

**Statement of Income and Expenditure
of the Japanese Red Cross Society
for the Great East Japan Earthquake and Tsunami
International Donation
from 1 April 2013 to 31 March 2014**

Independent Auditor's Report

The Japanese Red Cross Society

We have audited the accompanying Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation, for the period from April 1, 2013 to March 31, 2014 and a summary of significant accounting policies and other explanatory information (together the "Financial Statement"). The Financial Statement has been prepared by management of the Japanese Red Cross Society based on "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" described in Note 2.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation of this Financial Statement in accordance with "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" described in Note 2 and for such internal control as management determines is necessary to enable the preparation of the Financial Statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this Financial Statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the Financial Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statement.

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 Statement for the period from April 1, 2013 to March 31, 2014 is prepared, in all material respects, in accordance with "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" described in Note 2.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the Financial Statement, which describes the basis of accounting. The Financial Statement is prepared to provide information to the donors to comply with "Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake and Tsunami International Donation" referred to above. As a result, the Financial Statement may not be suitable for another purpose. Our report is intended solely for the Japanese Red Cross Society and the donors, and should not be used by parties other than the Japanese Red Cross Society and the donors.

Ernst & Young ShinNihon LLC

June 13, 2014

The Japanese Red Cross Society
for the Great East Japan Earthquake and Tsunami International Donation
Statement of Income and Expenditure

Unit: Japanese Yen

	Note	Period from 1 April 2013 to 31 March 2014	Period from 16 March 2011 to 31 March 2013
1. INCOME			
Voluntary contributions	2.3(a)&3	1,402,807,231	54,449,139,468
Interest income	2.3(b)	21,023,562	18,610,269
Total INCOME		1,423,830,793	54,467,749,737
2. OPERATING EXPENDITURE			
Supplies	2.4(a)	4,226,576,471	36,774,310,413
Lands, vehicles & equipments	2.4(b)	280,611,234	1,695,705,457
Transport and storage	2.4(c)	317,292	1,413,375,434
Personnel expenditure	2.4(d)	243,389,988	1,200,618,081
Information & Public Relations	2.4(e)	245,536,078	302,375,406
Travel		61,022,141	90,439,919
Professional Fees		5,807,770	14,888,739
Office costs		4,105,936	27,259,327
Communications		2,468,461	6,685,584
Other general expenditures		18,152,226	71,433,578
Depreciation	2.4(f)	32,927,053	1,428,685
Services support from the IFRC	2.4(g)	74,752,809	152,549,364
Total OPERATING EXPENDITURE		5,195,667,459	41,751,069,987
3. INCOME/(LOSS) FOR THE PERIOD		(3,771,836,666)	12,716,679,750
4. FUNDS HELD FOR OPERATIONS	2.5		
Brought forward		12,716,679,750	0
Income/(loss) for the period		(3,771,836,666)	12,716,679,750
FUNDS HELD FOR OPERATIONS		8,944,843,084	12,716,679,750

The Japanese Red Cross Society
for the Great East Japan Earthquake and Tsunami International Donation

Notes to the Statement of Income and Expenditure

For the period from 1 April 2013 to 31 March 2014

1. Background

The Great East Japan Earthquake and Tsunami (GEJET) left hundreds of thousand people displaced. Although they were accommodated in temporary houses in various locations, very few have been settled in the permanent housings after two years. The Japanese Red Cross Society (JRCS) has been supporting those who were affected by this disaster from the onset of emergency phase through recovery phase with the help of financial contributions made by sister Red Cross and Red Crescent Societies and other organizations.

The Plan of Action (PoA) and budget funded the international donations were approved at the first Partner National Societies (PNS) Meeting on 9 May 2011. The revised PoA and budget were presented at the Monitoring Meeting on 31 October 2011 and later approved at the second PNS Meeting on 18 May 2012. The budget of the programme stands at JPY 59.7 billion.

The JRCS relief and recovery programme consists of 10 areas : 1) distribution of emergency relief supplies, 2) emergency medical services and psychological support programme, 3) regional health care support, 4) assistance for nuclear power plant disaster victims, 5) rehabilitation of health infrastructure, 6) improving living conditions of affected people, 7) social welfare support, 8) children's education support, 9) community based disaster preparedness and 10) the capacity building of JRCS in the area of disaster management.

2. Significant accounting policies

2.1 Basis of accounting

The Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake International Donation ("The Statement") is presented in Japanese Yen. The Statement is prepared in accordance with the Financial Rules for the Statement of Income and Expenditure of the Japanese Red Cross Society for the Great East Japan Earthquake International Donation, which are described below.

The Statement has been prepared to report and disclose income and expenditures resulting from the international donations made to the JRCS for earthquake and tsunami relief activities during the period from 1 April 2013 to 31 March 2014.

The "Period from 16 March 2011 to 31 March 2013" column shows accumulated income and expenditure during the period from 16 March 2011 to 31 March 2013.

This Statement is not applicable for any other purposes nor is it intended to present the financial position, results of operations or cash flows of the JRCS.

Income reflects the total amount received from the remittances made by the Red Cross and Red Crescent movement and other organizations, and the interest revenue earned on such remittances. The international donations are exclusively allocated to the recovery support projects approved by the recovery task force, established within JRCS NHQ and led by the President of the JRCS.

The donations received from the State of Kuwait through the sale of crude oil and the donations made by the public allocated for the cash distribution scheme are not included in this Statement.

2.2 Foreign currency transactions

Foreign currency transactions are translated into Japanese Yen using rates which approximate the prevailing rate at the date of the transactions.

2.3 Income

a) Voluntary contributions

Unearmarked cash contributions are recognised as income when a confirmed written pledge has been received from the donor or when cash has been received from the donor (if there is no confirmed written pledge from the donor) unless: either the contributions are earmarked for a future accounting period, in which case they are booked as deferred income and taken to the Statement of Income and Expenditure in the period for which they were earmarked or; in the case of earmarked contributions made which are subject to a specific service contract, income is recognised as the contractual obligations are fulfilled and expenditure is incurred.

b) Interest income

Interest income is recognised as it is earned, in the period to which it relates.

2.4 Operating expenditure

Operating expenditures are recognised as incurred, in the period to which they relates.

a) Supplies

This category is used for supplies and cash distribution made to beneficiaries. While the cash distribution is made through the publicly-established system, supplies are not only made to direct beneficiaries, but may instead be made indirectly through other organisations to targeted people who benefit from Red Cross operations.

b) Lands, vehicles & equipments

This category is used for tangible assets used in the project, acquired for less than JPY 200,000, and tangible assets for JPY 200,000 or more, purchased from the project funds for immediate donation to third party or over which the project will not be in a position to exercise management control.

c) Transport and storage

Transport and storage includes all warehousing, distribution/monitoring and transport costs.

d) Personnel expenditure

Personnel expenditure principally includes the costs of outsourcing staff, consulting staff and temporary staff, and excludes staffing costs of the Japanese Red Cross Society.

e) Information & Public Relations

Information & Public Relations principally include publicity costs for newspaper advertising.

f) Depreciation

Tangible assets used in the project, acquired for JPY 200,000 or more and having an estimated useful life exceeding one year (except for "Lands ,Vehicles & equipment") are capitalised and depreciated over their estimated useful lives on the straight-line method, as follow:

Vehicles	5 years
Computer equipment	4 years
Other equipment	3 years
Intangible assets(software)	3 years

g) Services support from the IFRC

Services support from the IFRC relates to disbursements made to the IFRC for services support activities.

2.5 Funds held for operations

The cumulative excess of income received over operating expenditure incurred is recorded as Funds held for operations. In the event that the funds cannot be spent, the Japanese Red Cross Society obtains agreement from the donor for a reallocation of those funds for a different use, or reimburses them to the donor. No amounts were reimbursed to donors during the period from 1 April 2013 to 31 March 2014.

2.6 Reclassification

Certain prior-year amounts have been reclassified to conform to the presentation of the period from 1 April 2013 to 31 March 2014.

3 Voluntary contributions

		Outstanding Pledges (Revalued)	Period from 1 April 2013 to 31 March 2014 TOTAL	Period from 16 March 2011 to 31 March 2013 TOTAL
	Donations			
Afghan Red Crescent Society	-	-	-	4,879,150
Albanian Red Cross	-	-	-	1,682,400
American Red Cross	45,412,871	-	45,412,871	23,050,962,179
Andorran Red Cross	-	-	-	29,058
Argentine Red Cross	-	-	-	4,382,045
Armenian Red Cross Society	-	-	-	102,874
Australian Red Cross	-	189,475	189,475	2,180,399,364
Austrian Red Cross	8,410,073	-	8,410,073	370,927,819
Austrian Red Cross (Austrian Gov't)	-	-	-	116,040,000
Red Crescent Society of Azerbaijan	-	-	-	13,453
Bahamas Red Cross Society	-	-	-	405,200
Bangladesh Red Crescent Society	-	-	-	8,681,211
Belarus Red Cross	-	-	-	3,481,200
Belgian Red Cross (Flanders)	-	-	-	72,927,814
Belgian Red Cross (French)	-	-	-	56,695,792
Belize Red Cross Society	-	-	-	779,896
Bolivian Red Cross	-	-	-	104,429
The Red Cross Society of Bosnia and Herzegovina	-	-	-	11,597,299
Brazilian Red Cross	-	-	-	13,234,664
British Red Cross	5,876,353	-	5,876,353	1,828,504,022
Bulgarian Red Cross	-	-	-	14,926,315
Burkinabe Red Cross Society	-	-	-	1,464,945
Cambodian Red Cross Society	-	-	-	1,584,772
The Canadian Red Cross Society	10,444,380	-	10,444,380	4,017,332,587
Chilean Red Cross	-	-	-	14,779,794
Red Cross Society of China	-	-	-	902,799,574
Red Cross Society of China Ezhou Branch	-	-	-	1,238,748
Red Cross Society of China, Hong Kong Branch	-	53,763,858	53,763,858	1,577,495,637
Red Cross Society of China, Macau Branch	-	-	-	44,305,000
Colombian Red Cross Society	-	-	-	1,277,721
Cook Islands Red Cross	-	-	-	175,098
Costa Rican Red Cross	-	-	-	11,889,223
Croatian Red Cross	-	-	-	85,775,140
Cyprus Red Cross Society	-	-	-	5,618,812
Czech Red Cross	-	-	-	47,342,500
Danish Red Cross	-	-	-	53,362,250
Danish Red Cross (Faroe Islands Red Cross)	-	-	-	681,500
Dominican Red Cross	-	-	-	335,291
Ecuadorian Red Cross	-	-	-	2,590,860

			Period from 1 April 2013 to 31 March 2014	Period from 16 March 2011 to 31 March 2013
	Donations	Outstanding Pledges (Revalued)	TOTAL	TOTAL
Estonia Red Cross	-	-	-	3,302,936
Finnish Red Cross	-	-	-	119,570,000
French Red Cross	-	-	-	1,850,669,146
Red Cross Society of Georgia	-	-	-	4,031,550
German Red Cross	5,932,350	-	5,932,350	3,329,505,390
Honduran Red Cross	-	-	-	367,398
Hungarian Red Cross	-	-	-	6,688,594
Icelandic Red Cross	-	-	-	19,113,287
Indonesian Red Cross Society	-	-	-	79,118,244
Red Crescent Society of the Islamic Republic of Iran	-	-	-	7,653,000
Irish Red Cross Society	-	-	-	65,045,681
Italian Red Cross	-	-	-	389,027,862
Jamaica Red Cross	-	-	-	45,034
Red Cross Society of the Democratic People's Republic of Korea	-	-	-	8,090,000
The Republic of Korea National Red Cross	-	-	-	2,977,101,031
Lao Red Cross	-	-	-	636,563
Latvian Red Cross	-	-	-	18,391,430
Lithuanian Red Cross Society	-	-	-	12,205,182
Luxembourg Red Cross	-	-	-	23,705,000
The Red Cross of The Former Yugoslav Republic of Macedonia	-	-	-	1,529,982
Malaysian Red Crescent Society	67,799,000	-	67,799,000	171,120,736
Maldivian Red Crescent	-	-	-	2,718,135
Mexican Red Cross	-	-	-	72,535,786
Micronesia Red Cross	-	-	-	8,223,912
Red Cross of Monaco	-	-	-	5,156,582
Mongolian Red Cross Society	-	-	-	12,301,960
Red Cross of Montenegro	-	-	-	956,661
Myanmar Red Cross Society	-	-	-	4,309,161
Nepal Red Cross Society	-	-	-	3,580,216
The Netherlands Red Cross	-	-	-	752,925,547
New Zealand Red Cross	270,676	-	270,676	51,257,093
Nicaraguan Red Cross	-	-	-	200,527
Norwegian Red Cross	-	-	-	161,780,204
Pakistan Red Crescent Society	-	-	-	8,340,626
Palau Red Cross Society	-	-	-	2,428,894
The Palestine Red Crescent Society	-	-	-	840,563
Red Cross Society of Panama	-	-	-	1,092,949
Peruvian Red Cross	-	-	-	2,519,291
Philippine Red Cross	-	-	-	167,000,000
Polish Red Cross	-	-	-	12,420
Portuguese Red Cross	-	-	-	6,169,630
Qatar Red Crescent Society	-	-	-	67,526,838

			Period from 1 April 2013 to 31 March 2014	Period from 16 March 2011 to 31 March 2013
	Donations	Outstanding Pledges (Revalued)	TOTAL	TOTAL
Romanian Red Cross	-	-	-	11,443,454
The Russian Red Cross Society	-	-	-	163,836,124
Rwandan Red Cross	-	-	-	8,183,902
Salvadorean Red Cross Society	-	-	-	3,258,180
Samoa Red Cross Society	-	-	-	1,752,769
Red Cross of the Republic of San Marino	-	-	-	1,017,100
The Red Cross of Serbia	-	-	-	191,253,450
Singapore Red Cross Society	165,060,000	-	165,060,000	652,648,385
Slovak Red Cross	-	-	-	2,872,219
Slovenian Red Cross	-	-	-	19,304,221
South African Red Cross Society	-	-	-	10,829,000
Spanish Red Cross	11,558,417	-	11,558,417	404,746,365
The Sri Lanka Red Cross Society	-	-	-	395,169
Swedish Red Cross	-	-	-	51,600,000
Swiss Red Cross	-	-	-	1,999,210,672
Taiwan Red Cross Organization	44,725,791	974,361,507	1,019,087,298	1,947,143,000
The Thai Red Cross Society	344,872	-	344,872	748,362,342
Tonga Red Cross Society	-	-	-	11,534,778
Trinidad and Tobago Red Cross Society	-	-	-	5,999,459
Uganda Red Cross Society	-	-	-	108,047
Ukrainian Red Cross Society	-	-	-	7,100,000
Red Crescent Society of the United Arab Emirates	-	-	-	15,968,619
Uruguayan Red Cross	-	-	-	1,872,938
Vanuatu Red Cross Society	-	-	-	297,234
Vietnam Red Cross Society	-	-	-	608,584,747
Alwaleed Bin Talal Foundation	-	-	-	8,376,000
Embassy of Belgium	-	-	-	9,107,700
European Commission - DG ECHO	-	-	-	943,464,578
Irish Aid, Ireland	-	-	-	121,450,000
Japan-America Society of Hawaii	8,657,608	-	8,657,608	237,317,787
New Zealand Ministry of Finance and Trade	-	-	-	60,730,000
State of Kuwait	-	-	-	157,420,000
Stavros Niarchos Foundation	-	-	-	20,212,500
IFRC	-	-	-	4,902,319
IFRC at the UN Inc.	-	-	-	232,932,738
Individuals, corporations and other organisations	-	-	-	854,302,995
	<u>374,492,391</u>	<u>1,028,314,840</u>	<u>1,402,807,231</u>	<u>54,449,139,468</u>

The Outstanding Pledges (Revalued) column shows movements in outstanding pledges between 1 April 2013 and 31 March 2014, together with the revaluation of outstanding foreign currency pledges as at 31 March 2014.

- (*) Donations that were earmarked for a future accounting period, which will be recognised in the period for which they are earmarked (see Note 2.3 (a)), are listed below:

	Period from 1 April 2013 to 31 March 2014 Cash	as of 31 March 2014 Deferred	Period from 1 April 2013 to 31 March 2014 Net
Malaysian Red Crescent Society	199,666,626	131,867,626	67,799,000
	as of 1 April 2013 Deferred	as of 31 March 2014 Deferred	Period from 1 April 2013 to 31 March 2014 Net
Red Cross Society of China, Hong Kong Branch	91,572,517	37,808,659	53,763,858
Taiwan Red Cross Organization	5,016,759,167	4,042,397,660	974,361,507