the latter's performances on an annual basis. In addition, the Board of Governors gives a yearly account to the Members Council on policies pursued in the previous year. External supervision is performed by:

- KPMG Accountants N.V. (external audit)
- Centraal Bureau Fondsenwerving (Central Bureau on Fundraising)

Certification Processes of Providing Assistance

- Harmonisation of the Quality Assessment in the care sector (HKZ certification) for

Additional positions of Members of the Board of Governors and Board of Directors 2010

Mr L.C. Brinkman LLB

Reappointed in 2008 (3rd term), resignation announced in 2011

- Chairman Bouwend Nederland (since 2004)
- Chairman Supervisory Committee APG Groep
- Vice-Chairman VNO-NCW (besides Member Sociaal-Economische Raad)
- President-commissioner RABO-Vastgoed Groep
- Commissioner Van Nieuwpoort (Zand, Grind en Beton) Groep
- Commissioner BMC Policy Advice and Management Consultants Public Sector
- Commissioner Movares Group (v/h Holland Rail Consult)
- President-commissioner Triodos Bank Art Fund
- Chairman Lucas van Leijden Maecenaat (sponsors of Museum Lakenhal)

Mr E.M. d'Hondt LLB

Reappointed in 2009 (3rd term), resigning as of 1 January 2013

- Chairman Board GGD-Nederland
- Chairman Montesquieu Institute
- Chairman Supervisory Board CWZ Hospital
- Chairman Supervisory Board Valkhof Museum
- Chairman Board Nieuwe Hollandse Waterlinie
- Chairman Supervisory Board De Goudse NV
- Member Audit Committee De Goudse NV
- Chairman Supervisory Board Liander BV
- Chairman Supervisory Board Brinkgroep BV
- Member Supervisory Board BMC
- Board Member Stichting AK Bouwmeester
- Board Member Stichting AK SNIP
- Member Supervisory Board Dutch Police Academy
- Board Member Academie voor Wetgeving (Legislation Academy)

H.R.H. Princess Margriet of the Netherlands

Reappointed in 2007 (3rd term), resigned as of 11 December 2010

- Board Member International Federation of Red Cross and Red

Crescent Societies

- Member Recommending Committee Stichting Kinderoncologische Zomerkampen (Foundation Summercamps for Children suffering from Cancer)
- Patroness Nationaal Revalidatiefonds (National Rehabilitation Fund)
- Patroness Vision 2020
- Patroness Landelijke Unie van Vrijwilligers (National Union of Volunteers)
- Patroness SOS-kinderdorpen (SOS Children's Villages)
- Patroness KNCV Tuberculosefonds (Tuberculosis Fund)
- Honorary Chairman Advisory Council Global Health
- Member Honorary Board of the International Paralympics Committee

Mr A.E.M. Theunissen

Reappointed in 2007 (3rd term), resigned as of 11 December 2010

- Chairman Board of Governors Arcus College
- Board Member Frans Gijzels Foundation (Sectie Motary)

Mr V.W.J.A. van Stijn RA MGA

Appointed in 2010 (1st term)

- No additional positions

H.H. Prince Pieter-Christiaan van Oranje-Nassau, van Vollenhoven

Appointed in 2010 (1st term)

- Chairman Laureus Foundation of the Netherlands
- Chairman Foundation Board KUSW
- Vice-Chairman Red Cross Tour Rally
- Board Member Meer Dan Voetbal Foundation
- Founder and Chairman Tignum AG

General (retired) D.L. Berlijn

Appointed in 2010 (1st term)

- DGA Berlijn Consultancy b.v.
- Chairman De Maatschappij
- Board Member Koning Willem I Foundation
- Member Supervisory Board Stichting KLu Historische Vlucht
- Member Supervisory Board Thales Nederland
- Member Supervisory Board National Park de Hoge Veluwe Foundation
- Member Supervisory Board

Slachtofferhulp (Victim Support)

- Member Supervisory Board Sprekersbureau de Assemblée
- Member Supervisory Board Isacar
- Special Advisor to the Onderzoekraad Voor Veiligheid (Security Research Committee)
- Member International Advisory Board Royal Ten Cate
- Member Advisory Board Nintes
- Member Advisory Board Rekkof
- Member Advisory Board Protocol Bureau
- Chairman Advisory Board Dutch Hunting Foundation
- Equerry extraordinaire to H.R.H. Queen Beatrix

J.W. Egtberts

Appointed in 2010 (1st term)

- No additional positions

Mr S. Harchaoui LLB

Reappointed in 2009 (3rd term), resigning as of 1 January 2013

- Chairman Raad voor Maatschappelijke Ontwikkeling (Council for Social Development)
- Board Member NPS (at present NTR)
- Board Member Prince Claus Foundation
- Board Member Nationaal Toneel (National Theatre)

Mrs P.C. Krikke

Reappointed in 2010 (2nd term)

- Member Aegon Association
- Member Advisory Board Eindhoven University of Technology
- Chairman VVD Permanent Scouting-committee
- Member Supervisory Board and Advisory Board National Park De Hoge Veluwe Foundation
- Board Member Lucie Burgers Foundation
- Jury Member Government Manager of the Year Institution

Mrs S.I. van Oord LLB

Reappointed in 2010 (2nd term)

- Shareholder Hillary Step

Mr P. Rosenmöller

Reappointed in 2008 (2nd term)

- Commissioner Nationale Spoorwegen (National Rail)
- Commissioner CSU

- Member Advisory Board APG Groep (since 2008)
- Chairman *Convenant Gezond Gewicht* (Healthy Weight Covenant)
- Ambassador JOGG

Mr I. P.J.A. van Schijndel CEng

Reappointed in 2008 (2nd term)

- Member Supervisory Board De Lage Landen and Obvion
- Member Supervisory Board Robeco
- Chairman Supervisory Board of Theatres Tilburg
- Member Supervisory Board of the Elisabeth Hospital in Tilburg.
- Member Board of Commissioners, CSU Total Care BV
- Chairman Advisory Board *TelewerkForum* (Dutch Telework Forum)
- Chairman Advisory Board of the Industrial Engineering & Innovation Sciences Faculty at the Eindhoven University of Technology

Mrs J.F.M.M. Tummers

Appointed in 2010 (1st term)

- No additional positions

General (retired) Mr W.F. Vader

Reappointed in 2007 (3rd term), resigning as of 11 December 2010

- Chairman of the Haags Monumentenplatform (The Hague Monument Platform)
- Board Member *Stichting Rotary Muziekfondos* (Rotary Music Fund Foundation)
- Board Member *Stichting Collectie Violliteratuur Willem Noske* (Willem Noske Foundation for the collection of violin literature)

Mrs M. Yousufzai

Appointed in 2010 (1st term)

- Member World Connectors Think Tank
- ECHO Ambassador

Mr Dr. C. Breederveld (DIRECTOR GERNAL)

- Member IFRC Audit & Risk Committee
- Member i-Cane Advisory Council
- Board Member *Samenwerkende Hulp Organisaties* (Cooperative of Humanitarian Aid Organisations – hereafter: SHO)

the care provided by us in the Mappa Mondo homes and during the Special Holidays.

- ISO certification For the international aid we provide and the activities concerning tracing and support.

The main working procedures used by the professional support organisation dealing with international aid were reviewed during 2010, rewritten and systematised. Furthermore, many of the main working procedures with regard to assistance have been externally certified (see below). Many of the main working procedures relate to the quality of aid provided. Annual plans, work plans, reports, risk analysis and evaluations have all been given their place within these working procedures. Our cooperation with the 356 local branches and districts has been reviewed and reaffirmed as part of Samen1.

Optimal spending of resources

All funds raised must, where possible, be spent on the Netherlands Red Cross's primary humanitarian mission. In accordance with guidelines of the CBF, the average costs for fundraising in 2008-2010 amounted, on average, to less than 25% of the total of funds raised. Expenditure is tested against the annual and long-term plans, and closely linked to the annual and long-term budgets.

All members of the Netherlands Red Cross Board of Governors and the Board of Directors subscribe to and have signed this declaration of accountability. ■

Complaints procedure

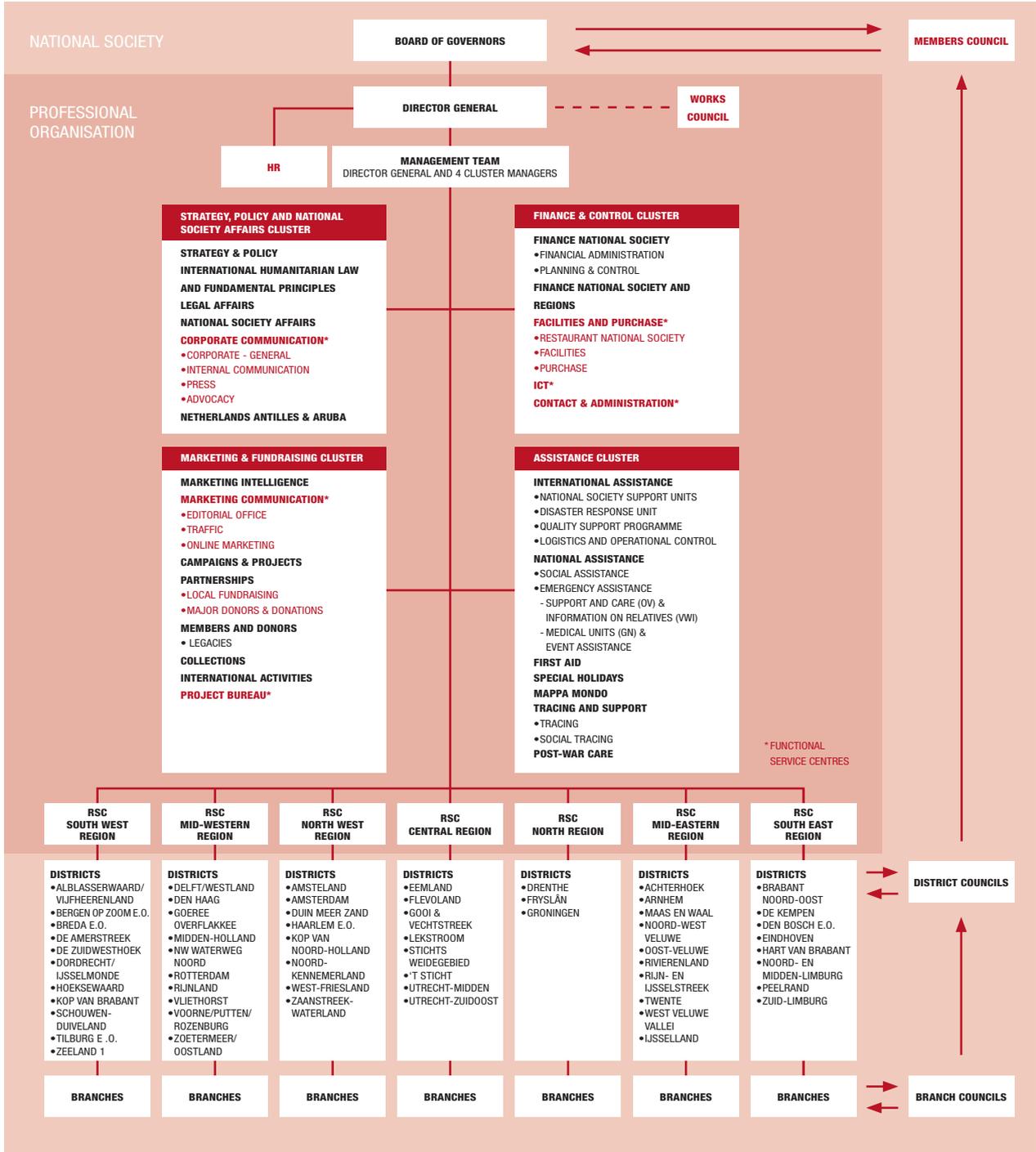
The Netherlands Red Cross complaints procedure consists of two phases:

- 1. Mediation by a complaints officer.**
- 2. Where parties are unable to reach a result satisfactory to both sides, the complaint is submitted to the GBK Board.**

The complaints officer works on behalf of the Netherlands Red Cross and is informed of all internal and external complaints. If mediation is not successful, he directs the complainant to the GBK Board, which is authorised to give binding advice in a dispute or following a complaint. The GBK Council is the independent complaints and disputes commission of the Netherlands Red Cross, set up by the Members Council. In the event of complaints related to the complainant's privacy,

the complaints officer will refer the person concerned to a confidential advisor within the Netherlands Red Cross. The confidential advisor may make recommendations to the Board of Governors following a complaint.

The GBK Board issued five binding recommendations during the year under review, of which two concerned a conflict between three branches and a district regarding the Together 1 project, one concerned an appeal lodged by a volunteer against the termination of his volunteer's agreement and one concerned an appeal lodged by a Board member against his dismissal by the Branch Council. One complaint was not considered as complainants had failed to follow the existing complaints procedure, which precedes the lodging of a complaint with the GBK Board.





Financial POSITION

The Annual Accounts provide an overview and explanation of relevant financial data. The most significant developments are highlighted hereafter, and parts of the underlying financial policy explained.

INCOME AND EXPENDITURE

In 2010 income and expenditure were strongly influenced by the SHO campaigns for Haiti and Pakistan which shows in a funding balance of nearly 15 million in credit. The balance of other activities developed in line with the budget, and therefore changes in the appropriated reserves and going concern reserve remain in line with the budget as well.

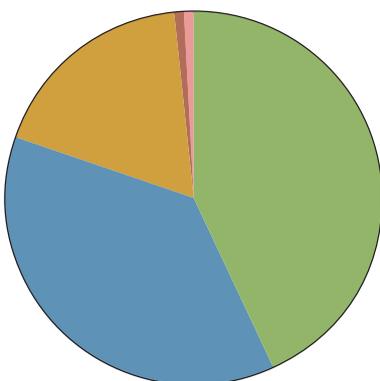
Income Development

Income in 2010 was far greater than expected, mainly due to the success of 3FM Serious Request and the income generated through SHO campaigns for Pakistan and Haiti. Income from SHO campaigns is not budgeted because of its incidental character.

Other income from own fundraising was in line with the budget, showing a 3% rise over 2009. An important trend in recent years is an ever increasing amount of

'earmarked' or donor-restricted funds received. At the same time operational management is financed primarily by income that has not been earmarked and can be used freely. It is important that we adapt our management to this trend.

Specification of income in 2010 is as follows (in EUR millions):



- Own fundraising: 43.3
- Activities by third parties: 37.2
- Government grants: 17.9
- Investments: 1.0
- Other income: 0.6

Total: 100.0 (as opposed to 73.5 budgeted and 73.8 in 2009)

Amounts in EUR millions

A short explanation of the most important components

Own fundraising

The own fundraising consists of income generated through the annual collections, member contributions, financial donations, gifts and donations for national and international purposes, and legacies. The total income from our own fundraising developed in line with the budget, with the exception of positive results for income from contributions and donations and a negative result for income from legacies (both 1 million).

Activities by third parties

Income from activities by third parties was much higher than budgeted (exceeding 30 million Euro). This is mainly due to the 2010 SHO campaigns held for Haiti and Pakistan. In addition the revenue from 3FM Serious Request was much higher than expected.

Government grants

In 2010 income from government grants fell 5 million short of the amount initially budgeted. This was due in particular to the MSF II grants for international projects which had not (yet) been paid up in 2010.

Investments

As a rule, income from investments is budgeted conservatively. The vast majority of income comes from interest on saving accounts, deposits and such like, and a small part (0.1 million Euro) from exchange market results.

Other income

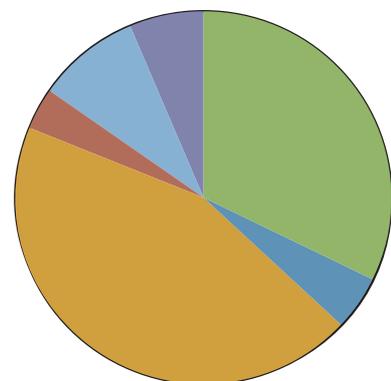
Other income primarily consists of income from the sale of a number of properties owned by local branches. Because of its incidental character, this type of income is usually not budgeted.

Developments in expenditure

Expenditure in 2010 was higher than budgeted, due to the expenditure from earmarked funds received through 3FM Serious Request and the SHO campaigns for Haiti and Pakistan. This income has not yet been spent entirely; the remainder has been put in donor-restricted funds under the label 'earmarked income' and will be

included in the 2011 reports. With the exception of these earmarked expenses, all other assistance-related expenditure is in line with the budget. This is important as the Netherlands Red Cross strives to spend the maximum amount of funds on assistance and limit the expenses on fundraising and management and administration where possible – provided the quality of its organisation and management and assistance working procedures is guaranteed.

The specification of expenditure over 2010 is as follows (in EUR millions):



- National social and emergency aid: 29.2
- Preparing and coordinating of international activities: 4.5
- International activities: 40.0
- Information and awareness: 3.3
- Generating income: 7.9
- Management and administration: 5.7

Total: 90.7 (as opposed to 83.0 budgeted and 77.0 in 2009)

Amounts in EUR millions

A short summary of the most important components.

Expenditure on objectives

The change in expenditure is primarily caused by the international activities. This is a direct result of the above-mentioned income from SHO campaigns. Other expenditure is in line with the budget.

The expenses are:

- International activities. Distinction is made between costs related to preparing and coordinating of activities and the activities proper. The first category includes central costs for start-up and implementation of projects and contributions to the International Federation and ICRC. The second category concerns project costs proper, including staffing costs, and cost of assistance items and equipment.
- National social and emergency aid. This covers expenses on both emergency assistance and social assistance in the Netherlands, including expenses on emergency aid, First Aid, Tracing and Restoring Contact, and support for our volunteers. Also included are expenses on our Special Holidays in, for example, Valkenberg and IJsselviëdt, on the ship 'J. Henry Dunant', and the exploitation costs of the Mappa Mondo Homes.
- Information and awareness. These include all expenses related to Red Cross communication-based objectives such as press briefings and dissemination of International Humanitarian Law.

Generating income

In 2010 one of our ambitions was to put a halt to the rising fundraising costs (in order to bring the total of fundraising costs down to a lower percentage of the cost total). We succeeded in our ambition: in an absolute sense fundraising costs fell sharply compared to 2009 and remained well below the specified amount in the 2010 budget. In view of the slight increase in income this also means a significant fall of the fundraising percentage to 18%, which was well below the Central Bureau Fundraising ceiling for fundraising costs (25%).

Management and administration

Expenditure with regards to management and administration is in line with the budget and fell slightly in 2010 in comparison to 2009. Its percentage in the total cost equally fell, but this was mainly due to the above-mentioned higher expenditure in relation to the SHO income for Haiti and Pakistan.

FINANCIAL POSITION

Netherlands Red Cross policy is to use the money it receives to meet its objectives, instead of hoarding it. Continuity in aid, however, requires us to maintain some reserves so that we can respond quickly to disasters or emergencies. Furthermore a limited going concern reserve which guarantees continuity in operational management for some time should be maintained. For further information on this topic please refer to our paragraph on reserves and funds.

Tangible Fixed assets

Main investments in 2010 related to phase II of the replacement of our ICT systems and the development of a new website. Both projects were finalised in September 2010. In addition, the renovation of our ship *J. Henry Dunant* was completed and a number of local branches invested in new accommodation.

Investments

The Netherlands Red Cross investment policy, based on the seven Fundamental Principles, was approved at the Members Council in December 2006. The policy is in line with the *Uitgangspunten Reserves en Beleggingsbeleid* (Guiding Principles Reserves and Investment Policy), as included in the CBF regulations.

Main elements of our investment policy are:

- Safeguarding of principal sum;
- Protection against undesirable financial risks, such as interest rate risks, exchange rate risks, credit risks or liquidity risks;
- Assessment of performances over a period of five years;
- Using revenue to meet objectives;
- Investments preferably in current account, savings account, deposit accounts and guaranteed products;
- Intrinsic testing of compliance investment portfolio with seven Fundamental Principles.

In 2011, 5 years after approving the investment policy, we shall carry out an evaluation and make adjustments where necessary. The National Society does not carry any investments at present and has all its surplus funds in savings accounts. Since 2006 local branches are required to bring their investments in line with the nationally approved investment policy.

Reserves and funds

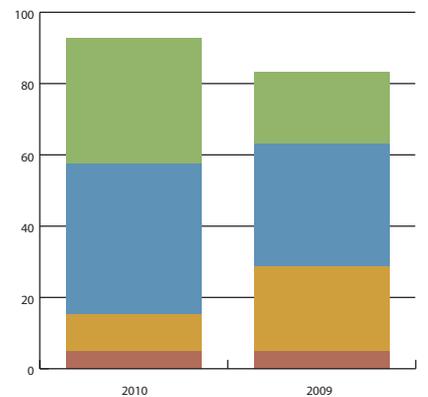
The Netherlands Red Cross holds a going concern reserve meant to finance the costs of the professional workforce if, for whatever reason, income should be lost. Furthermore, continuity of our assistance must be guaranteed. CBF regulations specify that this reserve shall not exceed the annual operating costs by more than 150%; the Netherlands Red Cross, however, has set the maximum at 100%, i.e. the going concern reserve

should not exceed the annual operating costs. Currently the going concern reserve amounts to € 10.5 million Euro, with the maximum amount set at €38.7 million.

In 2010 the going concern reserve fell by 13 million Euros. This fall is partly due to the establishment of a solidarity reserve replenished by the more affluent local branches' capital and used to either support financially weak local branches or for international activities. In 2010 this solidarity reserve was built up to 7 million Euros, 1.1 million Euro of which was used to support several local branches. Furthermore, it is our policy to hold on to a reserve to finance assets. The Netherlands Red Cross does not directly control the value of these assets until after a sale, and therefore holds on to this specific reserve, insofar as these assets are financed out of own funds. This reserve rose by 2 million Euros, which was taken out of the going concern reserve (shift in net worth). The falling going concern reserve was also caused by a fall in operational costs of 4 million Euros, which was in line with the budget.

Earmarked income donated to the Netherlands Red Cross by third parties is placed in donor-restricted funds. General policy is to spend these funds on the specified objective within three years from the moment of donation. A significant rise by 15 million in 2010 is the result of revenues from SHO and 3FM Serious Request. A part hereof has not yet been spent.

Year-end 2010 shows the following composition of capital (in EUR millions):



- Donor-restricted funds: 35.0 (2009: 20.2)
- Appropriated reserves: 42.3 (2009: 34.4)
- Going concern reserve: 10.5 (2009: 23.9)
- Revaluation reserve: 4.8 (2009: 4.8)

Total: 92.6 (2009: 83.3)
Amounts in EUR millions

Budget 2011 (in EUR millions)

	Budget 2011	Realisation 2010	Deviation
Income from own fundraising			
Collections	1,9	1,9	-
Contributions	17,5	17,1	0,4
Gifts and donations			-
- For national purposes	6,5	7,0	-0,5
- For international purposes	6,1	6,7	-0,6
Legacies	11,5	10,7	0,8
	43,5	43,4	0,1
			-
Income from activities by third parties	6,6	37,2	-30,6
Available from fundraising	50,1	80,6	-30,5
Government grants	18,9	17,9	1,0
Income from investments	0,3	1,0	-0,7
Other income	0,1	0,5	-0,4
Total income	69,4	100,0	-30,6
Expenditure on objectives (19)			
Information and awareness	4,0	3,3	0,7
Preparing and coordinating international activities	4,2	4,5	-0,3
International activities	34,3	40,0	-5,7
National social and emergency aid	27,7	29,2	-1,5
Total expenditure on objectives	70,2	77,0	-6,8
Generating income	8,1	8,0	0,1
Management and administration	4,8	5,7	-0,9
Total expenditure	83,1	90,7	-7,6
Balance	-13,7	9,3	-23,0
Appropriation of the balance			
Appropriated reserves	-1,1	-1,4	0,3
Going concern reserve	-2,2	-4,1	1,9
Donor-restricted funds	-10,4	14,8	-25,2
	-13,7	9,3	-23,0

The National Society and local branches work plans and activity plans have been translated into a budget which was approved by the Members Council in December 2010.

The budget presents the earmarked funds separately, as this income is added to the donor-restricted funds and any future expenditure will be taken out of these donor-restricted funds as well. The 2011 budget therefore shows a 10.4 million surplus of earmarked expenditure over earmarked income, which is primarily due to the expenditure of the remainder of funds from the SHO campaigns for Haiti and Pakistan and 3FM Serious Request in 2010. Once again, because

of their unpredictable character, such campaigns will not be budgeted for in 2011.

A net withdrawal of 1.1 million Euros is budgeted for in the appropriated reserves. The change in the going concern reserve reflects the operational deficit which has been budgeted at 2.2 million Euros.

The Budgeted income and expenditure are mostly in line with the 2010 realised outcome, with the aforementioned exception of the earmarked funds. Income from investments and other income have as always, been budgeted conservatively.

On the expenditure side expenses on our international activities were lower than in 2010, but high with regards to aforementioned campaigns. The fact that the SHO campaigns were not budgeted accounts for this discrepancy. Costs of management and administration in 2011 will be significantly lower than in 2010; costs of fundraising (following a sharp decline in 2010) will, on the whole, stay the same. ■

CONSOLIDATED ANNUAL ACCOUNTS 2010

Consolidated Balance Sheet as of 31 December 2010 (in Euro thousands)

ASSETS	31-12-2010	31-12-2009
Tangible fixed assets (1)		
- Buildings	23.864	22.754
- Vehicles	1.867	1.797
- Other fixed assets	6.222	4.913
	31.953	29.464
Stocks (2)	406	492
Accounts receivable and prepayments (3)	36.630	32.495
Securities (4)	6.000	6.505
Cash and cash equivalents (5)	45.380	41.232
	88.416	80.724
Total	120.369	110.188

LIABILITIES	31-12-2010	31-12-2009
Reserves and funds		
Reserves		
- Going concern reserve (6)	10.492	23.894
- Appropriated reserves (7)	42.288	34.410
- Revaluation reserves (8)	4.821	4.821
	57.601	63.125
Funds		
- Donor-restricted funds (9)	35.002	20.161
Total reserves and funds	92.603	83.286
Provisions (10)	5.793	6.392
Long-term debts (11)	3.665	3.851
Short-term debts (12)	18.308	16.659
Total	120.369	110.188

Consolidated statement of income and expenditure 2010 (in Euro thousands)

INCOME	Actual 2010	Budget 2010	Actual 2009
Income from own fundraising			
Collections	1.851	1.898	1.852
Contributions	17.087	15.953	14.714
Gifts and donations:			
- For national purposes (13)	6.997	6.962	7.280
- For international purposes (14)	6.693	7.121	6.512
Legacies	10.716	11.674	11.780
	43.344	43.608	42.138
Income from activities by third parties (15)	37.220	6.700	9.293
Available from fund raising 1	80.564	50.308	51.431
Government grants (16)	17.896	22.955	19.384
Income from investments (17)	1.036	194	1.672
Other income (18)	551	88	1.353
Total income	100.047	73.545	73.840

EXPENDITURE	Actual 2010	Budget 2010	Actual 2009
Expenditure on objectives (19)			
Information and awareness	3.297	3.729	4.866
Preparing and coordinating international activities	4.496	4.454	4.594
International activities	40.012	31.299	24.457
National social and emergency aid	29.154	28.862	26.957
Total expenditure on objectives	76.959	68.344	60.874
Generating income (19):			
Costs of own fundraising activities	7.900	8.807	10.145
Costs of activities by third parties	152	160	132
Total costs generating income	8.052	8.967	10.277
Management and administration (19):			
Costs management and administration	5.719	5.713	5.890
Total management and administration	5.719	5.713	5.890
Total expenditure	90.730	83.024	77.041
Balance	9.317	-9.479	-3.201
Total	100.047	73.545	73.840

Consolidated statement of income and expenditure 2010, continued (in EUR thousands)

Appropriation of the balance			
- Transaction donor-restricted funds	14.841	-3.239	729
- Transaction appropriated reserves	-1.386	-1.968	1.360
- Transaction going concern reserve	-4.138	-4.272	-5.290
	9.317	-9.479	-3.201
- Fundraising percentage (standard 25%): (Costs fundraising as a percentage of income own fundraising)	18,23%	20,20%	24,08%
- Expenditure percentage: (Total expenditure on objectives as a percentage of total income)	76,92%	92,93%	82,44%
- Expenditure percentage expenditure: (Total expenditure on objectives as percentage of total expenditure)	84,82%	82,32%	79,02%

Consolidated cash flow statement (in EUR thousands)

	2010		2009	
Balance for the year		9.317		-3.201
Adjustment for:				
- Depreciation	2.387		2.886	
- Changes in provisions	-599		-267	
		1.788		2.619
Changes in working capital:				
- Changes in stocks	86		151	
- Changes in accounts receivable	-4.135		-5.047	
- Changes in short-term debts	1.648		3.613	
		-2.401		-1.283
Net cash flow from operating activities		8.704		-1.865
Net investment in tangible fixed assets	-4.876		-3.687	
Securities bought and sold on balance	506		11.241	
Net cash flow from investment activities		-4.370		7.554
Changes in long-term debts	-186		-150	
Cash flow from financing activities		-186		-150
Changes in cash and cash equivalents		4.148		5.539
Cash and cash equivalents				
- Balance at 1 January	41.232		35.693	
- Balance at 31 December	45.380		41.232	
Changes in cash and cash equivalents		4.148		5.539

Notes

General

The consolidated financial statements for 2010 were drawn up in accordance with the provisions in the Guidelines Reporting Fundraising Institutions (*Richtlijn Verslaggeving Fondsenwervende Instellingen - RJ650*). The aim of these financial statements is to provide insight into income and expenditure, the financial position of the Netherlands Red Cross and the legal entities that form part of this economic unity.

Principles of consolidation

The consolidated financial statements include the financial data for the Netherlands Red Cross, the independent entities operating under one name and in this capacity calling on the general public's generosity, and those entities over which they have a controlling influence.

The consolidated financial statements include the financial figures for the following legal entities:

- The Netherlands Red Cross in The Hague
- Local branch of Haarlem
- Local branch of Haarlemmermeer
- Local branch of Zandvoort
- District office Duinmeer Zand
- Stichting Rode Kruis Bungalow (Red Cross Bungalow Foundation) in Eindhoven
- Stichting Nationale Rode Kruis Tourrally (Tourrally National Red Cross Foundation) in The Hague

- Stichting Naobercolonne (Naobercolonne Foundation) in Dalen
- Stichting Vakantieverblijf Gehandicapten WZV (Holiday Homes for the Disabled, West Zeeuws-Vlaanderen, foundation) in Oostburg
- Stichting Vrienden van het Horster Kruuske (Friends of the Horster Kruuske Foundation) in Venlo
- Stichting Nationale Rode Kruis Bloesemtocht (Foundation for the National Red Cross Blossom Parade) in Beesd
- Stichting Rode Kruisgebouwen (Red Cross Buildings Foundation) in Hoogeveen

Principles of valuation and presentation

General

The financial statements were prepared on the basis of historical costs. Unless stated otherwise, assets and liabilities have been included at their nominal value. Items on the balance sheet in foreign currency have been translated using the exchange rates as per date of the balance sheet. Any gains or losses resulting from this translation are accounted for in the consolidated statement of income and expenditure under Income from Investments. Unless stated otherwise, all amounts are in thousands of Euro.

As of 2010 costs have been attributed following the new organisational structure resulting from the Samen 1 merger.

Tangible fixed assets

The assets for own use included under tangible fixed assets are valued at acquisition cost. The operating assets and the assets directly in use for NRC's objectives are depreciated using the straight-line method based on the expected useful life. The investment properties included under the tangible fixed assets are recognised at the estimated market value which is derived from the most recently available appraised value. Investment properties are not depreciated.

Stocks

Stocks are valued at acquisition cost, taking into account a provision for obsolete goods.

Financial instruments

The financial instruments of the Netherlands Red Cross include accounts receivable and prepayments, cash, debts, accounts payable and other debts. At first valuation financial instruments are recognised at actual value. Direct transaction costs are a part of the actual value. Following the first valuation, financial instruments are valued as mentioned below.

Accounts receivable and prepayments

Accounts receivable and other claims are included at the amortized cost price based on the effective interest method, minus the impairment charge.

Capital in bare ownership

With the exception of property already in the Society's name, the capital acquired through legacies where third parties enjoy the usufruct are not included in the financial statements because of the uncertainty regarding the size and timing of future payments. The capital sums that reach payout are recognised in the statement of income and expenditure in the year in which the size of the payment can be reliably determined.

Securities

Shares and bonds are valued at market price. All realised and unrealised changes in value are recognised in the statement of income and expenditure under income from investments.

Provisions

Provisions are recognised at the nominal value of the commitments.

Other financial obligations

Loans, accounts payable and other debts are included at the amortized cost price based on the effective interest method.

Accounting principles for the determination of the result

Income from own fundraising is recognised for the amounts received or promised, without any deduction being made for any costs made by the organisation itself.

Donations in kind are valued at fair value.

Legacies

Legacies are included as income in the financial year in which the size of the legacy is reliably established. Provisional payments in the form of advanced payments are recognised as income from legacies in the financial year in which they were received in case an earlier reliable estimate was not possible.

Income from activities by third parties

The income from activities by third parties covers the activities for which the Society does not bear any risks. This income is accounted for in the period in which the proceeds are received or have been promised by the third party in question.

Government grants

Grants which provider has made conditional upon project costs are recognised as income in the statement of income and expenditure in the year in which the subsidised expenditure took place.

Expenditure

Contributions promised to international activities are accounted for as expenditure in the year in which the commitment was made. Other expenditure is allocated to the year it concerns.

Allocation of costs

Allocation of costs takes place as follows:

- Costs for management and administration (costs of Board of Directors, strategy and finance) are allocated directly.
- Costs that cannot be allocated directly (the costs for ICT, HR and facility services) are allocated on the basis of the number of FTE.

Notes to the consolidated Balance sheet as of 31 December 2010 (in EUR thousands)

TANGIBLE FIXED ASSETS (1)	Buildings	Vehicles	Other fixed assets	Total 2010	Total 2009
Acquisition cost as of 1 January	48.165	3.540	8.207	59.912	56.225
Investments	1.871	309	2.696	4.876	3.687
Acquisition cost as of 31 December	50.036	3.849	10.903	64.788	59.912
Depreciation up to and including previous financial year	25.411	1.743	3.294	30.448	27.562
Depreciation current financial year	761	239	1.387	2.387	2.886
Depreciation up to and including current financial year	26.172	1.982	4.681	32.835	30.448
Book value as of 31 December	23.864	1.867	6.222	31.953	29.464
Specification:					
Operational assets	2.418	-	3.732	6.150	9.114
Used directly for NRC's objective	16.443	1.867	2.490	20.800	15.347
Property investment	5.003	-	-	5.003	5.003
Book value as of 31 December	23.864	1.867	6.222	31.953	29.464
<i>Book value as of 31 December 2009</i>	<i>22.754</i>	<i>1.797</i>	<i>4.913</i>	<i>29.464</i>	
Base for depreciation (as a percentage of acquisition cost):					
Buildings		2-4%			
Renovations		10,0%			
Henry Dunant III holiday ship		5,0%			
Vehicles		10-20%			
ICT		14-33%			
Furniture and fixtures		12,5%			
Other		20,0%			

The tangible fixed assets 'used directly for NRC's objectives' consist primarily of the branches' premises, the holiday hotels, the holiday ship and Mappa Mondo homes. Investments are primarily replacement investments and a renovation of the Henry Dunant ship. Property investments are not depreciated. The total insured value of the tangible fixed assets is €92,727.

STOCKS (2)	31-12-2010	31-12-2009
Operational assets	50	58
Directly available for NRC's objective	356	434
Total	406	492

ACCOUNTS RECEIVABLE AND PREPAYMENTS (3)	31-12-2010	31-12-2009
Accounts receivable related to international activities	6.942	7.148
Debtors	2.230	3.803
Legacies receivable	10.391	11.830
SHO Haiti	5.081	-
National Postcode Lottery (Nationale Postcode Loterij)	3.600	3.600
To be received 3FM Serious Request	3.512	2.482
Taxes and social security payments	787	701
Other accounts receivable and prepayments	4.087	2.931
Total	36.630	32.495

Nearly all accounts receivable have a remaining term of less than one year.

SECURITIES (4)	Shares	Bonds	Investment funds	Total 2010	Total 2009
Book value as of 1 January	1.239	5.214	52	6.505	17.746
Purchases	59	523	9	591	10.703
Sales	-245	-957	-	-1.202	-22.738
	1.053	4.780	61	5.894	5.711
Price gains	106	1	-1	106	794
Book value as of 31 December	1.159	4.781	60	6.000	6.505

The Netherlands Red Cross subscribes to the 'Reserves and Investments Policy' principles, as specified in the CBF regulations. The Netherlands Red Cross investment policy is in part based on the Funding of Decentralised Public Authorities Act (Wet Financiering Decentrale Overheden).

Notes to the consolidated Balance sheet as of 31 December 2010, continued (in EUR thousands)

CASH AND CASH EQUIVALENTS (5)	31-12-2010	31-12-2009
Deposits	1.655	2.704
Saving accounts	28.902	25.515
Current accounts	14.624	12.845
Cash in hand	199	168
Total	45.380	41.232

With the exception of deposits, cash and cash equivalents are available on demand. Deposits have on average a remaining term time of between six and twelve months.

Reserves and funds

In accordance with the Guidelines on Reporting by Fundraising Institutions, reserves and funds should be divided into two separate categories. Reserves cover the going concern reserve, the revaluation reserve and part of the reserves that the Board of Governors has designated for specific objectives (so-called appropriated reserves). Funds include donations earmarked by a third party (the Netherlands Red Cross may only spend that money on specified objective).

GOING CONCERN RESERVE (6)	2010	2009
Balance as of 1 January	23.894	30.343
Transaction solidarity reserve	-6.995	-
Transaction reserve for asset financing	-2.269	-1.159
Appropriation of balance for the year	-4.138	-5.290
Balance as of 31 December	10.492	23.894

The going concern reserve is intended as a buffer in the event of disappointing income or unexpected expenditure. This reserve enables the Netherlands Red Cross to continue its work in challenging times.

As holder of the CBF seal of approval, the Netherlands Red Cross is required to comply with the regulations on maintaining or building up reserves as well as guidelines regarding annual reporting on equity policy for fundraising institutions. Further to the guideline, the Netherlands Red Cross Board of Governors has decided to set the standard value for the going concern reserve of the Netherlands Red Cross as a whole at a maximum of 1.0 times the organisation's annual operating costs. Given the annual values in 2010, this gives a maximum value for the continuity reserve on 31 December 2010 of €38,727. That amount is higher than the current reserve of €10,492.

APPROPRIATED RESERVES (7)	Co-financing/ International	Climate Centre/ Projects	Together 1	Solidarity reserve	Other NRC entities	Reserve for asset financing	Total 2010	Total 2009
Balance as of 1 January	146	595	600	-	8.456	24.613	34.410	31.892
Transaction reserve for asset financing	-	-	-	-	-	2.269	2.269	1.159
Additions	1.500	-	-	6.995	3.240	-	11.735	6.781
Withdrawals	-1.261	-320	-600	-1.121	-2.824	-	-6.126	-5.422
Balance as of 31 December	385	275	-	5.874	8.872	26.882	42.288	34.410

The Board of Governors has decided to set up an appropriated reserve for co-financing/ international activities. This appropriated reserve is used to finance projects for which no funding by third parties was found or where the donors require the Netherlands Red Cross to take up part of the financing. In 2010 the appropriated reserve rose by € 1,500 (donation). In 2010 € 1,261 was used in line with reserve's objective.

A sum of € 320 was withdrawn for the appropriated reserve Climate Centre/Projects in 2010. The remaining € 275 was divided over the Netherlands Red Cross annual contribution the Climate Centre (€ 120) and First Aid (€ 155). The appropriated reserve Together 1/House in Order was used in its entirety in 2010.

Within the Samen 1 framework the solidarity reserve was opened in 2010 by collecting contributions from local Red Cross entities whose free reserves are higher than the maximum norm (1.5 times the costs of own organisation, equal to the CFB norm). The reserve is established to: 1) support those local Red Cross entities that have insufficient means; 2) spend on international activities. In 2010 € 1,121 was used from the solidarity reserve to support local activities.

The appropriated reserve Other NRC Entities was established by the Boards of local NRC entities. The main part of the appropriated reserve (over 75%) is meant to maintain or buy assets in future times.

The fact that own capital was used to finance assets explains the continuation of an appropriated reserve. Because the NRC has no direct control over the value of these assets until after a sale, this has been accounted for as an appropriated reserve. Its volume equals the part own capital in operational assets and assets in use directly for NRC's objectives, plus the stocks minus financing by third parties.

The above appropriated reserves are not subject to any requirements. The restrictions governing expenditure are designated by the Board of Governors.

Notes on the consolidated Balance sheet as of 31 December 2010, continued (in EUR thousands)

REVALUATION RESERVE (8)

The revaluation reserve relates to the unrealised revaluation of the investment properties included under the tangible assets - it remained at the same level in 2010. As with the reserve for asset financing this reserve only becomes available for NRC's objectives when properties are sold.

DONOR-RESTRICTED FUNDS (9)	Internat. activities	Mappa Mondo	Other	Total 2010	Total 2009
Balance as of 1 January	11.578	1.850	6.733	20.161	19.432
Total income	52.769	891	2.897	56.557	28.638
Total expenditure	-38.162	-1.021	-2.533	-41.716	-27.909
Balance as of 31 December	26.185	1.720	7.097	35.002	20.161

Donor-restricted funds include those reserves and funds which have restricted expenditure options, either because a third party (the donor) has specified such a restriction or because the money was collected for a specific purpose. Additions to donor-restricted funds are a result of earmarked gifts and (government) grants received. The Netherlands Red Cross has a policy to spend the money in donor-restricted funds on its specified purpose within three years of receiving the sum.

SPECIFICATION DONOR-RESTRICTED FUNDS	31-12-2010	31-12-2009
International activities:		
Africa	298	298
Asia & Pacific	1.704	1.739
Europe & Central Asia	168	10
Latin America	652	88
Middle East & North Africa	228	176
SHO - Pakistan	1.804	-
SHO - Haiti	9.361	-
3FM Serious Request (2010: HIV/Aids; 2009: Malaria)	7.471	4.765
Other funds	4.499	4.502
Total international activities	26.185	11.578
Mappa Mondo	1.720	1.848
Other national donor-restricted funds	7.097	6.735
Total	35.002	20.161

The table above also includes an amount of €34 under the heading Reddingsboei Fonds (Lifebuoy Fund), which is intended as support for activities financed by the *Stille Rampen Fonds* (Hidden Disaster Fund).

PROVISIONS (10)	Personnel	Major Maintenance	Total 2010	Total 2009
Balance as of 1 January	4.848	1.544	6.392	6.659
Additions	1.262	316	1.578	797
Withdrawals	-1.702	-475	-2.177	-1.064
Balance as of 31 December	4.408	1.385	5.793	6.392

Provisions for personnel are used for VUT (early retirement) and pension schemes (€3,380), pension top-ups (€141) and anniversaries (€151). In addition a provision has been made to improve the current pension scheme (€736). All provisions tend to run long-term.

LONG-TERM DEBTS (11)	31-12-2010	31-12-2009
Credit institutions	569	843
Project commitments	2.976	2.868
Other debts	120	140
Total	3.665	3.851

The long-term debts with credit institutions were generally incurred in order to finance the property of the local branches. The repayment commitments for the new financial year have been classified under short-term debts. At year-end 2010, the interest rate on these loans ranged from 0% to 8%. A number of long-term debts have collateral in the form of mortgages on property. In addition, an interest-free loan has been taken out to finance assets in the context of the NRC's objectives. The project commitments relate to commitments made to other National Societies and third parties with regards to financing international aid projects. The short-term portion of these commitments has been included under short-term debts.

SHORT-TERM DEBTS (12)	31-12-2010	31-12-2009
Accounts payable	3.083	3.462
Project commitments	5.953	5.734
Taxes and social security payments	1.125	995
Repayment credit institutions	10	10
Other income received in advance	3.010	3.310
Other debts	5.127	3.148
Total	18.308	16.659

Off-balance sheet liabilities

Long-term, unconditional financial commitments have been made for ground leases, rental and operational leasing. The resulting commitments total €1,772 for 2010 (2009: €1,881).

Notes to the consolidated sheet of income and expenditure over 2010 (in EUR thousands)

GIFTS AND DONATIONS FOR NATIONAL PURPOSES(13)	Actual 2010	Budget 2010	Actual 2009
Private fundraising	1.213	1.488	1.555
Corporate fundraising	1.518	788	573
Local fundraising	2.878	1.715	2.150
Special holidays	116	1.481	265
Mappa Mondo	237	1.110	1.466
National emergency assistance	109	109	109
Post-war care	204	-	161
Social assistance	21	-	93
For other national purposes	701	271	908
Total	6.997	6.962	7.280

GIFTS AND DONATIONS INTERNATIONAL PURPOSES(14)	Actual 2010	Budget 2010	Actual 2009
Emergency Assistance	3.224	2.006	1.610
Programme funds PSO	919	508	431
For other for international purposes	2.550	4.607	4.471
Total	6.693	7.121	6.512

In the 2009 Annual Accounts the heading Own Campaigns was included in the list. As of 2010 Own Campaigns fall under Gifts and Donations.

INCOME FROM ACTIVITIES BY THIRD PARTIES (15)	Actual 2010	Budget 2010	Actual 2009
National Postal code Lottery, regular contribution	3.600	3.600	3.600
National Postal code Lottery, additional project contribution	20	-	39
3FM Serious Request	7.471	2.300	4.765
SHO Foundation	25.437	-	-
<i>Vriendenloterij</i> (Sponsor Lottery)	692	800	889
Total	37.220	6.700	9.293

The National Society has a contract with the National Postcode Lottery Foundation, in which the Netherlands Red Cross is named as a beneficiary.

Income from the 3FM Serious Request relates to the part the Netherlands Red Cross received directly as a result of the campaign. In 2010 the Glass House was located in Eindhoven and there was a campaign for one week on behalf of HIV/AIDS orphans. In 2009 in Groningen, the fight against malaria was the chosen theme for the campaign.

Income from the SHO Foundation relates to the part received by the Netherlands Red Cross from the total SHO proceeds following its campaigns for the disasters in Pakistan and Haiti. The Pakistan campaign was started by the Netherlands Red Cross but eventually taken over by SHO. The proceeds received directly have been included under 'Gifts and Donations, international objectives', and amount to €2.3 million.

GOVERNMENT GRANTS (16)	Actual 2010	Budget 2010	Actual 2009
Grants received for:			
- National projects/activities	5.761	5.591	5.149
- International projects/activities	12.135	17.364	14.235
Total	17.896	22.955	19.384

The actual figures do not match the figures budgeted because MFS II subsidies for international projects were not (yet) paid up in 2010.

INCOME FROM INVESTMENTS (17)	Actual 2010	Budget 2010	Actual 2009
Results from securities and deposits	413	356	1.269
Other interest	623	-162	403
On balance	1.036	194	1.672

Notes to the consolidated sheet of income and expenditure over 2010 (in EUR thousands)

OTHER INCOME (18)

Gains on the sale of premises belonging to local branches are also categorised under Other Income.

	2010	2009
Donor-restricted income		
<i>International activities</i>		
Ministry of Foreign Affairs	5.757	10.408
European Union	6.378	3.827
Gifts for international assistance	6.807	4.908
3FM Serious Request	7.471	4.765
SHO Foundation - Pakistan	3.865	-
SHO Foundation - Haiti	21.572	-
PSO	919	431
	52.769	24.339
<i>Social assistance and emergency assistance national</i>		
Fundraising Mappa Mondo	891	1.540
Other national causes	2.897	2.759
Total	56.557	28.638

SPECIFICATION OF ALLOCATION OF COSTS (19)	ACTIVITIES							Total 2010	Budget 2010	Total 2009
	Information and awareness	Preparing and coordinating international activities	International activities	National social aid and emergency aid	Own fundraising	Activities by third-parties	Management/ Administration			
COSTS										
Direct costs										
Direct staff costs	1.433	2.699	2.208	15.331	1.776	39	-	23.486	22.438	15.673
Contribution to international organisation	-	1.038	-	-	-	-	-	1.038	1.000	757
Staff hired (including volunteer expenses)	172	201	5	3.598	308	-	-	4.284	3.708	4.236
Purchases and acquisitions	2	1	-	1.005	1	-	-	1.009	997	1.494
Publicity/communication/mailing	963	9	-	250	3.827	100	-	5.149	6.462	6.985
Expenses by local branches	-	-	-	5.486	-	-	-	5.486	7.868	6.464
Project expenses, international projects	-	-	36.683	-	-	-	-	36.683	29.770	21.065
Housing and transportation	-	15	-	2.237	24	-	-	2.276	2.219	3.447
Depreciations	1	-	-	667	1	-	-	669	1.052	649
Office and general costs	394	-	3	1.022	944	4	-	2.367	1.806	4.287
Reimbursement costs	-60	-25	-110	-6.728	-35	-	-	-6.958	-8.276	-5.470
Indirect costs										
Indirect staff costs	67	122	165	949	110	2	2.845	4.260	4.572	5.846
Travel and accommodation costs	-	1	1	6	1	-	1	10	14	387
Other staff costs	57	107	138	780	84	2	828	1.996	1.678	1.504
Office and housing costs	137	154	495	2.411	480	2	501	4.180	3.791	4.015
Depreciation	54	69	179	895	163	1	407	1.768	1.755	1.893
Other general costs	77	105	245	1.245	216	2	1.137	3.027	2.170	3.809
Total	3.297	4.496	40.012	29.154	7.900	152	5.719	90.730	83.024	77.041

The above table includes expenses for projects in Haiti (€ 11.5 million in provided support, either directly or through the International Federation; €0.7 million for preparation and coordination) and Pakistan (€4.2 million in provided support, either directly or through the International Federation; €0.2 million for preparation and coordination).

From the above table it transpires that the costs for Management and Administration account for 6.3% of all expenditure (budget 2010: 6.9%); this percentage is lower than budgeted due to the higher project expenses for international activities (programmes and disasters).

Notes on the consolidated statement of income and expenditure over 2010, continued
(in EUR thousands)

STAFF COSTS	Actual 2010	Budget 2010	Actual 2009
Salaries	19.083	18.171	17.861
Social security contributions	2.939	3.892	2.731
Pension cost	1.059	1.159	927
Subtotal	23.081	23.222	21.519
Other staff expenses	6.661	5.466	
Total	29.742	28.688	

The Netherlands Red Cross pension plan is placed with various insurance companies. The pension rights are insured on the basis of a guarantee contract: the insurer guarantees the nominal pensions for the duration of the contract. The pension scheme is an average pay scheme with conditional indexation of the profit for both the active and inactive participants. The obligations for the Netherlands Red Cross are limited to paying the agreed annual premium. The Netherlands Red Cross has no additional obligations and no right to the agreed profit sharing based on the insurance contract.

AVERAGE NUMBER OF FTE	Actual 2010	Actual 2009
Direct staff:		
- Information and awareness	19	18
- Preparing and coordinating international activities	35	35
- National social aid and emergency activities	252	223
- Fundraising	27	30
Management/ Administration	36	41
Indirect staff	23	25
	392	372
Employed at local branches of Netherlands Red Cross	2	44
	394	416
International activities (delegates are on employment contracts)	45	39
Total	439	455

Number of FTEs employed as of 31 December 2010 (excluding delegates) is 384.

REMUNERATION BOARD OF DIRECTORS				
Name	C. Breederveld			
Position:	Director General			
Employment:	Term	indefinite		
	Hours	40		
	Part-time percentage	100		
	Calendar year	1/1-31/12		
Salary (EUR):	Annual income	Gross salary	131	
		Holiday allowance	11	
		Annual Bonus	-	
		Variable income	-	
		Total		
	Social security contributions (employer's part)			5
	Taxable fringe benefits			11
	Pension contributions (employer's contribution)			23
	Other periodical remunerations			-
	Payments upon termination of contract			-
	Total salary 2010			181
	<i>Total salary 2009</i>			<i>182</i>

The Director General's annual income of € 142,000 remains below the maximum of € 158,115 as stipulated by the VFI Salary Regulations (*VFI Beloningsregeling*). For further explanation of policy and basis for remuneration of the Board of Directors we refer to the Director's Report.

Explanation:

Taxable fringe benefits relate to the private use of a company car. The pension contributions are those contributions on the part of the employer.

As of 1 January 2011, the Director General's salary will be in compliance with the MFS II (co-financing system 2010-2015) requirements.

The Director General has not received any loans, prepayments or guarantees.

Notes on the consolidated statement of income and expenditure in 2010, continued
(in EURO thousands)

No board member has received a salary, loans, prepayments or guarantees. In 2010 a total amount of €2,271.00 (2009: € 123.00) was paid out to board members in refunds for travel, accommodation and representation costs made in the execution of their duties.

The Hague, 20 April 2011

Board of Governors	
Mr L.C. Brinkman LLB	Chairman (resigning)
Mr E.M. d'Hondt LLB	vice-Chairman (acting Chairman)
Mr V.W.J.A. van Stijn	Treasurer
H.H. Prince P.C. of Oranje-Nassau van Vollenhoven	Board Member
Mr. S. Harchauoui LLB	Board Member
Mrs P.C. Krikke	Board Member
Mrs S.I. van Oord LLB	Board Member
Mr P. Rosenmöller	Board Member
Mr P.J.A. van Schijndel CEng	Board Member
General (retired) D.L. Berlijn	Board Member
Mrs J.F.M.M. Tummers	Board Member
Mrs M. Yousufzai	Board Member
Mr J.W. Egtberts	Board Member
Board of Directors	
Mr dr. C. Breederveld	Director General

OTHER INFORMATION

Result appropriation	2010
Balance	9.317
Total	9.317
This is comprised of:	
Change in appropriated reserves	-1.386
Change in fund for international activities	14.607
Change in other funds	234
Change in going concern reserve	-4.138
Total	9.317

National Headquarters

Income earmarked by third parties is allocated to donor-restricted funds; expenditure on such specified objectives is withdrawn from these funds. Income earmarked by the Board of Governors is allocated to an appropriated reserve, and money spent on such specified objectives is consequently withdrawn from this reserve. The outstanding balance following all transactions from donor-restricted funds and appropriated reserves is - in accordance with a decision of the Netherlands Red Cross Board of Governors – deducted from the going concern reserve.

Other entities

The balance of income and expenditure from local NRC entities is a combination of their separate balances. In accordance with general guidelines and agreements within the Samen 1 framework, the boards of these local NRC entities decide on the appropriation of this balance.

Independent auditor's report

To: Members' Council and the Board of Governors of the Netherlands Red Cross

We have audited the annual accounts 2010 of the Netherlands Red Cross, The Hague, which comprise the balance sheet as at 31 December 2010, the statement of income and expenditure for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the annual accounts and for the preparation of the directors' report, both in accordance with the Guideline for annual reporting 650 "Fundraising Institutions" of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual accounts.

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 annual accounts give a true and fair view of the financial position of the Netherlands Red Cross as at 31 December 2010 and of its result for the year then ended in accordance with Guideline for annual reporting 650 "Fundraising Institutions" of the Dutch Accounting Standards Board.

We report, to the extent of our competence, that the directors' report is consistent with the annual accounts.

Amstelveen, 20 april 2011

KPMG ACCOUNTANTS N.V.

P.W.D. Venhoeven RA

STRUCTURE of the Red Cross

The International Movement of Red Cross and Red Crescent Societies consists of three separate components.

The Movement has a shared mission: 'To prevent and alleviate human suffering wherever it may be found, to protect life and health and to uphold respect for the human individual.'

ICRC – assistance to those affected by conflict

The oldest component of the Movement is the International Committee of the Red Cross (ICRC), which was founded in 1863. The ICRC Headquarters are located in Geneva. The organisation works both on a high diplomatic level and on the battlefield under its motto *inter arma caritas* (mercy in the midst of warfare).

The ICRC plays a leading role in the development, documentation, implementation and dissemination of international humanitarian law. The majority of its competencies and tasks, or mandate, is specified by international humanitarian law, in particular the four Geneva Conventions and the accompanying three Additional Protocols.

In outline the ICRC provides assistance to victims of armed conflict in the following ways:

- Support to prisoners of war and civilians who have been detained because of their involvement in an armed conflict.
- Continuous dialogue on potential violations of international humanitarian law.
- Assistance to family members who have lost contact in the chaos of an armed conflict.

- Emergency assistance or structural assistance (mainly through material support) with the aim of improving the independence/resilience of those in need.

National Red Cross and Red Crescent Societies – national assistance

From 1863 onwards, Red Cross Societies were founded around the world. The Netherlands Red Cross was established in 1867. Today 186 countries have a National Society. National Societies represent the International Red Cross Movement within the borders of their respective countries. Their humanitarian tasks and competences are specified in their own Statutes and in national legislation.

One of the tasks of National Societies is to help their governments in providing humanitarian assistance - for example emergency assistance following a disaster, managing a blood bank or an ambulance service. In addition, National Societies often offer medical or social services to vulnerable groups in society, disseminate information on international humanitarian law or provide individual support, for example to people with HIV/ AIDS or refugees. In a situation of

armed conflict National Societies help the population where possible, and support the medical services of the national armed forces where necessary. This complementary back-up role of National Societies in support of their governments is also called their 'auxiliary role'.

IFRC – assistance and coordination following large-scale disasters

The third component of the Movement is the International Federation of Red Cross and Red Crescent Societies (IFRC), founded in 1919. The IFRC provides support to victims of natural or man-made disasters, and in case of a medical emergency. The Federation leads and coordinates the combined relief effort by National Societies in a disaster area. Additionally it supports National Societies upon request in implementing programmes with regards to disaster relief, health care and social assistance. Like the ICRC, the Federation has its Headquarters in Geneva.

The emblem: letting people know who you are. Who doesn't know the sign of a red cross against a white background? Throughout the world it is one of the best-recognised logos. Less familiar to the general public are the two other emblems

used by the International Red Cross Movement: the red crescent and the red crystal.

All three emblems are defined in the Geneva Conventions. Their use is subject to strict regulations, as stipulated in the Geneva

Conventions and its Additional Protocols, the regulations of the Movement and in national law. Their use is primarily restricted to armed forces medical services and the various components of the Red Cross and Red Crescent Movement.



In war time, the emblem is used to protect medical personnel and objects used by them against armed attack. Army medical staff and Red Cross staff display the emblem on their clothing or place it on roofs of military and civilian hospitals or on medical support vehicles. Misuse of the emblem is prohibited by international and national law. According to the Geneva Conventions, states have an obligation to adopt legislation with regards to emblem misuse. In the Netherlands this has been done by means of article 435c of the Dutch Criminal Code.

To date, all Red Cross emblems have equal status and meaning in the law of armed conflict and within the Movement. Of all National Societies, around 80 percent use the Red Cross and 20 percent the Red Crescent. ■



Colophon

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