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IV. FINANCIAL POSITION

Introduction

Two events had a considerable impact on the ICRC's financial position in 1971 :

- (a) The message which the Swiss Federal Council addressed to the Federal Assembly, on 8 September 1971, regarding the Confederation's contributions to the International Committee of the Red Cross ;
- (b) Payment by the Government of the United States of America of an extraordinary contribution of 1 million dollars, on 29 June 1971.

It seems worth while to make a closer study of the meaning of those events.

In its message, the Swiss Federal Council set forth the reasons why the ICRC maintained delegations in different parts of the world. It also pointed out that open conflicts had compelled the ICRC to embark on various large-scale operations over the past few years. Pursuant to the mandate from the XX1st International Conference of the Red Cross, held in Istanbul in 1969, the ICRC finally applied itself to drawing up rules designed to supplement existing humanitarian law.

These circumstances resulted in an appreciable increase in ICRC activities and in a corresponding increase in expenditure, to which the Swiss Confederation had already contributed subsidies far beyond its usual annual contribution.

The development of its activities caused the ICRC to review its financial structure in order to ensure stability in the financing of its permanent structure and the requisite flexibility as regards the additional resources the use of which was contingent on the evolution of conflicts. The new system of financing was explained in a table attached to the message and reproduced as Table I to this Report.

With the prospect of this system of financing before it, the Federal Council proposed to both Chambers that the Swiss Confederation's

regular annual contribution towards the financing of the ICRC's permanent structure should be raised from 2.5 to 7.5 million francs and that the ICRC be granted supplementary contributions of up to 5 million francs a year to finance its temporary structure, i.e. to cover any expenditure incurred by the temporary recruitment of additional staff for special activities. It was further proposed that the 10 million franc advance made in 1968 and soon exhausted should be converted into a grant. In its conclusions, the Federal Council pointed out that the various proposals were designed to regularize a situation which had arisen as a result of circumstances rather than to increase the financial support which the Swiss Confederation had actually been giving the ICRC for a number of years.

The Federal Council's proposals were adopted by the Council of States in December 1971, and by the National Council in March 1972. As the new system was to come into force in 1972, the Swiss Confederation made an extraordinary contribution of 4.1 million francs to the ICRC at the end of 1971 to enable it to bridge the gap.

The new arrangements regarding financial support from the Swiss Government and the new system of ICRC finance administration (see Table I), which will for the first time affect the accounts in 1972, will undoubtedly make for greater stability in the financing of the ICRC's permanent structure and for the much needed flexibility in recruiting supplementary staff, on a temporary basis, for its delegations. The fact remains, however, that the ICRC will still need a substantial increase in the yearly contributions of other Governments to ensure the coverage of its permanent structure. It hopes to see those contributions rise over the next three years from 2.2 million Swiss francs—the present total—to 7.5 million. This would enable it to cope with the inevitable increase in standing charges, owing to rising costs, and to restore the necessary equilibrium between the support given by the country of origin and that given by other signatories to the Geneva Conventions.

With a view to a better equilibrium among the contributions from the different countries, negotiations were started between the ICRC and the Government of the United States of America, to obtain greater financial support for the ICRC's permanent structure from that government. Wishing to continue the considerable aid it had been rendering for large-scale operations in previous years, at the end of June 1971

the US Government granted the ICRC a special 1 million dollar contribution for its overall activities throughout the world.

Out of the approximately 4 million Swiss franc equivalent, 1.5 million francs was allocated to expenditure in 1971, and it was proposed to allocate a similar amount to the financing of expenditure relating to the permanent structure in 1972.

Analysis of Balance Sheet and Expenditure and Income Account

BALANCE SHEET

The analysis of the balance sheet (see Table II) calls for no special comment except on the following points :

- Once the Swiss Confederation's new system of contributions to the ICRC comes into effect, the items shown under assets for " Cost of relief operations covered by special advances " will no longer appear in future balance sheets ; nor will the item " Advances from Swiss Government ", which is included as a contra-entry under " Other Debts " on the liabilities side.
- The item " General Reserve ", which, in 1970, on the liabilities side showed a sum of Fr. 5,644,000, was split into :

General reserve	Fr. 644,000
Special reserve	Fr. 5,000,000

The latter reserve, which stems from the balance of the extraordinary contribution of Fr. 8 million which the Swiss Government made to the ICRC early in 1970, was used in 1971 to complete the financing of the permanent structure.

On the other hand, the " Special reserve " received the following appropriations :

- the unused portion of the extraordinary contribution from the Government of the United States of America, i.e. 2.5 million Swiss francs ;
- Fr. 410,461.04 charged against the 1971 Expenditure and Income Account, hence the new balance of Fr. 2,910,461.04 on 31 December 1971.

EXPENDITURE AND INCOME ACCOUNT (ANNUAL BUDGET)

Thanks to the extraordinary donations received from the Swiss and US Governments, the ICRC was able to close its 1971 accounts without a deficit, after the requisite extraordinary amortization of the item "Fixed Assets", and it even succeeded in setting up the necessary reserves to ensure financing in 1972 (see Table III). One should not overlook the fact that its regular financing is insufficient to cover the cost of its permanent structure and that it must seek a further substantial increase in its regular income to meet the cost of that structure in 1973, even though it is not proposed to increase the permanent staff.

As in 1970, the Expenditure and Income account includes expenditure and income in regard to the permanent and temporary structures. The latter will be dealt with in a different manner from 1972 onwards.

Table IV gives details of the contributions received from Governments and National Red Cross Societies (ex annual budget).

SPECIAL FUND FOR RELIEF ACTIONS

Table V contains a summary of the movement of this Fund, which, it will be recalled, is essentially maintained out of the Swiss public collection and other donations to relief operations.

The expenditure was entirely for medical and material relief provided by ICRC delegates in the course of their regular activities.

EXPENDITURE ON OCCASIONAL OPERATIONS

Table VI shows the expenditure still incurred in connection with the settlement of the former operations in Nigeria and Jordan, as well as the initial expenditure arising out of the conflict between India and Pakistan, which as from 1 December 1971 comes into the purview of the occasional structure, owing to the extent of the operation.

Other funds administered by the ICRC

As in previous years, the last table (VII) shows the balance sheets and the Receipts and Expenditure accounts of funds administered by the ICRC and which, under their respective statutes, are available to the ICRC.

Auditors' Report

The accounts have been audited by the *Société fiduciaire romande OFOR S.A.*, a member of the *Chambre suisse des Sociétés fiduciaires et des Experts-comptables*, and which on 25 February 1972 issued the report given on page 119.

Administration of ICRC Finance

	Permanent structure	Temporary structure (supplementary)	Occasional activities
Activities	Protection of victims of conflicts (in the field, only ICRC officials) Central Tracing Agency Planning of relief missions Reaffirmation, development, interpretation and dissemination of the principles of the Red Cross and of Humanitarian Law Representation of the ICRC, definition of its policy. Co-ordination with international organizations. Information. Publications. Technical services. Administration and Finance.	Protection of victims of conflicts (temporary delegates including doctors in the field, and local employees) Organization of international conferences (supplementary staff)	Relief for victims of conflicts: care, transport, despatch of medicaments, foodstuffs, clothing and shelter.
Staff strength on 1 July 1971	228 permanent employees	32 delegates on time contracts 84 local staff	Short-term staff varying according to needs
1971 budget	11.6 million	5.1 million	Varying according to operations. Special budget for each operation.
	total 16.7 million		
Nature of expenditure	Permanent	Variable	Occasional
Predictable variation of expenses	± 10 % per annum according to development or reduction of permanent structure	from 50 % decrease to 500 % increase, depending on conflicts; for conferences, supplementary staff predictable	Unpredictable
Nature of financing	Should be regular.	Must be found despite variation in expenses.	ad hoc financing
Allocation of resources	ICRC must have sole discretion in the allocation of resources.		Funds provided for, and allocated to, specific operations.
Report to Donors	Annual Report	Annual Report and justification of resources involved	ad hoc report on each
Type of financing	Regular annual contributions	Annual appropriations	Donations in response to special appeals.

Balance Sheet as

(In thousands of Swiss francs and

ASSETS

CURRENT ASSETS	1971	1970
	Sw. Frs.	Sw. Frs.
CASH	4,749	734
OTHER CURRENT ASSETS		
— Securities and other investments (Note 1)	7,496	10,794
— Accounts receivable	1,859	1,771
— Accruals and prepaid expenses	387	464
	9,742	13,029
FIXED ASSETS		
— Relief supplies	146	162
— Equipment	381	657
	527	819
ADVANCES TO DELEGATIONS	532	482
FUNDS IN TRUST		
— Receivable	3,244	4,528
— Bank-Securities	536	2,334
	3,780	6,862
RELIEF EXPENSES COVERED BY SPECIAL ADVANCES (Note 2)		
— Yemen	2,050	2,050
— Vietnam	3,036	3,036
— Middle East	6,014	6,014
— Aden	723	723
— Greece	763	763
— Textbook	256	256
— Donation from Swiss Gov't	(2,842)	(2,842)
	10,000	10,000
BALANCE SHEET TOTALS	29,330	31,926
SURETY FOR GUARANTEE	400	400

at 31 December 1971

with comparative figures for 1970)

LIABILITIES AND OWN FUNDS

	1971	1970
	Sw. Frs.	Sw. Frs.
SHORT-TERM LIABILITIES		
— Sundry creditors	1,740	2,132
— Accrued liabilities	556	588
	2,296	2,720
OTHER DEBTS		
— Advance from Swiss Federal Government	10,000	9,500
	488	452
SUNDRY PROVISIONS		
FUND FOR RELIEF ACTION		
— Cash (Note 3)	806	996
— Relief actions under way	3,402	752
	4,208	1,748
FUNDS IN TRUST		
— Banks and suppliers	3,244	4,528
— Occasional operations	—	1,773
— Others	536	561
	3,780	6,862
CAPITAL RESERVE FUNDS		
— General Reserve (Note 4)	644	2,645
— Special Reserve (Note 5)	2,911	5,000
— Excess of income over expenditure	3	—
— Less deficit for 1970	—	(2,001)
	3,558	5,644
— Reserve for general conflict	5,000	5,000
	8,558	10,644
BALANCE SHEET TOTALS	29,330	31,926
GUARANTEE	400	400

Summary statement of with comparative figures

PERMANENT STRUCTURE: EXPENDITURE	In Swiss Francs		
	1970	1971	1972 Estimate
COMMITTEE, SECRETARIAT OF THE PRESI- DENCY, PROTOCOL	555,505	612,415	646,575
SECRETARY-GENERAL	195,915	247,549	226,465
DEPARTMENT OF PRINCIPLES AND LAW:			
Management, Memorialist, International Review	337,733	407,476	435,155
Delegate to International Organizations	33,591	118,935	160,105
Legal Division	422,647	1,086,342	691,065
Documentation and Dissemination Division	790,168	531,441	618,495
	1,584,139	2,144,194	1,904,820
OPERATIONS DEPARTMENT:			
Management, Logistics, Delegations Servicing	934,560	1,085,369	1,386,803
Europe and North America	686,967	321,421	293,702
Africa	567,695	871,732	833,010
Asia - Oceania	1,879,938	2,330,698	2,118,390
Middle East	4,090,440	3,377,122	3,117,825
Latin America	247,645	434,524	565,050
Central Tracing Agency	639,067	666,441	705,332
	9,046,312	9,087,307	9,020,112
OTHER FUNCTIONS:			
Press and Information Division	504,648	608,100	1,054,840
Personnel Division	760,417	768,871	524,655
Finance and Administration Division *	2,546,066	3,276,556	3,499,996
	3,811,131	4,653,527	5,079,491
COST OF ACTIVITIES	15,193,002	16,744,992	16,877,463
OTHER EXPENDITURE		129,556	
PROVISION FOR:			
Emergency operations			500,000
Salary indexing			400,000
New installations for premises and radio station			200,000
Long-range organizational study			150,000
			1,250,000
EXTRAORDINARY DEPRECIATION	423,250	180,000	
Transfer to special reserve		410,461	
	15,616,252	17,465,009	18,127,463
RESULT:			
Excess of income over expenditure trans- ferred to General Reserve		3,568	
Total	15,616,252	17,468,577	18,127,463
* The expenditure of this Division includes staff benefits.			
1970 —	541,787		
1971 —	530,223		
1972 — Estimate	656,500		

income and expenditure for 1971 for 1970 and budget for 1972

PERMANENT STRUCTURE: INCOME	In Swiss Francs		
	1970	1971	1972 Estimate
Contributions			
Governments:			
Swiss—annual	2,500,000	2,500,000	7,500,000
extraordinary	3,000,000	9,100,000	4,275,417
current account advance	3,532,000		
	9,032,000	11,600,000	11,775,417
USA — extraordinary contribution		1,432,187	1,500,000*
Europe	1,138,523	1,135,205	1,191,215
Africa	145,200	209,765	176,665
North America	317,800	292,280	332,280
Latin America	72,900	65,915	63,325
Asia—Oceania	468,500	438,050	436,515
	11,174,923	15,173,402	15,475,417
National Societies	737,610	836,225	800,000
	11,912,533	16,009,627	16,275,417
Private contributions	339,227	363,860	350,000
Other donations and legacies	643,794	410,461	150,000
Revenue from investments	719,884	684,629	949,125
	13,615,438	17,468,577	17,724,542
 RESULT:			
Transfer from General Reserve	2,000,814		402,921
Total	15,616,252	17,468,577	18,127,463
 * Sw. Fr. 1 million carried over to 1973			

TABLE IV

Contributions to the ICRC from Governments and National Societies for 1971

Countries	In Swiss Francs			
	Governments received	Governments receivable	National Societies received	National Societies receivable
Afghanistan				
Albania			700	
Algeria				
Australia		72,000	39,875	
Austria	24,600		13,500	
Barbados	4,080			
Belgium		10,800	12,500	
Botswana			1,500	
Brazil		11,700		
Bulgaria	6,000		6,250	
Burma		6,400	3,000	
Burundi	4,000			
Cameroon		3,750		
Canada		80,000	42,500	
Central African Republic		3,000		
Ceylon	2,450			
Chile		11,700		5,700
China (People's Republic)				
Colombia	15,465			
Costa Rica			480	
Cyprus	2,980			
Czechoslovakia			3,000	
Denmark	57,260			4,000
Dominican Republic			2,905	
Ecuador	1,595		3,000	
Egypt, Arab Republic of		39,000		
El Salvador			2,580	
Ethiopia			3,305	
Finland	30,895		3,000	
France	171,515		43,730	
Gambia				
German Democratic Republic	5,000		6,000	
Germany, Federal Republic of	235,900		55,860	
Ghana	5,865			
Greece	17,025		14,000	
Guatemala			2,155	
Guyana	6,165			
Haiti			2,265	
Honduras		3,900		
Hungary	2,000		4,000	
Iceland	2,500		2,000	
India		42,700	1,565	
Indonesia		15,000		3,200
Iran	25,000		18,925	
Iraq			5,915	
Ireland	10,000		4,960	
Israel	15,025			

Countries	In Swiss Francs			
	Governments received	Governments receivable	National received	Societies receivable
Italy		85,000		
Ivory Coast	3,260		3,200	
Jamaica	2,455			
Japan		58,500	54,390	
Jordan	11,935			2,720
Khmer Republic (Cambodia)			2,200	
Korea, Dem. People's Republic of			2,000	
Korea, Republic of	24,000		7,300	
Kuwait		50,000		
Lebanon	15,985		3,860	
Liberia		19,500		1,950
Liechtenstein	15,000			3,600
Luxembourg	4,000		5,000	
Madagascar	5,650			
Malaysia	11,000			
Malta				
Mexico	17,280			
Monaco	5,045		3,500	
Mongolia		1,000		
Morocco	14,280			
Nepal	1,880			
Netherlands	50,000		35,000	
New Zealand	27,315		11,390	
Nicaragua	4,080			2,500
Nigeria		6,000		2,700
Norway	23,020			
Pakistan				
Peru			4,250	
Philippines	30,695		16,635	
Poland	30,000		15,000	
Portugal	15,000		1,000	
Romania			10,280	
San Marino	2,720		2,720	
Saudi Arabia				
Senegal		2,000		2,000
Sierra Leone	6,595			
South Africa, Republic of	46,000		14,380	
Spain		8,000	12,000	
Sweden	158,920			10,000
Switzerland ²	2,500,000			
Syria	4,650		2,325	
Tanzania	3,115			
Thailand	18,000		6,000	
Togo				
Trinidad and Tobago	2,185			
Tunisia	2,000			3,000
Turkey			16,300	
Uganda		2,900		
United Kingdom	152,880		29,835	
United States of America ¹	195,000		204,000	
Upper Volta				

¹ See also Extraordinary Contributions.

Countries	In Swiss Francs			
	Governments received	Governments receivable	National Societies received	National Societies receivable
USSR			16,250	
Venezuela			2,205	
Vietnam, Democratic Republic of				
Vietnam, Republic of		2,500	3,000	
Yugoslavia		9,750		
Zaire				
Total of contributions	4,049,265	545,100	783,490	41,370
Settlements for previous years as shown in separate table below	46,850		11,365	
Total of contributions	4,096,115	545,100	794,855	41,370

SETTLEMENTS FOR PREVIOUS YEARS

Countries	Governments Sw. Frs.	National Societies Sw. Frs.
Brazil		1,000
Cyprus	1,490	
Gambia	985	
India (1970 difference)	(2,095)	
Iraq		
Italy (1970 difference)	(375)	
Ivory Coast	3,200	
Jamaica	2,590	
Japan		5,690
Liberia	21,600	
Madagascar	1,945	
Malawi		100
Mongolia	1,000	
Nepal	1,140	
Netherlands	10,000	
Nigeria		
Senegal	5,000	
Spain		4,575
Upper Volta	370	
	46,850	11,365

EXTRAORDINARY CONTRIBUTIONS

Countries	Governments Sw. Frs.
¹ United States of America, \$1 million	3,932,187
² Switzerland	4,100,000
	8,032,187

INTERNATIONAL COMMITTEE OF THE RED CROSS

TABLE V

Special fund for relief actions

	Sw. Fr.	Sw. Fr.
Summary of movements in 1971		
1. BALANCE CARRIED FORWARD FROM 31 DECEMBER 1970		1,748,241
2. RECEIPTS IN 1971		
2.1. Product of public collection in Switzerland . . .	785,010	
2.2 Other donations for specific actions	1,855,638	
2.3 Allocation from Benedict Fund	163,200	
2.4 Miscellaneous receipts	25,542	2,829,390
3. EXPENDITURE IN 1971		
Purchases and forwarding charges:		
— Europe	90,277	
— Africa	86,004	
— Latin America	112,132	
— South-East Asia	582,531	
— Middle East.	1,101,870	
— Sundries	4,340	
	<u>1,977,154</u>	
— Maintenance of first-aid stores . . .	49,424	(2,026,578)
4. BALANCE OF FUND FOR NIGERIA AND JORDAN ACTION	396,226	
5. NEW INDIA-PAKISTAN ACTION	620,016	
6. SPECIAL SCHOOL TEXTBOOK ACTION	640,617	1,656,859
		<u>4,207,912</u>

Occasional structure

Summary of movement in 1971

	In Swiss Francs	
	Expenditure	Income
NIGERIA ACTION (terminated 1970)		
Disablement compensation to former delegate and liquidation costs	161,927.—	
Miscellaneous receipt 54,668.—		161,927.—
Drawings on funds available 107,259.—		
	161,927.—	161,927.—
SPECIAL JORDAN ACTION		
Staff costs (salaries, travel expenses and allowances, insurance) 73,255.—		
Operating costs of delegations 17,929.—		
Purchase of relief supplies and local expenditure on food, clothing, tents, medicines, etc. 374,689.—	465,873.—	
Refund of costs 145,605.—		
Miscellaneous receipts 7,363.—		
	152,968.—	
Drawings on funds available 312,905.—		465,873.—
	465,873.—	465,873.—
NEW INDIA-PAKISTAN ACTION		
Staff costs (salaries, travel expenses and allowances, insurance) 230,968.—		
Operating costs of delegations 92,220.—		
Purchase of relief supplies 34,385.—		
	357,573.—	
Surplus receipts carried forward to 1972 . . 479,987.—	837,560.—	
Contributions by governments 500,000.—		
Contributions by National Societies 329,354.—		
Contributions by organizations and private individuals 5,138.—		
Other receipts 3,068.—		837,560.—
	837,560.—	837,560.—

TABLE VII

SPECIAL FUNDS

1. FOUNDATION FOR THE INTERNATIONAL COMMITTEE
OF THE RED CROSS

BALANCE SHEET AS AT 31 DECEMBER 1971

ASSETS

	Sw. Fr.	Sw. Fr.
Public Securities, nominal value:		
— Swiss Funds (market value Fr. 1,002,100.—)	1,015,000.—	
— Foreign Funds (market value Fr. 187,460)	<u>172,410.—</u>	1,187,410.—
Deposit with Swiss National Bank, Geneva		54,047.97
Amounts receivable:		
— Administration Fédérale des Contributions, Berne (tax paid in advance, to be refunded)	10,912.50	
— German Federal Government (tax deducted at source, to be refunded)	<u>1,833.50</u>	12,746.—
Transitory assets		453.75
		<u>1,254,657.72</u>

LIABILITIES

	Sw. Fr.	Sw. Fr.
Inalienable capital		1,028,252.52
Inalienable reserve fund:		
b/f from 1970	182,461.20	
Statutory allocation of 15 % of net revenue in 1971	<u>7,121.90</u>	<u>189,583.10</u>
Total value of capital		1,217,835.62
International Committee of the Red Cross:		
funds in current account		36,822.10
		<u>1,254,657.72</u>

RECEIPTS AND EXPENDITURE ACCOUNT FOR 1971

EXPENDITURE

	Sw. Fr.
Fees for safekeeping	587.60
Auditors' fees	485.—
Sundry	<u>145.—</u>
	1217.60
Statutory allocation to inalienable reserve fund: 15 % of net revenue (Art. 8 of the Statutes)	7,121.90
Allocation to the ICRC of balance of net revenue (Art. 7 of the Statutes)	<u>40,357.30</u>
	<u>48,696.80</u>

RECEIPTS

	Sw. Fr.
Income from securities	48,696.80
	<u>48,696.80</u>

2. AUGUSTA FUND

BALANCE SHEET AS AT 31 DECEMBER 1971

ASSETS		LIABILITIES	
	Sw. Fr.		Sw. Fr.
Swiss and other Government securities	84,000.—	Inalienable capital	100,000.—
Other Swiss securities	<u>23,945.45</u>	Reserve for price fluctuations . .	<u>15,207.25</u>
	107,945.45		115,207.25
Less: Provision for price fluctuations (adjustment of value)	<u>1,725.45</u>	ICRC	
		— Florence Nightingale Medal Fund, current account . . .	2,596.50
Total market value of securities	106,220.—	— Creditor (allocation to Red Cross of the Republic of Vietnam still to be withdrawn) . .	<u>2,000.—</u>
Cash in banks	12,691.35		4,596.50
Administration fédérale des contributions, Berne (tax paid in advance to be refunded)	<u>892.40</u>		
	<u>119,803.75</u>		<u>119,803.75</u>

RECEIPTS AND EXPENDITURE ACCOUNT FOR 1971

RECEIPTS

	Sw. Fr.
Income from securities	2,972.—
Interest on bank deposit	<u>2.70</u>
	<u>2,974.70</u>

EXPENDITURE

Auditors' fee	300.—
Safekeeping and bank charges	<u>78.20</u>
	<u>378.20</u>

RESULT

Excess of receipts over expenditure in 1971 allocated to the Florence Nightingale Medal Fund, pursuant to resolution VI of the XXIst International Conference of the Red Cross in 1969 at Istanbul	<u>2,596.50</u>
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3. FLORENCE NIGHTINGALE MEDAL FUND

BALANCE SHEET AS AT 31 DECEMBER 1971

ASSETS		LIABILITIES	
	Sw. Fr.		Sw. Fr. Sw. Fr.
Swiss Government securities (market value Fr. 30,720.—)	32,000.—	Capital	25,000.—
Deposit at Swiss National Bank, Geneva . .	12,298.40	Reserve:	
Administration fédérale des Contributions, Berne (tax paid in advance to be refunded) .	288.—	— Balance brought forward from 1970	27,257.30
ICRC, Augusta Fund, a/c	2,596.50	— Excess of expenditure over re- ceipts in 1971	(5,074.40) 22,182.90
	<u>47,182.90</u>		<u>47,182.90</u>

RECEIPTS AND EXPENDITURE ACCOUNT FOR 1971

RECEIPTS

	Sw. Fr.
Income from securities	960.—
Transfer of balance as at 31 December 1971 of Augusta Fund Receipts and Expen- diture Account, pursuant to resolution VI of the XX1st International Conference of the Red Cross, Istanbul 1969	2,596.50
Sundry receipts	104.60
	<u>3,661.10</u>

EXPENDITURE

Safekeeping charge	17.—
Printing charges	1,386.—
Purchase of medals	6,105.50
Engraving of medals	927.—
Audit fees	300.—
	<u>8,735.50</u>
	TOTAL

RESULT

Excess of expenditure over receipts in 1971	5,074.40
---	----------

4. THE CLARE R. BENEDICT FUND

BALANCE SHEET AS AT 31 DECEMBER 1971

(expressed in US \$: appropriations not included)

ASSETS

	\$
Securities:	
(market value, 1,103,307.—)	1,051,610.83
Cash in bank.	96,570.74
	<u>1,148,181.57</u>

LIABILITIES

	\$
Capital	1,000,000.—
Reserve for market fluctuations of securities.	71,422.80
Receipts and expenditure account:	
Balance brought forward from 1970	20,665.70
Net excess income in 1971 . . .	<u>56,093.07</u>
	<u>76,758.77</u>
	<u>1,148,181.57</u>

RECEIPTS AND EXPENDITURE ACCOUNT FOR 1971

RECEIPTS

	\$
Income from securities	57,134.57
Interest on bank deposits	3,513.92
Book profits on sale of securities	<u>30,906.38</u>
	<u>91,554.87</u>

EXPENDITURE

	\$
Safekeeping charges, fees and other administrative expenses	4,555.42
Allocation of book profit on sale of securities transferred to "Reserve for market fluctuations"	<u>30,906.38</u>
	<u>35,461.80</u>

RESULT

Excess of revenue over expenditure in 1971	<u>56,093.07</u>
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SOCIÉTÉ FIDUCIAIRE ROMANDE OFOR S.A., GENÈVE

INTERNATIONAL COMMITTEE OF THE RED CROSS

G e n e v a

AUDITORS' REPORT

on the accounts as at December 31, 1971

As auditors of the International Committee of the Red Cross, we have examined the accounts for the year ended December 31, 1971.

We confirm that :

- the balance sheet and statement of income and expenditure are in agreement with the books,
- the books of account have been properly kept,
- the accounts shown hereafter, of which notes 1 to 5 form an integral part, correctly reflect the financial position of the International Committee of the Red Cross as at December 31, 1971 and the result of its operations for the year then ended.

As a result of our examination we recommend that the accounts submitted be approved.

Geneva, February 25, 1972

SOCIETE FIDUCIAIRE ROMANDE OFOR S.A.



Appendices :

Balance sheet as at December 31, 1971

Statement of Income and Expenditure for
the year 1971

Notes to the financial statements

SOCIÉTÉ FIDUCIAIRE ROMANDE OFOR S.A., GENÈVE

INTERNATIONAL COMMITTEE OF THE RED CROSS

G e n e v a

Notes to the financial statements
as at December 31, 1971

Note 1 Investment in securities Sw.Fr. 3,477,766.35

The book value of the investment in securities is determined as follows :

Value at cost Sw.Fr. 3,850,758.50

Less :

Provision for reduction to net market value
on a particular portfolio Sw.Fr. 45,600.--

General provision against market
fluctuations " 327,392.15 " 372,992.15

Net book value of the total portfolio : Sw.Fr. 3,477,766.35
=====

The market value of the investment in securities as at December 31, 1971 was Sw.Fr. 3,675,000.-- which gives an excess over net book value of Sw.Fr. 197,000.--.

The greater part of the investment in securities (at market value Sw.Fr. 3,308,000.-- in round figures) is pledged in favour of a bank as a guarantee for a credit facility of Sw.Fr. 2,000,000.--, of which Sw.Fr. 997,528.50 had been utilized as at December 31, 1971.

Note 2 Relief expenses covered by special advances
(under assets) Sw.Fr. 10,000,000.--

Advance from the Swiss Federal Government (under
liabilities) Sw.Fr. 10,000,000.--

It is expected that these advances from the Swiss Federal Government will be transformed from a loan to a subvention in conformity with the proposal made by the "Conseil Fédéral" (Executive Government) to the Federal Assembly, relative to the contribution by the Government in favour of the International Committee of the

SOCIÉTÉ FIDUCIAIRE ROMANDE OFOR S.A., GENÈVE

Red Cross and dated September 8, 1971, chapt. IV, para 2. In consequence, after ratification by the National legislative Council, this advance will be transformed into a subvention and will then be used to fully write off the relief expenses disclosed under assets.

Note 3 Fund for relief action Sw.Fr. 805,570.48

This Fund has been credited with an amount of Sw.Fr. 785,010.60 without any deduction for administrative expenses, being derived from the national appeal for the Red Cross.

Note 4 General Reserve Sw.Fr. 644,498.71

The movement of this reserve is as follows :

Balance as at January 1, 1971 Sw.Fr. 5,644,498.71

Utilization of the excess balance of the extraordinary contribution made in 1970 by the Swiss Federal Government of Sw.Fr. 8,000,000.-- credited to this reserve, to cover standing charges for the year 1971

" 5,000,000.--

Balance as at December 31, 1971 as per
Balance Sheet

Sw.Fr. 644,498.71
=====

Note 5 Special Reserve Sw.Fr. 2,910,461.04

Formation of a special reserve with the extraordinary contribution from the United States Government in order to cover part of the standing charges for the year 1972

Sw.Fr. 2,500,000.--

Attribution of unassigned contributions
and legacies

" 410,461.04

Total as at December 31, 1971 as per
Balance Sheet

Sw.Fr. 2,910,461.04
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