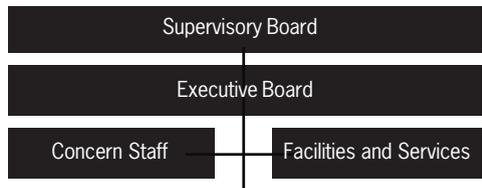


annual report Wageningen UR 2010



WAGENINGEN UR
For quality of life





Agrotechnology & Food Sciences Group	Animal Sciences Group	Environmental Sciences Group	Plant Sciences Group	Social Sciences Group	Van Hall Larenstein University of Applied Sciences	
Wageningen University						
Agrotechnology & Food Sciences	Animal Sciences	Environmental Sciences	Plant Sciences	Social Sciences	Leeuwarden Velp Wageningen	Wageningen International
						IMARES
						Wageningen Business School
						RIKILT
Specialised Research Institutes						
Food & Biobased Research	Livestock Research Central Veterinary Institute	Alterra	Plant Research International Applied Plant Research	LEI Centre for Development Innovation		

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Foreword

At the close of 2010, the first decade of the new century is now behind us – ten years in which Wageningen UR (University and Research Centre) has evolved from highly-promising but vulnerable origins into a powerful, appealing organisation. This is not only evident from the innumerable visits by dignitaries and the many invitations to take part in networks, but also from the vigorous growth in the number of students and the continually increasing group of clients commissioning research. Our vision, which we developed and introduced at the end of the 1990s, of bringing the majority of the green domain knowledge chain together in *one* organisation and the close cooperation with the government and the business community (referred to as the 'golden triangle') has proven successful. As a result, the new Government's Coalition Agreement has assigned a prominent place to us and our green domain. Although we have had to take our leave of our 'own' Ministry of Agriculture, Nature and Food Quality, we have been received a powerful new Ministry in return: the Ministry of Economic Affairs, Agriculture and Innovation. The cooperation with the new Ministry has got off to a more than excellent start: we have high expectations for the future.

The work on the further development of the organisation during the past year devoted additional attention to Van Hall Larenstein University of Applied Sciences. The merger of the Van Hall/Larenstein Foundation and Internationale Agrarische Hogeschool Larenstein has been formally completed: we have now drawn up a vision for the necessary redesign of the educational organisation and have prepared a thorough plan for the provision of more efficient support. We have taken these measures to enhance the quality of the work, whereby – appropriately – the focus is placed on the student. We are more than gratified to observe that a continually increasing number of students in the green higher vocational education domain find their way to us. This is also applicable to Wageningen University, which once again recorded vigorous growth in the number of Dutch and international students in 2010, continuing the trend of recent years. The preparations for the second education building (Orion) on Wageningen Campus are now in full swing. This building, scheduled for completion at the end of 2012, will contribute to the retention of the current high quality of education for our new students. We, together with the Idealis student housing association, are working hard on the development of new student accommodation to keep pace with the increased influx of students.

Our DLO applied research institutes, the largest part of our organisation in terms of turnover and number of staff, also did well in 2010. The institutes have acquired a large number of projects that have compensated for the €14 million contraction in commissions awarded by the former of Ministry of Agriculture, Nature and Food Quality. This is an excellent performance, certainly in view of the continuing complexity of the market conditions. New initiatives – such as the Dairy Campus dairy-farming practical centre in Leeuwarden, the new CAT Agrofood centre for advanced research equipment and the new AlgaePARC algae production research facility, both located on Wageningen Campus, and the new research facility for zoonoses (diseases that can be transmitted from animals to humans) in Lelystad – are putting our work even more firmly on the map. In addition, we have welcomed FrieslandCampina's R&D centre, the NIOO-KNAW ecological research institute and STOAS teacher training institute to Wageningen. These developments are giving continually increasing form to the 'golden triangle' and are enhancing the Food Valley's role as the national and international 'beating heart' of knowledge and innovation in the green domain.

We have also been able to enjoy scientific successes, with the award of the Academic Year Prize to Dr David Lentink and his team and his appointment as a member of the KNAW's Young Academy, the award of twelve prestigious NWO grants (eight Veni, three Vidis and one Vici), and the award of two ERC grants, the EU's largest and most prestigious research scholarships.

In other words, 2010 was an excellent year for Wageningen UR. I would like to take this opportunity to express my sincere gratitude to our staff and students for their contribution to this success – and to our external stakeholders and clients who helped make all this possible.

Dr Aalt Dijkhuizen
Chair of the Executive Board

Executive Board and Supervisory Board

Wageningen University, the DLO Foundation (Agricultural Research Department) and the Van Hall/Larenstein Foundation jointly form Wageningen University & Research Centre (abbreviated as Wageningen UR).

Executive Board

Dr A.A. Dijkhuizen (Chair)

Professor Dr M.J. Kropff (Vice Chair, vice-chancellor of Wageningen University)

Dr I.J.J.H. Breukink (Board member)

The members of the Executive Board of Wageningen UR also form the Executive Boards of Wageningen University, the DLO Foundation and the Van Hall/Larenstein Foundation.

Supervisory Board

Ms M. de Boer (Chair)

Dr J.J. van Duijn (Vice Chair)

Dr L.B.A.M.G. Van Depoele

Mr H. Heemskerk

Ms J.R.H. Maij-Weggen

The members of the Supervisory Board of Wageningen UR also form the Supervisory Boards of Wageningen University, the DLO Foundation and the Van Hall/Larenstein Foundation.

Death of Mr Heemskerk

During the period leading up to the publication of this report of the 2010 year we received the sad news of the death of Bert Heemskerk on 22 March 2011. The former Rabobank CEO joined Wageningen UR's Supervisory Board in 2009. Mr Heemskerk, who had strong societal opinions and attached great importance to sustainability, was an ideal match with Wageningen UR and exhibited great involvement in our work. Wageningen UR has been able to benefit from his wealth of knowledge and experience for much too short a time.

Consult the website for a list of the additional posts of the Executive Board, www.wur.nl/NL/over/bestuur

Consult the website for a list of the duties and additional posts of the members of the Supervisory Board, the resignation roster scheme, the profiles of the members of the Supervisory Board and the Supervisory Board's regulations, www.wur.nl/NL/over/governance

1 Annual Report Wageningen UR

1.1 Introduction

Wageningen UR publishes an integral annual report comprised of the following sections:

- the Wageningen UR Annual Report (with information on the organisation, the staff, the primary process and facilities, where relevant by legal entity);
- The annual accounts of Wageningen University, DLO Foundation and the Van Hall/Larenstein Foundation;

This annual report complies with the following legislation, regulations and agreements;

- The Netherlands Civil Code, Book 2 Title 9, and the *Richtlijnen voor de Jaarverslaglegging* ('Accounting Standards');
- The Netherlands Corporate Governance Code, the *Branchecode Governance HBO* ('Higher Vocational Education Sectoral Governance Code'), the *Code Goed Bestuur universiteiten 2007* ('University Governance Code, 2007'), and the Wageningen UR Corporate Governance Code derived from those codes;
- Works Councils Act;
- Agreements with trade unions and co-determination councils.

Wageningen UR complies with the information obligations and other obligations pursuant to the Environmental Management Act and the Working Conditions Act by providing information to the executive bodies authorised by these acts to issue certificates or permits.

1.2 Report of the Supervisory Board

The Supervisory Board held five regular meetings in 2010. The Chair regularly held informal consultations with the Chair of the Executive Board. The Board also held one consultation with the co-determination council. The Board convened several times in the absence of the Executive Board.

During its meetings, the Supervisory Board approved the 2009 Wageningen UR Annual Report, including the annual accounts of Wageningen University, the DLO Foundation and Van Hall Larenstein Foundation on the basis of the favourable recommendations of the Audit Committee. The Supervisory Board asked the Executive Board to adopt the auditor's recommendations.

The Supervisory Board received periodic management letters to keep up to date with the financial situation. The Supervisory Board approved a number of decisions that enabled the Executive Board to begin cooperation with other universities and universities of applied sciences on the provision of joint educational programmes or parts of educational programmes that result in the award of a joint degree. The Supervisory Board approved amendments to the Administrative and Management Regulations of Van Hall Larenstein University of Applied Sciences and Wageningen University required following the amendments to the Higher Education and Research Act. The Board also approved a number of real-estate sale and purchase transactions.

The Supervisory Board approved the decision for the merger of the Van Hall Institute and Internationale Agrarische Hogeschool Larenstein to form the Van Hall Larenstein University of Applied Sciences.

The Board also held several discussions on the development of the Wageningen UR 2011-2014 Strategic Plan. This Strategic Plan builds on the previous plan and specifies some elements in more detail. Pursuant to the plan, Wageningen UR intends to further enhance the quality of the research and education of the University and the University of Applied Sciences, enhance the position of the applied research institutes in the research market, enhance the organisation's position in the Dutch region and conclude alliances with leading foreign universities and research institutes. In addition, the improvement of the organisation and its operations remains an important spearhead of the new plan. The Board has approved the Strategic Plan.

The Supervisory Board paid a working visit to the Animal Sciences Group (ASG) in Lelystad in 2010, when the Board was offered an opportunity to become acquainted with ASG's field of operations and the enthusiastic manner in which the staff are active and involved in the group's work. The Board received information about ASG's research and then visited a research location.

The Supervisory Board took note of the Audit Committee's favourable recommendations on the 2011 budgets and approved the 2011 budgets of Wageningen University, the DLO Foundation and the Van Hall/Larenstein Foundation. In 2010, the Supervisory Board evaluated the performance of the Executive Board in its entirety and of the individual members. The Board adopted the recommendations from the Appointments and Remuneration Committee and reappointed Mr Dijkhuizen to the position of Chair of the Executive Board for a third term. The Board also reached agreements on the reduction of the variable remuneration of the Executive Board and senior management.

• **Audit Committee**

The Audit Committee held two regular meetings in 2010, when the Committee discussed issues including the 2009 Annual Report and the auditor's findings. The Committee took note of the auditor's withholding of an opinion on the legitimacy of Van Hall Larenstein University of Applied Sciences' expenditure. The Committee issued a recommendation to the Supervisory Board to approve Wageningen UR's 2009 Annual Report, including the 2009 annual accounts of the DLO Foundation, Van Hall Larenstein Foundation and Wageningen University and to adopt the auditor's recommendations.

Following a tender procedure a new auditor was selected in 2010. The Committee issued a recommendation to the Supervisory Board to award the audit of the annual report and projects to Ernst & Young. The Committee recommended that the Supervisory Board approve the 2011 budget of the DLO Foundation, Van Hall Larenstein Foundation and Wageningen University. The Audit Committee also discussed the management letters with the Executive Board in 2010, including the initial findings of the new auditor. The auditor observed that Wageningen UR's management control is of an appropriate level in relation to comparable organisations and that the organisation exhibits a strong focus on process improvements. The auditor also observed that Wageningen UR invests a great deal of energy in efficient operations. The Committee discussed Wageningen UR's risk management with the Executive Board and shared the auditor's conclusion that the integration of the compliance position within the organisation exhibits room for improvement. The Committee awaits the Executive Board's proposals on this issue, to be submitted in 2011.

• **Appointments and Remuneration Committee**

In 2010, the Appointments and Remuneration Committee discussed issues including the reappointment of the Chair of the Executive Board and the variable remuneration for the organisation's senior management. Following consultations with bodies including the co-determination council and, having heard the Minister of Economic Affairs, Agriculture and Innovation's approval, the Committee recommended that the Supervisory Board reappoint Mr Dijkhuizen as Chair of the Executive Board. The Committee recommended that the variable remuneration be reduced in increments to a maximum of ten percent. A comparable agreement was recommended for the variable remuneration of directors/managing directors appointed in the future. The information about the remuneration the members of the Supervisory Board and the Executive Board received in 2010 is enclosed in Section 3 of this Annual Account.

• **Independence**

The Supervisory Board, pursuant to its supervisory role, ensures that the members of the Board are independent. In the Board's opinion the Supervisory Board is of an independent composition as stipulated by the requirements of the Wageningen UR Corporate Governance Code.

• **Members of the Supervisory Board**

In 2010, the members of the Supervisory Board were:

Ms M. de Boer (Chair) (1939)

Member of the Board since September 2005, member of the Appointments and Remuneration Committee. Ms De Boer's term of office ends on 1 September 2013. She will not be eligible for reappointment pursuant to the provisions of the resignation roster. Ms De Boer has held various public administration posts.

Dr J.J. van Duijn (Vice Chair) (1943)

Member of the Board since September 2004, member of the Audit Committee. Dr Van Duijn's term of office ends on 1 September 2012. He will not be eligible for reappointment pursuant to the provisions of the resignation roster. Dr Van Duijn is a former member of the Robeco Groep Executive Board.

Dr L.B.A.M.G. Van Depoele (1939)

Member of the Board since 1 May 2008, member of the Appointments and Remuneration Committee. Dr Van Depoele's term of office ends on 1 September 2012. He will not be eligible for reappointment pursuant to the provisions of the resignation roster. Dr Van Depoele is the former director of Rural Development at the European Commission's Directorate-General of Agriculture and Rural Development.

Mr H. Heemkerk (1943)

Mr Heemkerk died on 22 March 2011. He joined the Board on 1 September 2009 and was Chair of the Audit Committee.

Ms J.R.H. Majj-Weggen (1943)

Member of the Board since September 2004, Chair of the Appointments and Remuneration Committee. Ms Majj-Weggen's term of office ends on 1 September 2012. She will not be eligible for reappointment pursuant to the provisions of the resignation roster. Ms Majj-Weggen held various public administration posts.

On behalf of the Supervisory Board

Ms Margreeth de Boer (Chair)

Amounts * € million

1.3 Key figures for Wageningen UR

1.3.1 Key figures for Wageningen University

	2010	2009	2008	2007
Students (total on 01-10)	7,298	6,417	5,617	5,202
Intake first year (BSc + MSc)	1,889	1,667	1,409	1,241
Total number of regular students	6,485	5,735	5,128	4,664
External students	0	0	0	1
Other enrolled students	813	682	489	537
Number of graduates	1,584	1,495	1,313	1,308
Average number of Wageningen University staff (total in FTE)	2,545	2,475	2,335	2,269
Net result (€ x 1,000) ¹	6,222	9,590	14,749	11,360
WU's capital ² (€ x million)				
Capital in fixed assets	192.9	190.9	189.6	199.5
Internal capital	142.7	136.4	129.8	115.0
Total capital	349.7	329.1	295.1	269.0
Solvency ratio	40.8%	41.5%	44.0%	42.8%
WU's liquidity (€ x million)				
Cash at bank and in hand	101.7	83.7	48.1	25.5
Current ratio	0.9	0.9	0.8	0.6

¹ Following a reform of the system for the processing of the tuition fees implemented in 2009, the figures for the net result (€- 926) and internal capital (€-3.9 million) have been adjusted. As a result, the solvency ratio has also been reduced (-1.1%).

² Following a reclassification of the work in progress implemented in 2009, the opening balance has been adjusted. Both the short-term receivables and short-term debts have been increased by €23.8 million. As a result, the 2008 balance sheet total, solvency ratio and current ratio vary from the 2008 annual accounts.

Amounts * € million

1.3.2 Key figures for Van Hall Larenstein University of Applied Sciences

	2010	2009	2008	2007
Students (total on 01-10)	3,972	3,861	3,791	3,879
Intake	1,204	1,115	1,046	1,038
Graduates with Bachelor's degrees	680	682	702	718
Graduates with Associate degrees	18	7	17	13
Graduates with Master's degrees	52	75	55	34
Average number of VHL staff (total in FTE)	380	384	388	407
Net result (€ x 1,000)	409	-267	834	264
VHL's capital (€ x million)				
Capital in fixed assets ³	22.9	24.5	34.1	35.8
Internal capital	6.4	6.0	6.3	5.4
Total capital	40.7	44.0	52.4	55.9
Solvency ratio	15.7%	13.6%	11.9%	9.7%
VHL's liquidity (€ x million)				
Cash at bank and in hand	11.7	12.8	11.2	11.5
Current ratio	0.8	0.8	0.8	0.9

³ The comparative figures were adjusted with retroactive effect in 2009, following a reclassification of the receipts of subsidies. The capital in fixed assets has decreased by €11.1 million and the total capital by €10.6 million: the solvency ratio has increased by 2.6%.

Amounts * € million

1.3.3 Key figures for DLO Foundation

	2010	2009	2008	2007
Turnover	357.7	351.4	348.2	341.2
EL&I's share in turnover ⁴	48%	48%	48%	52%
Investment in buildings and land	19.3	29.9	47.9	36.5
Investments in other tangible fixed assets	6.6	8.6	8.9	7.7
Average number of DLO staff (total in FTE)	2,766	2,827	2,801	2,781
Net result (€ x 1,000)	10,576	10,780	14,364	25,417
DLO's capital				
Capital in fixed assets	411.6	423.5	415.9	401.6
Internal capital ⁵	280.0	269.4	258.6	232.9
Total capital ⁶	579.8	576.6	572.6	536.1
Solvency ratio ⁷	48.3%	46.7%	45.2%	43.4%
DLO's liquidity				
Cash at bank and in hand	53.9	44.1	36.8	55.9
Current ratio	1.2	1.1	1.1	1.3

1.4 Wageningen UR, general

Wageningen UR is an alliance between Wageningen University, DLO Foundation and Van Hall Larenstein University of Applied Sciences (see the organisational chart on the inside cover). This cooperation is given shape in six units, including five Sciences Groups: in joining forces, these units serve as the organisational, substantive and administrative instruments for the achievement of an increased decisiveness and quality of the research and education. Each Sciences Group integrates the organisation of a department of Wageningen University with one or more DLO institutes, while maintaining administrative and legal separation of the organisations. Assurances for interdisciplinarity and a demand-driven approach are provided by means including the matrix of the Sciences Groups with the Educational Institute, the graduate schools and programme leaders operating on a pan-Wageningen UR basis.

The sixth unit, Van Hall Larenstein University of Applied Sciences, operates as an autonomous unit within Wageningen UR and within the framework specified by the Executive Board.

A further number of elements are not linked to a Sciences Group. The RIKILT Institute for Food Safety performs statutory research duties relating to safe and healthy food. Wageningen Business School organises post-graduate

⁴ EL&I's turnover is comprised of the turnover generated by the Ministry of Economic Affairs, Agriculture and Innovation pursuant to the subsidy scheme and the supplementary project funding recognised under contract research. The total of the EL&I turnover is brought into relationship with the total turnover.

⁵ The capital for 2008 has been adjusted by an amount of €11.3 million in accordance with the reform of the major overhaul system in 2009. The recalculated internal capital amounts to the original €247.3 million increased by €11.3 million to €258.6 million.

⁶ The total capital for 2008 has been recalculated on the basis of the modification of the processing of work in progress. As from 2008, projects with a negative balance are recognised as pre-payments under short-term debts. A reclassification of €32.5 million has been implemented in the opening balance sheet for this purpose. The recalculated total capital for 2008, amounting to €540.0 million, has been increased by this €32.5 million to €572.6 million (rounded off).

⁷ As a result of the aforementioned reform of the system the solvency ratio for 2008 has adjusted from 45.8% to 45.2% and the current ratio from 1.2 to 1.1.

programmes and courses within the domain of Wageningen UR. Wageningen IMARES focuses on strategic and applied marine ecological research: Wageningen International serves as the central contact point for all Wageningen UR's international activities.

Wageningen University, DLO Foundation and Van Hall/Larenstein Foundation are independent legal entities, whereby the Van Hall Larenstein Foundation acts as the executive body for the Van Hall Institute in Leeuwarden and for the Internationale Agrarische Hogeschool Larenstein in Velp and Wageningen. In 2010, the decision was taken to merge the Van Hall Institute, in Leeuwarden, and Internationale Agrarische Hogeschool Larenstein, in Velp and Wageningen, on 1 September 2011 to create one Van Hall Larenstein Foundation University of Applied Sciences with divisions at Leeuwarden, Velp and Wageningen.

The objectives and activities of the separate legal entities in the Wageningen UR alliance are coordinated substantively at strategic and tactical levels. Some parts cooperate in their operations. However, there is no policy-determining or policy-dependent relationship between these parts. The resources of the individual organisations may not be deployed for purposes other than for the achievement of the relevant organisations' specific objectives and performance of their primary duties. For this reason the individual legal entities publish consolidated annual accounts for their respective groups. Wageningen UR does not publish consolidated annual accounts.

1.4.1 Mission and ambition

Wageningen UR is an international centre of expertise whose mission is "to explore the potential of nature to improve the quality of life". Wageningen UR's ambition is to become both *the* European centre of expertise and a leading global partner in the 'Healthy Diet and Living Environment' domain by 2020. This objective can be achieved solely when Wageningen University retains its ranking amongst the world's best. At a national level the University shall also need to retain its number 1 ranking as *the* benchmark for students. Van Hall Larenstein University of Applied Sciences shall need to have acquired a permanent ranking in the top 10 Dutch university of applied sciences and conduct operations that form the core of numerous regional clusters. By 2020, the DLO Foundation's applied research institutes shall need to have acquired the role of preferred partner in the provision of assistance in the development of green knowledge and the interpretation of this knowledge in terms of sustainable innovations. The institutes shall be in a position to fulfil this role by virtue of their excellent scientific foundations, customer-oriented approach and powerful network in the government-business community- centres of expertise 'golden triangle'.

1.4.2 Core areas

Wageningen UR's "Healthy diet and living environment" domain is comprised of three related core areas:

- **Food and food production**

The production and supply side of the food chain: sustainable agriculture and horticulture (including the cultivation of flowers), fisheries and fish farming, food safety, diet and health, international food chains and networks, animal health and animal wellbeing, and the use of biomass within the context of a biobased economy.

- **Living environment**

Nature, landscape, biodiversity, land use, climate changes, the management of water and sea and the approach to a range of wishes for the use of space.

- **Health, lifestyle and living conditions**

The impact of the choices people make on their diet, health and living conditions and their conduct as consumers, citizens or recreationists, attitude to risk and uncertainty and perception of quality and safety; the work and living conditions in the agrifood sector as such, and the importance of assurances of food supplies, in particular in less developed countries.

1.4.3 Wageningen UR's Strategic Plan

Wageningen UR's Strategic Plan for 2011-2014, prepared in 2010, outlines Wageningen UR's prospects in the near future and its ambitions in this period. The Strategic Plan builds on the Strategic Plan for 2007-2010, and makes a

distinction between five core areas which are then formulated in more detail. The Strategic Plan states that the position of the applied research institutes will be enhanced, the research themes specified in the previous Strategic Plan shall be developed further and that greater emphasis will be placed on top-quality research and education. Wageningen UR shall endeavour to acquire a stronger presence in the Dutch region and shall simultaneously conclude alliances with leading foreign universities and research institutes. In addition, further steps shall be taken in the improvement of Wageningen UR's organisation and operations.

Wageningen UR possesses a clear profile that is recognised and appreciated by its clients and target groups, a profile that appeals and yields results. The number of students has increased sharply during the past years, the quality and scope of the research have increased, the buildings and facilities have been renewed at a rapid pace and the organisation is in a healthy financial condition. Moreover, the global importance of a 'healthy diet and living conditions' and core themes such as food, sustainable energy, animal health, water and the climate have all increased. For this reason we have opted for the vigorous continuation of our adopted approach at both a national and international level.

The Wageningen UR Strategic Plan for 2011-2014 can be achieved solely when major advances are made in a number of points for development, as a result of which we have set ambitious targets for ourselves – targets that give all the more cause for the careful implementation of the plan. The progress in the implementation of the plan shall be evaluated once a year, together with the further specification of the points in the plan to be implemented during the coming year – based on the principle that 'we shall not work on everything simultaneously, but what we do we will do properly'. Wageningen UR shall also monitor its surroundings carefully and make any changes to its approach that may be necessary.

The Strategic Plan for 2011-2014 specifies targets including the following:

	2010	2014
<i>Education</i>		
– Intake of new VHL students	1230	1450
– Intake of new WU students	2066	2350
• of whom from Dutch pre-university education schools	969	1200
• of whom from the EU (other than the Netherlands)	301	400
– Percentage of transfers from VHL to WU	9	12.5
– VHL ranking in <i>Guide to Higher Education</i>	mid-table	top 10
– WU ranking in <i>Guide to Higher Education</i>	no 2	no 1
– WU ranking in <i>International Student Barometer</i>	top-10%	top-10%
– Graduation percentage		
• BA, VHL (after five years)	61%	>90%
• BSc, WU (after four years)	51%	>90%
• MSc, WU (after three years)	88%	>90%
<i>Research</i>		
– DLO turnover other than EL&I and matching market	85 million	135 million
– Intake of WU PhD students per annum	280	280
– Graduation percentage of PhD candidates (after five years)	57%	≥ 60%
– Relation-oriented fundraising campaign		+15 million
– ERC grants (EU) in plan period	2	8
– Number of Venis, Vidis, Vicis (NWO) in plan period	30	32
– Number of publications in leading journals (three-year figure)	18	20
– Shanghai Index (ranking in 'Life & Agric Science')	36	top -30
<i>Other</i>		
– Percentage of job appraisal interviews conducted with staff	50	85
– Ratio of permanent/temporary DLO staff	86/14	80/20
– DLO's net margin (applied research institutes) in % of the turnover		
– Solvency (percentage of internal capital)	3	3
• DLO		
• WU	48	≥ 45
• Van Hall Larenstein (VHL)	41	≥ 35
– Reduction of working capital relative to turnover in plan period	13	≥ 15
– Increase in effective utilisation of buildings as compared to 2010		2%
		20%

Wageningen UR completed the Strategic Plan for 2007-2010 in 2010. The most important results from the previous plan period are listed below.

Most important results from the Strategic Plan for 2007– 2010

	Starting point 2006	Target 2010	Actual 2010
<i>Quantitative</i>			
Intake of new students			
– Wageningen University (WU)	1,110	1,200	2,066
– Van Hall Larenstein (VHL)	1,115	1,225	1,230
Number of articles in leading journals	15	20	18
Number of Veni, Vidi, Vici researchers (NWO)	19	20	30
Spinoza laureates (NWO)	0	1	3
Percentage of non-Dutch staff	5.5	7	9.6
Percentage of women professors	8	11	11
Net margin of DLO applied research institutes (% of turnover)	2.0	3.5	3.3
Solvency of DLO applied research institutes (% internal capital)	37	45	48
<i>Qualitative</i>			
Introduction of tenure track at WU	-	yes	yes
Alliance with medical faculty / hospital (diet and health)	-	yes	yes
English as the organisation's official language	-	yes	no

1.4.4 Expertise circulation and valorisation

Wageningen UR actively endeavoured to enhance the circulation and utilisation of expertise in 2010. This involved:

- The provision of access to the research results available from the library, Kennis Online, METIS and other online databases via a large number of websites, most of which have been designed for a specific target group. Efforts were also made in 2010 to make theme-based files available online.
- The presentation of research results during theme days, business cafés, professional networks and lectures.
- The joint performance of projects with potential users, such as public-private co-innovation projects and voucher projects for innovations in the Small and Medium-Sized Enterprise sector. Participation in Technological Top Institutes (such as Food & Nutrition Delta, Green Genetics and TTIW Wetsus, in which companies are also involved) and in open innovation projects with the business community, such as *Telen met toekomst* ('Cultivation with a future').
- Participation in 'Food Valley', focused on the development of a cluster of research and education institutes and companies from the innovative business community in the region around Wageningen UR (regional perspective), which also serves as a concept for the creation of national links between the business community and Wageningen UR (from a national and network perspective).
- The protection of research results by establishing intellectual property rights on the results. The discoveries then retain their commercial value in commercial programmes.
- The encouragement and provision of support to researchers wishing to start a company in which Wageningen UR wishes to participate (spin-outs). Wageningen UR took a 'Startlife' initiative in 2010, which offers starting entrepreneurs assistance such as facilities and services.
- Campus development. Wageningen UR developed its vision of the campus further in 2010, in part from the perspective of the campus serving as a meeting place for Wageningen UR and the business community and as a location for the performance of research in cooperation with knowledge-intensive companies.
- Education, training and courses, etc, within the cooperative arrangements made with green education institutes in the Green Knowledge Cooperative (GKC). The GKC's joint programmes bring lecturers and researchers together to share knowledge and develop new teaching materials. These programmes actively seek links with the labour market.

In 2010, Van Hall Larenstein University of Applied Sciences placed the focus of its expertise valorisation on international projects carried out in alliances with foreign institutes, in particular on the development of curricula and didactic skills. Involving both the Dutch and foreign business communities in these projects increases both the number of traineeship places for the University of Applied Sciences' students and the contacts with the professional field.

Wageningen Business School (WBS) provides access to knowledge, skill and expertise relating to the Wageningen themes within the context of lifelong learning. WBS organised more than 40 courses, training programmes, projects and workshops for government agencies, business and institutes in 2010, in which approximately 800 professionals participated. The predominant themes were management & entrepreneurship, professional competences, green space, water, plant breeding and animal sciences. One specific activity was the launch of an international Plant breeding course in a challenging series of company programmes at institutions including a large bank, a leading consultancy and a Province. The demand for WBS' Wageningen expertise remains high and there is an increasing demand for in-company training programmes. However, the economic crisis resulted in a lower number of participants in the courses in 2010.

WBS is working on closer cooperation in lifelong learning with other parties in the Wageningen UR alliance in an endeavour to reduce the costs and improve access to Wageningen's knowledge to interested parties even further.

1.4.5 Student recruitment

National recruitment

A new national recruitment campaign was launched for the University and University of Applied Sciences in 2010. This campaign is based on twelve national and international themes, namely communication, food production, entrepreneurship, sustainability, climate change, economy & society, food & health, animals & plants, water, international cooperation, urban & rural land use and technology. The campaign pivots on the www.watvoorsoortbenjij.nl and www.characteriseyourfuture.eu websites. Prospective students answer a number of simple questions to identify the study programme that is most compatible with their needs. Inspiring stories and video clips, information about the professional prospects and comparisons with other study programmes reveal what the study programme has to offer. Hyves and Facebook offer prospective students a simple means of contacting the University and University of Applied Sciences students and study advisors. The 'Wageningen University lipdub', placed on Youtube, enables students to present the 'Forum' in a contemporary manner.

The number of participants attending the University and University of Applied Sciences information activities increased further in 2010, and is expected to continue to grow in the coming years.

International recruitment

• Europe

International recruitment is given shape by focusing on selected countries. The cooperation with agents and alumni representatives, participation in Education Fairs, campaigns on the Internet and the social media and the activities carried out by the international relationship officers have increased the numbers of students. The contacts with Bulgaria, Romania, Spain and Greece have been enhanced and expanded. The successful recruitment campaign in Germany has been continued with a programme including German-language websites.

• Outside Europe

Wageningen UR has sought further links with the recruitment activities of the Netherlands Education Support Offices (NESO) to recruit students from outside Europe. The existing cooperative arrangements with foreign universities in countries including China, Vietnam and Thailand have been enhanced – and new cooperative arrangements have been concluded – in an endeavour to recruit institutional movers and students in 2+2 programmes. The efforts to recruit scholarship students are largely focused on South America, Indonesia and Saudi Arabia. Wageningen University, together with the universities of Groningen, Maastricht, Leiden and Twente, has founded the Holland Arab Education Consortium to recruit Arab students. The Consortium has a representative in Riyadh, in part financed by

the Ministry of Education, Science and Cultural Affairs. The intake of international students is expected to continue in the coming years.

1.4.6 Internationalisation

In 2010, the international activities carried out by each of the members of Wageningen UR and Wageningen UR in its entirety encompassed more than 110 countries all over the world. Wageningen UR has designated a number of priority countries, countries on all continents where Wageningen UR is offered scientific or business opportunities, as well as countries in which Wageningen UR intends to make a substantial contribution to sustainable development. In adopting this approach Wageningen UR links up with the international policy of the Dutch government, in particular with the Ministry of Economic Affairs, Agriculture and Innovation and with the Ministry of Foreign Affairs. An international project database posted on Wageningen UR's intranet in 2010 provides an up-to-date summary of the international activities in which Wageningen UR or members of Wageningen UR are involved. International cooperation is one of the spearheads identified in Wageningen UR's new Strategic Plan (2011-2014). Wageningen UR cooperates with renowned international partners and seeks new partners for cooperation. Wageningen UR is also active in international student recruitment for both Wageningen University and Van Hall Larenstein University of Applied Sciences.

Wageningen University

On the reference date of 1 October 2010, the percentage of international BSc students was 5% of the total number of BSc students.

About 45% of the total numbers of MSc students have non-Dutch nationality (1105 students). Students of 102 nationalities were enrolled at Wageningen University on 1 October. The most important countries of origin of international students are China (195), Germany (92) and Ethiopia (82). Germany is also the most important country of origin of international BSc students (138).

All Master of Science programmes are provided in English jointly to international and Dutch students.

*Nationality of international BSc and MSc students at Wageningen University
(excluding exchange students)*

Reference date 1 October 2010

EEA countries (European Economic Area)	611
Other European countries	49
Africa	249
Asia	480
North and South America	138
Oceania	2
Total	1,529

At the end of 2010, Wageningen University once again took part in an international comparative study into satisfaction with our support, teaching, study and living climate and facilities (International Student Barometer, ISB monitor), this time also including Dutch BSc, MSc and PhD students.

In 2010, the results from the 2009 survey gave cause to the devotion of additional attention to the acceleration of the admission procedure, the issue of a Dutch bank account to international students and catering (an eating facilities pilot trial). The 'accommodation' bottleneck identified in the survey has not been resolved, due to the increased intake of students. The survey also revealed the need for the increased involvement of the Dutch staff and students in Wageningen UR's international academic climate.

A Cultural Diversity policy officer was appointed in 2010 – via the *Kies Kleur in Groen* ('Choose Colour in Green') project, in part financed by the Ministry of Economic Affairs, Agriculture and Innovation – with the objective of improving the multicultural climate for students and staff at Wageningen University.

Van Hall Larenstein University of Applied Sciences

The English-language bachelor's and master's programmes, particularly in Wageningen, have traditionally attracted many international students. The two master's programmes that attract large numbers of students with NFP scholarships (Netherlands Fellowship Programme) help to maintain VHL's status as an International Education Institute and underpin its strong position in international development cooperation. Capacity building projects (see the separate subsection) keep the expertise up to date.

All programmes at VHL Wageningen are given entirely in English. At least one graduation/major subject in every study programme given at the other VHL sites is in English.

Students of 54 nationalities were enrolled at Van Hall Larenstein University of Applied Sciences on 1 October 2010. The large number of students of German (290) or Chinese (89) nationality is particularly striking.

<i>Nationality of international students at VHL University of Applied Sciences</i>	<i>Leeuwarden</i>	<i>Velp/Wageningen</i>	<i>Total Van Hall Larenstein</i>	
	Bachelor's programmes	Bachelor's programmes	Master's programmes	
Europe	158	169	1	328
Africa	2	9	44	55
Asia	11	95	30	136
North and South America	3	2	3	8
Total	174	275	78	527
<i>% of the total number of students</i>				13,3%

Wageningen International

Wageningen International plays a coordinating role within Wageningen UR and supports all Sciences Groups and VHL in the further expansion of their international education and research portfolio. Three regional Wageningen UR offices were in operation at the end of 2010: in addition to the existing offices in Brazil (for Latin America) and China, an office was opened in Ethiopia in 2010, in response to the many activities in the country.

Wageningen International was split in 2010: CD&IC (Capacity Development & Institutional Change) became part of the Social Sciences Group and continued its operations as Wageningen UR Centre for Development Innovation, while the Wageningen International Front Office remained part of the Concern staff+ and continued its operations as Wageningen International.

The managing directors of the Sciences Groups were involved more closely in Wageningen UR's international activities. Each director bears the responsibility for a specific region.

Wageningen UR's international activities

Wageningen UR is active in many regions of the world.

The focus in **Africa** is on Benin, Ethiopia, Ghana, Kenya, Mozambique, Rwanda, Zambia and South Africa. The emphasis was placed on the activities in East Africa in 2010. In Africa, the strategic cooperation with the AGRA Foundation (Alliance for a Green Revolution in Africa), AGRINATURA and RUFORUM (Regional Universities Forum for capacity building in Eastern and Southern Africa) is of great importance. Examples of the activities carried out in Africa in 2010 include the following three activities:

- The detailing and implementation of the Ethiopia - Wageningen UR Collaboration Programme in which PSG, SSG, ESG, ASG, Van Hall Larenstein, Wageningen UR Centre for Development Innovation and Wageningen International are involved and, in Ethiopia, the Ethiopian Institute of Agricultural Research (EIAR) and the universities of Addis Ababa, Haremaya, Hawassa, Jimma and Mekelle.
- Approval of the Cascape Project in Ethiopia (€1.8 million in the 2010-2012 period) in which ESG, SSG and Wageningen UR Centre for Development Innovation and Ethiopian partners are involved.
- The design and implementation of the AGRINATURA Risk Management in Smallholder Farming project (ESG and LEI).

The activities in **Asia** focused on China, India, Indonesia, Vietnam and South Korea in 2010. Vietnam ultimately received less attention, to the benefit of Thailand. The emphasis was placed on joint research projects, including PhD and MSc programmes, which were largely financed by the Asia governments. Two examples of the activities carried out in Asia in 2010 are:

- The agreement to develop a master plan for COFCO, the largest state-controlled company in the Chinese food industry. This offers excellent opportunities for follow-up dairy, flower and food technology research.
- In November 2010, steps were taken to formalise the cooperation between the Korean Rural Economics Institute and LEI that began several years ago and to initiate new projects.
- A project for the provision of agricultural education has been set up in Afghanistan. This will be carried out by VHL.

In **Europe**, Wageningen UR consolidated its powerful position in European networks in 2010. Issues that received a great deal of attention were the formulation of the content of the KP8 research programme, the Joint Programming Initiative (JPI) and the design of a Food KIC (Knowledge and Innovation Community). Wageningen UR has designated Denmark, France and the UK priority countries for the conclusion of strategic partnerships. In 2010, 232 KP7 proposals were submitted in which Wageningen UR was involved, with Wageningen UR as the coordinator of 32 and a participant in the other 200. The cooperation between ASG and INRA is one example of European cooperation: ASG and INRA are cooperating in the enhancement of Livestock Production in the 21st Century and have taken the initiative to set up an Animal Task Force. This cooperative arrangement, with representatives from the business community and knowledge institutes, promotes research and innovations focused on the development of a sustainable, competitive European livestock farming sector. Examples of the activities carried out in Europe in 2010 include the following three activities:

- Regular consultations between Wageningen UR, INRA and BBSRC.
- Participation in the Governing Board of JPI Food, agriculture and climate change (FACCE).
- Preparations for a –now approved – proposal for the implementation of JPI FACCE.

Wageningen UR is also increasingly active in **Eastern Europe**. Two examples of the activities carried out in 2010 are:

- Pellets for Power: a consortium of Dutch, Ukrainian and Belgian research institutes and companies, under the management of Wageningen UR Food & Biobased Research, designed a business model for the production of certified sustainable biomass pellets in Ukraine for export to the Netherlands and for local fuel supplies. This project accommodates the growing demand for sustainable biomass and opens up the currently largely unutilised opportunities available in Ukraine.
- A Farm improvement programme in Russia, supervised by SSG with the objective of the integration of technical, economic and management knowledge relating to cropping and livestock systems.

In **Latin America**, in 2010 the number of projects being carried out in Brazil and Chile increased, the number in Argentina remained unchanged and the number in Mexico decreased. Research & Development expenditure increased in Brazil and Chile, largely due to the vigorous economic growth. The Sciences Groups also maintain intensive contacts with these organisations, for example the intensive cooperation between Embrapa and ASG, ESG and PSG that took place in 2010. Embrapa also participated in the Delta Alliance (ESG). Two examples of the activities carried out in Latin America in 2010 are:

- The Innova Chile Committee requested Wageningen UR to submit a proposal for the formation of an 'International Centre of Excellence in Food Sciences – ICEFood' in Chile. The proposal submitted in response to this request was based on Wageningen UR's business model. The Centre will begin operations in 2011.
- The foundation of a biomaterial platform in Brazil, comprised of scientific partners and companies including DSM, Petrobras and Braskem, with the objective of developing research projects (with AFSG as the lead partner).

In **North America**, the cooperation with UC Davis was intensified: in **New Zealand**, the ties with Massey University were strengthened.

Wageningen UR, as in previous years, once again had success with the **Nuffic** programme in 2010. A great deal of attention was also devoted to the new NICHE programme (Netherlands Initiative for Capacity Development in Higher Education) that will replace the NPT programme. Wageningen UR took active part in the DGIS rounds of consultations on the new NICHE programme. Wageningen UR staff who participated in the Nuffic programmes received information about the changed situation and recommendations were issued to Wageningen University and VHL. The Capacity Development in Higher Education 2004-2008 publication, which lists Wageningen UR's successes in the Nuffic programme during this period, was also prepared in 2010 (to be published in 2011).

The **INREF** programme (The Interdisciplinary Research and Education Fund van Wageningen University) celebrated its 10th anniversary in 2010. Wageningen International has been entrusted with the management of the programme. The 10th anniversary was celebrated with the issue of the 'Journey into Interdisciplinarity: Ten years of INREF experience' publication. Following the definition of the third phase of the programme, in close cooperation with the Wageningen Graduate Schools, the Executive Board approved the programme in March 2010. A call for proposals was then published in August 2010, and thirteen proposals were submitted. The selection will be made in 2011. Seven seed money proposals were also approved in 2010.

A total of 85 projects relating to three themes were approved within the context of the **Beleidsondersteunend Cluster Internationaal** ('International Policy-support Cluster', BOCI) which is funded by the Ministry of Economic Affairs, Agriculture and Innovation. The communications with the Ministry of Economic Affairs, Agriculture and Innovation were integrated further by the formation of theme teams. A BOCI Day was also organised in The Hague, which included a presentation for Dutch embassy agricultural attachés. The BOCI cluster management was also involved in the management of additional funds in 2010, such as a fund for Development Cooperation (Ministry of Economic Affairs, Agriculture and Innovation, and the Ministry of Foreign Affairs/Development Cooperation) and a new fund for 'Knowledge for policy' projects.

The four-year Globalisation and Sustainable Rural Development **Directorate-General for International Cooperation-Wageningen UR Partnership Programme** ended in December 2010. ESG, SSG, PSG, VHL and Wageningen UR Centre for Development Innovation were involved in this programme, which had been allocated a budget of five million euros. The results from this programme will be reviewed in a publication that will appear in 2011.

A large number of **international visits** to Wageningen UR took place in 2010, both individual visits to the various Sciences Groups and VHL, as well as to the Wageningen UR organisation. Examples of the visitors include delegations from universities in China, Indonesia, Norway and South Africa, missions from Brazil, Chile, Germany, India, Italy, New Zealand and Taiwan, the ambassadors of China, Nepal, Rwanda and Uruguay to the Netherlands, and the visit by Princess Sirindhorn of Thailand.

1.4.7 Governance

Wageningen UR's Corporate Governance Code is compiled from the most compatible principles from the *Branchecode Governance HBO* ('Higher Vocational Education Sectoral Government Code'), the *Code Goed Bestuur Universiteiten 2007* ('University Governance Code, 2007') and the Netherlands Corporate Governance Code (the *Code Tabaksblat*). When the three codes offered options for a specific principle then the strictest principle was selected.

Wageningen UR endeavours to maintain transparency in the organisation's management, conventions and the mutual rights and obligations. Details of the corporate governance structure, various complaints schemes, the integrity code and Wageningen's science code of conduct are available (in Dutch) on Wageningen UR's website under www.wur.nl/NL/over/governance.

- **Wageningen UR's corporate governance structure**

No amendments were made to Wageningen UR's corporate governance structure in 2010.

• Risk management and internal control

Introduction

The Executive Board is responsible for Wageningen UR's strategy and operations. This relates to all processes required to achieve, control and manage the policy targets. The Executive Board gives account for its internal control of Wageningen UR in this subsection, with a focus on the risks relating to the strategic targets and the operations.

Strategic target risks

Wageningen UR specified its strategic targets for a four-year period in the Strategic Plan for 2007-2010, the institutional plan and the business plan. These plans serve as the basis for the annual specification of strategic spearheads, followed by the specification of targets and appointment of project teams for each spearhead and the monitoring of the teams' progress. The risks associated with this process are managed by the issue of periodic progress reports to the Executive Board. Important developments are reviewed during in the monthly discussions between the management boards of the units and the Executive Board. An evaluation is carried out at the end of the strategic period and the new strategy is determined on the basis of the findings. Work is now being carried out on the formulation of the Strategic Plan for 2011-2014.

Operational risks

Wageningen UR has prepared for the implementation of its planned policy by implementing management measures for the segregation of duties, process design, procedures and the monitoring of the correct performance of the procedures. Within this context the planning and control cycle serves as an important management instrument for the management and management boards. Wageningen UR's planning and control cycle is comprised of the following:

- The preparation of an annual framework letter (multiyear framework, setting targets for the budget year);
- The preparation of an annual budget for each unit;
- The preparation of quarterly reports on developments in the balance sheet and result, together with the associated risks;
- The monthly monitoring of developments in the results and liquidity of the units and departments (early warning system). These reports are an integral element of the monthly discussions between the Executive Board and the management boards;
- The implementation of the Budget Allocation System (BAS) for the Ministry of Economic Affairs, Agriculture and Innovation's project budgets. This system serves to provide information to cluster leaders and financial departments on the depletion of the Ministry's project budgets;
- The subsequent costing for the 2009 financial year was carried out in 2010, an important element of which is the analysis of cost prices for each part of the organisation. Any variances as compared to the previous year are clarified or explained. The auditor certifies the subsequent costing is certified by the auditor.

Wageningen UR has set up an interest rate committee that meets once a quarter. This committee, which is managed by the Executive Board, assesses the liquidity management during the past quarter. The committee also determines the policy for the deposit of temporarily surplus funds for the next quarter. This policy conforms to the treasury statute.

Major efforts were made to improve the internal management of the financial operations in 2010. The Corporate Finance & Control department has assigned all the 'concern standard' duties to the Financial Accounting & Internal Control team. This department formulates the relevant guidelines and supervises, in autonomy, the decentral units' compliance with the guidelines. Important issues for attention in 2010 were:

- The improvement of the processes required to obtain an auditor's report for the projects by the standardisation of the dossiers and the work processes, with an increased degree of concern management;
- Risk management. A risk-management framework was set up in 2010. This framework details the 'legitimacy' theme and specifies the controls available for the control of the legitimacy risks;
- The standardisation of reports in a new reporting tool;

-
- The expansion of the risks control schedules to include procedures for the closure of each period, resulting in the creation of an integral quality assurance system for the financial information.

Preview of 2011

The further development of the concern standard will be an important element of the Strategic Plan for the coming four years, whereby the further standardisation of the processes, provision of support for the decentral units with adequate tools, the rollout of Chameleon at all DLO units and the further professionalisation of the internal control function will all be important issues for attention in 2011.

The risk management framework will be implemented further in 2011. The risks associated with the operations, legitimacy and accuracy of the reports have now been specified to an adequate extent. A pilot trial shall be carried out at a unit in 2011 to examine the best approach to the management of the strategic risks. The Executive Board shall also reach a decision on the management of the risks at concern level, whereby consideration is being given to the appointment of a risk committee similar to the existing interest rate committee that, under the management of the Executive Board, shall meet at periodic intervals to discuss the risks and evaluate the risk control measures.

All in all, the Executive Board is of the opinion that Wageningen UR's internal control systems and the associated internal risk control and monitoring systems were of an adequate design in 2010.

1.4.8 Participational structure

The participational structure constitutes an important partner and link for the Executive Board and the management boards of the organisational components in formulating policy, making choices and assigning priorities.

Each Sciences Group has set up one joint employees council for the Wageningen University and DLO Foundation staff who are assigned to the Sciences Group. Wageningen UR has also set up separate employees councils for the Concern Staff, Facilities department, IMARES and RIKILT. One Central Employees Council operating as an umbrella organisation for the employees councils has been set up for Wageningen UR. The members of the Central Employees Council are elected by and from the members of the employees councils. The Student Council and the Joint Student Staff Council serve as Wageningen University's participational structure. The membership of the Joint Student Staff Council SSC is comprised of members of Wageningen University employees councils and Central Employees Council and members of the Student Council.

Van Hall Larenstein University of Applied Sciences has three participational bodies, each of which is comprised of equal numbers of students and staff representatives. Van Hall Institute and Internationale Agrarische Hogeschool Larenstein each have a participational council. The members of the Joint Participational Council are elected by and from the members of these two Participational Councils. The Joint Participational Council consults with Van Hall Larenstein University of Applied Sciences' management board and, as the occasion arises, with the Executive Board. The participational councils hold consultations with the management board.

The central participational bodies, with members from the central participational councils, consults with the CEO. These consultations are conducted by members of the Central Employees Council supplemented with a delegation of student and staff members from the Joint Co-determination Council and a delegation from the Students Council. The central participational council is not a formal body with specific powers: the powers of the various participational councils remain unimpaired.

1.4.9 Complaints, Appeal & Objection procedures (DLO, VHL and WU)

• Wageningen UR

Wageningen UR Undesirable social conduct complaints procedure

No complaints were lodged pursuant to the Wageningen UR Undesirable social conduct complaints procedure in 2010.

- **Wageningen University**

- Legal Status Dispute Objections Committee*

- Five new complaints were lodged with the Legal Status Dispute Objections Committee (General Administrative Law Act, Chapters 6 and 7, Collective Labour Agreement Dutch Universities) in 2010, four of which were withdrawn following a settlement and one was dismissed.

- In addition, three of the four objection procedures initiated in 2009 were completed in 2010: one was dismissed and the other two objections were withdrawn following a settlement. One objection is still being dealt with in connection with a possible settlement.

- Two appeals procedures are currently also in progress which arise from the earlier dismissal of objections in 2007 and 2010, one of which has been lodged by the person who lodged the original complaint and one by the employer.

- The National Job Ranking Complaints Board*

- The Legal Status Dispute Objections Committee (Collective Labour Agreement Dutch Universities) dealt with one objection relating to Wageningen University in 2010, which has been dismissed.

- Objections Advisory Committee / Disputes Advisory Committee*

- During the period until 1 September 2010, the executive decisions section of Wageningen University's Objections Advisory Committee dealt with two complaints from 2009 and received and dealt with three new objections. One of these objections was against a decision pursuant to the Wageningen University Study Financing Regulations. The Executive Board conceded this objection in full and the Objections Advisory Committee did not need to submit recommendations. The other objections received in 2010 were against the abolition of Wageningen University's vaccination service and against an invoice of a private-law nature. The Objections Advisory Committee advised the Executive Board to declare these objections obviously inadmissible.

- Pursuant to Article 7.63a of the amended Higher Education and Research Act, Wageningen University appointed a Disputes Advisory Committee on 1 September 2010. This Committee will issue the Executive Board recommendations on objections from students and external students. The Disputes Advisory Committee did not receive any notices of objection in 2010.

- Examination Appeals Board*

- Two appeals were lodged with Wageningen University's Examination Appeals Board in 2010, both of which were against a decision not to admit the twee appellant to an MSc programme.

- In one case the appellant, after taking cognisance of the reasons for the contested decision given in the Admittance Committee's statement of defence, concurred with the Committee's decision. The Examination Appeals Board dismissed the other appeal.

- **DLO Foundation**

- DLO Individual Right of Complaint Complaints Committee*

- The DLO Individual Right of Complaint Complaints Committee dealt with two complaints in 2010, of which part of one complaint was allowed and the other was declared inadmissible.

- No objections pursuant to the job ranking complaints procedure were received in 2010.

- DLO Job Ranking Complaints Committee*

- The DLO Job Ranking Complaints Committee did not deal with any complaints in 2010.

- **Van Hall Larenstein University of Applied Sciences**

- Van Hall Larenstein University of Applied Sciences has a number of procedures for objections, appeals and complaints from staff and students.

- Ombudsman*

- A total of 31 complaints were received in 2010, 22 of which related to students and nine to staff. 30 of these complaints were resolved by means of advice, intercession and mediation.

- One official complaint report was published in 2010.

Examination Appeals Board

The Examination Appeals Board received a total of 31 appeals in 2010, of which 29 were against a binding recommendation to stop the study programme.

It transpired that an amicable settlement was feasible for twenty-five appeals, after which the appeals were withdrawn. The Examination Appeals Board dismissed two of the remaining six appeals. The last four appeals were subsequently withdrawn.

In addition to the aforementioned appeals, the Examination Appeals Board also received one petition in 2010. This was forwarded to the competent examination committee with the request to reach a decision on the petition.

Van Hall Larenstein University of Applied Sciences' Student Appeals Board in its capacity as objection advisory committee

The Appeals Board received two notices of objection in 2010. One objection was against the rejection of an application for financial support. This objection was allowed. An amicable settlement was reached for the other objection, which was against de-enrolment.

Higher Vocational Education Appeals Committee, Reappraisal Committee, Objection Assessment Committee and FUWA Job Classification Higher Vocational Education Appeals Committee

No notifications were received.

Other

Three employment law proceedings were conducted in 2010. A settlement was reached on two cases. In the third case a ruling granted permission to dissolve the contract of employment.

1.4.10 Sustainability

Wageningen UR not only positions itself externally as a leading organisation in the 'healthy diet and living environment' domain, but also intends to implement the appropriate additional internal measures. A couple of years ago the corporate social responsibility efforts were divided between the staff and the various parts of the organisation, and innovations are now being introduced in the Sustainability Programme. These individual efforts are now being supplemented by a chain-oriented approach to corporate social sustainability within Wageningen UR that encompasses a range including from procurement to contract management and from research to consultancy.

The Executive Board, the operational management boards and the staff and students of Wageningen UR have formulated their ambition for the Sustainability Programme as 'in the vanguard'.

In other words, Wageningen UR shall adopt an integral approach to sustainability and convey this message to others outside the organisation. Sustainability is then a self-evident element of decision-making: the application of proven technology is compatible with Wageningen UR's ambition.

A plan of approach for the Sustainability Programme was approved in July 2010. This plan of approach is enclosed as an annex to the Annual Environmental Plan for 2011-2013. The 'Accelerated implementation of more sustainable operations' plan specifies the short-term actions that need to be taken to prepare for the fulfilment of the 'in the vanguard' ambition' and the longer-term actions that need to be taken to fulfil and continue to fulfil this ambition. The temporary Sustainable Operations Task Force has been set up to take up initiatives and to share them within the organisation. This Task Force will operate until the end of 2012.

Wageningen UR implemented the following specific Sustainability measures in 2010:

– Organisation:

- Wageningen UR appointed a Sustainability Policy Officer on 1 August 2010, to serve as the driving force behind the programme.
- The Sustainable Operations Task Force began operations on 1 October 2010, to carry out the following tasks:
 - boost and monitor actions;

- provide structural assurances for actions, in particular when it is not feasible to assign the primary responsibility for an action to a specific officer;
- provide for the phased introduction of the sustainability report and provide for the necessary assurances;
- design and detail the CO₂ compensation fund;
- develop a plan for the internal and external sustainability communications;
- promote the coherence between education, research and the operations.

These tasks have been initiated: the first tangible results are expected in 2011.

- as from November 2010, the Executive Board reviews all items on the agenda in terms of Wageningen UR's sustainability ambition.

– Sustainability actions:

The plan of approach specifies 30 actions relating to *Construction & Energy, Waste, Mobility, Sustainable Staff, Research & Education, Catering and Procurement*. The tangible results from these actions were:

- work has begun on Wageningen UR Energy Management. The registration of the energy consumption at Wageningen UR's various locations has been optimised and the independent MWH Global organisation carried out a benchmark measurement. The points for attention identified from the benchmark measurement have been included in the energy management actions to be taken by all parts of the organisation.
- work has begun on a study of the feasibility of the use of bio-degradable coffee cups and their composting at Wageningen UR. This study is being carried out by one part of the organisation, with the participation of the staff and students, and will ultimately be implemented throughout Wageningen UR.
- the 2010 procurement sustainability scan revealed that 68% of Wageningen UR's procurements are sustainable, well above the national ambition of achieving 50% in 2012.
- a vision has been drawn up for a Sustainable Campus 2030.

– A number of new actions have been formulated, namely:

- energy conservation on Campus North. A study is being carried out to review whether sustainability can be combined with cost reductions by means of investments in installations / energy management.
- formation of a sustainability panel to request and assess proposals for sustainability issues from staff and students. A two-year pilot trial will be carried out.
- initiation of cooperation with 'the Accessible Valley' within the context of the promotion of electrical cycles/scooters, carpooling and hosting and a campaign to encourage the use of bicycles and public transport.
- initiation of a 'sustainable conduct awareness' study to be carried out in cooperation with students and which was commissioned by one part of the organisation. This study will be carried out at Wageningen UR's workplace.

– Results in the chain:

The results achieved with Wageningen UR research have been optimised further and either implemented within the organisation's operations or marketed to external parties. Examples of the results achieved in the chain include:

- the De Marke experimental farm (dairy farming) supplies biogas to the national gas grid.
- the Nij Bosma Zathe experimental farm generates energy with a manure fermenter. The electricity generated by the unit is supplied to the national electricity grid. The heat realised by the unit is piped to a residential district and used to heat the houses. A proportion of the biogas is upgraded to autogas (LPG) and supplied to a Delta Oil filling station in the vicinity.
- the Lelystad wind farm supplies an amount of electricity to the national electricity grid which is equal to the electricity consumed by Wageningen UR.
- the procurement of 100% sustainable electricity for the entire Wageningen UR organisation as from 1 January 2011. All electricity consumed by the organisation, 70 million kilowatt-hours per annum, will then be completely sustainable.

– Communication:

- a communication plan has been drawn up for the Sustainability Programme. In 2011 and 2012, the focus will be on passive communications via the Intranet that provide information about the various domains throughout the year. External communications were also organised relating to Sustainability Day.

- Wageningen UR published a comprehensive report on progress in the Sustainability Programme on the Intranet on 11 November 2010. A conference was organised on the same day. Wageningen University and Van Hall Larenstein University of Applied Sciences organise, in collaboration with the Technical Education Assistant section of the *Nederlandse Vereniging voor Onderwijs in de Natuurwetenschappen* ('Netherlands Natural Science Education Association'), the annual Technical Education Assistant Day on: I. Natural resources, II. Integral solutions to provide sufficient, healthy food to everyone, III. Food production that is not detrimental to our living environment, IV. Sustainable energy, V. Care of the climate, VI. Healthy lifestyles, VII. Biodiversity in nature areas and VIII. Animal wellbeing.
- regular communications on the Sustainability Programme took place within the Quality, Working Conditions & Environment policy consultative body and Facilities Management consultative body.

1.5 Wageningen University

Wageningen University offers academic bachelor's, master's and PhD programmes and carries out fundamental research in the fields of life sciences and natural resources. The research is carried out by graduate schools. Lecturers participate in both the research and teaching at the university and work intensively with partner institutes in the Netherlands and abroad.

Interest in Wageningen University's programmes increased further in 2010. The number of students from pre-university education schools enrolling for the BSc programmes (first-year higher education) increased by 11% as compared to 2009. The intake in the master's programmes increased by 14% in 2010. International students account for about 60% of this increase (654). The internal transfer of students from the bachelor's programmes accounts for about one-third of the growth (476 students).

After five years in which Wageningen University was elected best university, the University came second in 2010, as stated in the [Keuzegids Universiteiten Voltijd 2011](#) ('2011 Guide to fulltime University Education') published by the Centre for Higher Education Information, which appeared in December 2010. Twelve of Wageningen University's bachelor's programmes rank among the top 25, with Agrotechnology and Plant Sciences tying in first place with a score of 90 out of 100.

Wageningen University is also at the top in the *Keuzegids Masteropleidingen* ('Master's programmes study guide'): no less than eighteen of the nineteen Wageningen University masters that were assessed were awarded a score far above the average in their field.

Two of Wageningen University's researchers were awarded an advanced grant from the European Research Council (ERC) in 2010, each of €2.5 million: Professor Marten Scheffer was awarded the grant for his research on Generic Early Warning Signals for Critical Transitions and Professor Martien Cohen Stuart for his research on Soft Biomade Materials: Modular Protein Polymers and their nano-assemblies. Lars Hein was awarded a €1.5-million ERC Starting Grant for his research on EcoSpace: Spatial-Dynamic Modelling of Adaptation Options to Climate Change at the Ecosystem.

The Wageningen University Fund (WUF) presented the 2010 Teacher of the Year Award to Dr André van Lammeren, lecturer in Plant Cell Biology.

The title of the 2010 Dië's Natalis was 'A World in Transition': the speakers were Professor Marten Scheffer, Wageningen University, Professor of Aquatic Ecology Water Quality Management, Professor Robbert Dijkgraaf, Chairman of the Royal Netherlands Academy of Arts and Sciences (KNAW) and Professor of Mathematical Physics at the Universiteit van Amsterdam, and Professor Martin Kropff, Vice Chancellor of Wageningen University.

The theme of the opening of the 2010/2011 Academic Year was 'Nature as the basis'. The speakers were Kees Slingerland and Aalt Dijkhuizen on behalf of Wageningen UR and (as external speaker) Alexander Pechthold, member of the House of Representatives of the States-General and leader of the Democrats 66 parliamentary political party.

1.5.1 Teaching and students

1.5.1.1 Wageningen University's education and study programmes

In 2009/2010, the study programmes offered to the more than 6000 students were comprised of 19 Dutch-language bachelor's programmes and 29 English-language master's programmes in Biology, Plants & Animals, Society & Economics, Environment & Landscape and Technology & Nutrition (see Appendix IA, table 1). The education is of a multidisciplinary and strongly international nature, both in terms of the curriculum and the members of the student population. About 45% of the MSc students are from outside the Netherlands.

Innovations in 2010 included:

- The major-minor system in the bachelor's programmes. All bachelor's programmes now incorporate a consecutive six month elective period that simplifies student studies outside the Netherlands. The elective study can be selected from one of the more than fifty minors offered by the University. Students can also opt for a personal combination of subjects offered by Wageningen or other universities.
- The Tourism bachelor's programme, an English-language study programme provided in cooperation with NHTV Breda University of Applied Sciences. This is the first academic bachelor's programme offered in cooperation between a university of applied sciences and a university. NHTV Breda University of Applied Sciences is a highly-regarded educational institute in this field. The students study in Breda for the first two years and in Wageningen in the third year. The subjects are taught jointly by lecturers from Wageningen and Breda. The bachelor's programme is supplemented with a research programme formulated in cooperation with NHTV Breda University of Applied Sciences to provide assurances for the academic quality of the study programme.

The major/minor system gives shape to one of the intentions of the Strategic Plan 2007-2010. The minors offer both an interesting opportunity for Wageningen University's students and, and in particular, increase the appeal of studying at Wageningen University's to students (including international students) at other universities. Studying one of these minors can offer students from other universities an opportunity to explore studying for their MSc at Wageningen University.

1.5.1.2 Internal and external quality assurance

• Internal quality assurance

The results from the fourth BSc first-year evaluation (2010) were very favourable. The first-year students rated their programmes highly and 96% would recommend their programme at Wageningen University to pupils attending pre-university education schools. The evaluations of BSc and MSc graduates were also extremely favourable. 84% of the bachelor's graduates would opt for the same programme and 80% of the master's graduates would recommend potential students to take their master's degree at Wageningen University.

The evaluation of non-programme teaching (graduate subjects, work placements) yielded extremely favourable results. 70% of the respondents awarded an overall grade of 8 out of 10 or higher to their graduate subject or traineeship.

The general response to the electronic questionnaires was good. The evaluations have produced sufficient, up-to-date feedback for programme directors, lecturers and professors.

• External quality assurance

The Dutch-Flemish Accreditation Organisation granted accreditation to the Economy & Policy and Applied Communication Science bachelor's programmes and the Applied Communication Science master's programme in 2010. The Dutch-Flemish Accreditation Organisation, within the context of the *Toets Nieuwe Opleidingen* ('New study programme review'), reached a positive decision on the Tourism bachelor's programme Wageningen University provides in cooperation with NHTV Breda University of Applied Sciences.

The reviews of the Health & Society and Biology bachelor's programme and the Biology master's programme carried out by Quality Assurance Netherlands Universities (QANU) in 2010 resulted in favourable assessment reports: the Dutch-Flemish Accreditation Organisation has been requested to extend the accreditation period of these study programmes.

1.5.1.3 Study progress and graduation efficiencies

Tables 6 and 7 of Appendix 1A list the graduation efficiencies of the master's students (generation 2006 through 2008) and bachelor's students (generation 2005 through 2007).

The master's graduation efficiencies are high, but the bachelor's graduation efficiencies fall short of target. However, the bachelor's graduation efficiencies have improved significantly for all cohorts, namely by between 3 and 5%. Nevertheless, the current efficiency of 54% is still far removed from the target agreed by the Association of Universities in the Netherlands and Ministry of Education, Science and Cultural Affairs (an efficiency of 70% after four years for re-enrollers in the second year). The bachelor's efficiencies are expected to increase further in the coming years, in part due to the 'hard cut-off' requirement that students may begin a master's programme only once they have completed the stipulated bachelor's programme.

1.5.1.4 Support services for students

The majority of the support for and service to students is provided by the Student Service Centre. The Student Service Centre is comprised of three teams:

- Student Administration (admission, enrolment, registration, graduation)
- International Office (support and administrative assistance for international students)
- Student Counselling (student counselling and student welfare).

The "Studying in Wageningen" publication was revised in 2010, and the popular Infopoint was opened in the summer months for the eleventh year. Senior international students help new students to find their way quickly in Wageningen. Some staff are also engaged in the provision of staff to international exchange students (including Erasmus students).

The number of first-year BSc students from Germany once again increased substantially in 2010. In addition to making the arrangements for the evaluation of their admission, the Student Service Centre assisted this group of students with registering with *Studielink*, with their participation in the six-week Dutch-language course and with finding accommodation.

The number of requests for admission to a master's programme at Wageningen University rose further to 6628 in 2010. A project focused on making arrangements for the digital delivery and processing of the documents required for the admission and acceptance process was completed in the course of 2010 and the process has now been implemented.

The Student Service Centre began to make use of the 'always e-available' program in June 2010. This programme improves the processing of requests for information received by Internet, e-mail, telephone and via contacts at the desk. From November 2010, the system became the most important information channel for students alongside visits to the desk.

1.5.1.5 Student facilities

Students at Wageningen University have access to teaching, interim examinations and examinations, as well as to the University's facilities and collections. The University also provides for the student facilities and student counselling by the deans and for study counselling by study consultants.

The University and a wide range of student organisations and other organisations are active in the provision of facilities designed to provide for appealing life and study at the University. These include student social clubs, sports clubs, drama groups, a choir and orchestra, a student political club, student union and everything else in between. Wageningen University attaches great importance to a wide range of thriving facilities and, consequently, supports many of these groups.

• Study counselling

The increased number of students once again resulted in an expansion of the study counselling in 2010. At the same time, the approach to study counselling has shifted to a greater emphasis on planning the study. This is in

part due to external reasons (the introduction of the major-minor structure, as a result of which students need to make choices earlier in their study), as well as to internal reasons (the introduction of the 'hard cut-off' requirement that students may begin a master's programme only once they have completed the stipulated bachelor's programme). The 'long-term student' legislative proposal also casts its shadow ahead, which once again serves as an invitation to improve the planning. However, the University *and* the students also emphasise the importance of remaining active alongside the studies – even though societal pressure for rapid graduation is increasing.

- **Student counselling**

The Student Counselling Service was comprised of four student deans (3.5 FTE), three student psychologists (1.5 FTE), one student medical officer (1.0 FTE) and two assistant nurses (0.8 FTE) in 2010.

- **Student dean's office**

A total of 1401 consultations were held in 2010, of which 854 with Dutch students and 547 with international students. The numbers of consultations held with both Dutch and international students were slightly lower than in 2009.

In 2010, a number of students interrupted their studies for a longer period of time or returned to their home country due to serious problems in their family or personal circumstances. A number of international students with an NFP scholarship also had to return home due to insufficient progress in their studies.

Two courses in study skills were organised and provided by the deans in 2010, for the first time in many years. A total of 20 students took part in these courses. An English-language study skills course was provided in cooperation with Purple Monkey for the first time in October.

- **Student psychologists**

About 7.5% of the students called on the services of the student psychologists in 2010, comparable with the percentage in 2009. Slightly less than half were evidently related to problems with the study and slightly more than half related to personal problems. Two new courses were started in 2010, one on fear of failure and one for students who have problems with the pace of the study and/or graduation.

- **Student medical officer**

In 2010, 578 students reported to the student medical officer for the first time with problems including delays in their studies due to illness/stress (2009: 679). The number of consultations amounted to 749 (2009: 910). The number of consultations for international students (including PhD students) amounted to 72 (2009: 106). 176 students underwent tropical medical examinations in connection with a stay in the tropics. More than 80 interviews were held with students returning from the tropics.

In 2010, the rundown of the duties of the student medical officer and vaccination centre resulted in the devotion of a great deal of attention to the planning for the follow-up. This follow-up will be of the form of an independent student GP and a commercial vaccination centre

- **Other facilities**

Students seeking accommodation can turn to the private market for student rooms, the Wageningen Student Organisation room rental service and the Idealis housing organisation. Idealis rents out approximately 4,500 rooms in fourteen complexes at various locations in Wageningen. In 2010, Wageningen UR had almost 1200 *Idealis* rooms specifically for international students and a further more than 250 University rooms that were constructed at the end of 2009. However, due to the growth in the number of students temporary accommodation still had to be found for some international students in the centre of Wageningen. This 'peak accommodation' problem still had not been resolved at the end of the year since transfers to the rooms intended for international students have been greatly retarded.

The De Bongerd (SCB) University Sports Centre is a multifunctional sports centre with extensive indoor and outdoor facilities. The sports programme encompasses more than 40 different sports (from **A**thletics to **Z**umba) and a further some fifteen sports events. In 2010, it was decided that the sports accommodation would be expanded to include facilities such as fitness, indoor biking and relaxation. An expansion of the staff accommodates the increasing demand for courses and walk-in lessons.

The Wageningen University Thymos (SWU Thymos) Sports Foundation promotes sport and physical fitness for students, promotes the interests of students who participate in sports in general and the interests of the student sports clubs in particular. The formation of the *IJzersterk* student skating club has increased the number of student sports clubs to 20.

A revised and greatly-simplified procedure for the distribution of the board scholarships from *Profileringfonds* (Student Financial Support Scheme) fund was developed in consultation with the Student Council in 2010.

1.5.1.6 International mobility and exchange of staff and students

In 2010, five joint master's and five joint doctorate programmes with Wageningen University participation were submitted within the context of Erasmus Mundus, action 1 (joint programmes). Virtually all the programmes submitted were assessed as excellent or good. Ultimately, only one joint master's programme (Agris Mundus) and two joint doctorate programmes were selected. This was largely due to the large number of proposals that were submitted, which was much greater than the number could be selected and, consequently, greatly reduced the probability of success. It was decided that in 2011 the probability of success shall be increased by Wageningen University's explicit provision of support to applicants in the preparation of the applications. This will also further increase the quality of the programmes.

Wageningen University now participates in four joint master's and two joint doctorate programmes under the Erasmus Mundus label and with Erasmus Mundus financing.

Wageningen University submitted one new proposal within the context of Erasmus Mundus, action 2 (partnerships). This proposal has been selected: it relates to exchanges with universities in Central Asian republics. Two current programmes in which Wageningen University takes part (focused on Russia and South-East Asia) were also selected again.

In an endeavour to improve the equilibrium between the numbers of incoming and outgoing students in the student exchange process, it has been decided to shift the focus to the outgoing students. More agreements were concluded in 2010, which will be of particular interest to outgoing students. During a 'study abroad' study fair incoming international exchange students promoted their own university as an option for outgoing students. As a result, the number of outgoing students has increased by one-third to 177 and continues to increase steadily. The number of incoming students, about 320, remained more or less stable in 2010. The amended agreements with the partner universities have raised the level of the incoming students (quality, compatibility of the substance of the study). The social support provided to incoming students has been improved further by virtue of the buddy system, introduction meetings and counselling by Erasmus coordinators. This support is provided in close cooperation with the Wageningen branch of the Erasmus Student Network (IxESN). The incoming students have a very high opinion of the range of studies on offer and are increasingly transferring to the regular Wageningen University study programmes. However, the limited accommodation available poses a continually increasing threat to opting for a study at Wageningen University.

1.5.2 Alumni and fundraising

Wageningen University has a network of more than 35,000 graduates and doctorates in about 100 countries. The Alumni & Funds department maintains relationships with alumni by means of the provision of information, creation of platforms and organisation of meetings in the Netherlands and abroad, whereby the department closes closely with the KLV Association of Wageningen alumni.

Increasing use was made of the www.wageningenalumniportal.nl platform in 2010, which went on the air in September 2009. Alumni meetings were organised in the Netherlands in cooperation with the existing regional alumni groups in the north, east, south and central regions of the Netherlands. Alumni meetings were also organised abroad, on occasion in cooperation with other Dutch universities.

The reunions organised for 25th and 50th anniversary alumni drew a record number of participants in 2010. The first reunion for 40th anniversary alumni (who began in 1970) was organised in 2010, which also drew a large number of participants.

The Wageningen Ambassadors alumni network grew to 40 members in 2010.

The first edition of the quarterly Wageningen World magazine, Wageningen UR's relation and alumni magazine devoting particular attention to information about alumni and fundraising, was published in 2010.

A new campaign designed to expand the fundraising was launched in September 2010, in close cooperation with the Wageningen Ambassadors (the group of prominent alumni). This campaign, the 'Food for Thought, Thought for Food' campaign, targets private donors and focuses on Wageningen UR's role in developing solutions for the world's food problem. The objective is to raise €15 million in five years to fund pioneering research into the global food problem. Campaigns have been held for the Storm van der Chijs Fund, which promotes the development of women scientists, and for the Anne van den Ban Fund, which offers scholarships to international students. The Alumni & Funds department also manages eighteen Wageningen University Fund named funds. Four new named funds were formed in 2010.

1.5.3 Research

1.5.3.1 Research policy

During the 2007-2010 plan period additional investments were made in three social themes that lie at the heart of Wageningen UR's mission, namely:

- Biobased economy;
- Climate-resistant coastal zones;
- Nutrition, health and conduct.

Investments were also made in three areas of expertise and technologies:

- Systems biology;
- Bio-nanotechnology;
- Linking scale levels and governance.

Wageningen University's research is carried out by chair groups. Each chair group is managed by a professor and has a specific area of expertise. However, all 92 chair groups share one common feature: they carry out research in the 'healthy diet and living environment' theme.

1.5.3.2 Graduate schools

Wageningen University is the lead agency for six graduate schools. Wageningen University's graduate schools are clustered under an umbrella body, Wageningen Graduate Schools.

Graduate schools with Wageningen University as the lead agency:

- Experimental Plant Sciences (EPS);
- Wageningen School of Social Sciences (WASS);
- The C.T. de Wit Graduate School Production Ecology & Resource Conservation (PE&RC);
- The VLAG (Nutrition, Food Technology, Agrobiotechnology and Health Sciences) Graduate School;
- Wageningen Institute of Animal Sciences (WIAS);
- Wageningen Institute for Environment and Climate Research (WIMEK) as part of the national SENSE graduate school.

Participation in graduate schools with another university as the lead agency:

- Research School for Resource Studies for Development (CERES);
- Graduate School on Process Technology (OSPT);
- Research Institute and Research School for Economic and Social History (N.W. Posthumus Institute);
- Graduate School of Polymer Science and Technology (PTN);
- Research School Biodiversity;
- Graduate Research School of Science, Technology and Modern Culture (WTMC);
- Graduate Research School Biotechnological Sciences Delft Leiden (BSDL);
- Dutch Institute of Systems and Control (DISC);
- Interuniversity Centre for Educational Research (ICO).

The graduate schools have three primary duties:

- Coordination of a coherent research programme for the university within the scope of the graduate school's mission.
- Following, monitoring and promoting the quality and progress of academic research (PhD students, post-doctoral researchers and other researchers).
- Developing, furthering and coordinating post-doctoral education.

All researchers, post-doctoral researchers and PhD students are members of one of these graduate schools. Wageningen University's graduate schools have received accreditation from the Royal Netherlands Academy of Arts and Sciences and, consequently, are subject to quality control procedures.

1.5.3.3 Quantitative information

• Quantity of research and research productivity

The direct government funding for education and research amounted to €175.7 million in 2010. Research funding from government agencies, largely provided by the Netherlands Organisation for Scientific Research (NWO), amounted to €20.9 million. This amount includes the staff of research projects recruited by means of the NWO *Vernieuwingsimpuls* (Innovation Impetus) programme. The award of eight Veni, three Vidi and one Vici grants in 2010 brought the total number of laureates to thirty-seven Venis, twenty Vidis and five Vicis. The contract research source of funding amounted to €74.7 million. A total of 3523 scientific articles were published.

• PhD students

Wageningen University is fortunate with its graduate schools, which provide for a challenging education programme and make use of every possible opportunity to elevate their PhD students to the highest possible level. Their success is manifested by indicators such as their favourable review assessments and re-accreditation of the graduate schools.

As in 2009, in 2010 the graduate schools devoted a great deal of attention to the PhD students' exploration of potential careers and the prospects they offer. This assistance was provided in the form of career assessments, exit courses and careers guidance for outstanding young researchers. This guidance also helps PhD students prepare for a possible career outside the scientific field. Wageningen Graduate Schools has taken the initiative to develop a 'Professional in Supervision' course for PhD supervisors and deputy supervisors with the objective of professionalising the supervision of PhD students. There was a great deal of interest in this course.

The current breakdown of PhD students by graduate schools that have been awarded research funding (indirect government funding) is listed in the following table.

As in previous years, PhD student participation in post-graduate education once again increased in the year under review. A total of 1103 PhD students participated in 2010.

A total of almost 270 PhD students joined in 2010.

Table Number of PhD students granted PhD funding, by graduate school, 2006-2010

Year	CERES ⁸	EPS	MG3S / WASS ⁸	PE&RC	VLAG	WIAS	WIMEK	Total
2006	61.5	98.5	103.5	138	182	65.5	105	754
2007	69	102	91	173	195	86	95	811
2008	67	130	111	201.5	232	102.5	117	961
2009	68	166.5	123	207.5	252	120.5	124.5	1,062
2010	-	157.5	216	202	264	125	138.5	1,103

• Internal research incentive

In 2010, the graduate schools had a budget of more than €3 million at their disposal for the appointment of PhD candidates and post-doctoral researchers for future-oriented research themes. Some of this funding was reserved for the deployment of additional PhD candidates or post-doctoral researchers under the management of Veni or Vidi laureates.

• Quantitative information

The number of PhDs awarded students increased from 196 to 205 in 2010, of which 104 were women. 87 of these PhD students followed their prior education (MSc) outside the Netherlands. 109 of the new PhD graduates were non-Dutch nationals.

As indicated earlier, the number of PhD students with a Training and Supervision Plan, TSP, once again increased during the year. This development may also be expected to have a positive effect on the percentage of trainee research assistance PhD graduates.

The total number of PhD students is now approximately 1500.

1.5.3.4 Quality assurance

All Wageningen University research is carried out within a graduate school. The Executive Board attaches importance to ECOS-KNAW accreditation of the graduate schools. This accreditation is currently valid for a six-year period. Two graduate schools applied for the renewal of their accreditation in 2010, namely PE&RC (Production Ecology & Resource Conservation) en WIAS (Wageningen Institute of Animal Science). The EPS (Experimental Plant Sciences), WASS (Wageningen School for Social Sciences) and VLAG graduate schools that applied for re-accreditation one year earlier were re-accredited in 2010.

Wageningen University's research review visits are part of a national system in which each university is obliged to undergo an external review once every six years. These are supplemented by what are referred to as midterm evaluations. All these reviews are conducted in accordance with a Standard Evaluation Protocol (SEP) developed and adopted by the Royal Netherlands Academy of Arts and Sciences, the Netherlands Organisation for Scientific Research (NWO) and the Association of Universities in the Netherlands (VSNU).

Wageningen University conducts its external reviews with the graduate school as the leading entity. An external review of the national SENSE graduate school, of which Wageningen's WIMEK is a substantial part, was conducted in 2007. The other EPS, MG3S (including the chair groups of CERES), PE&RC, VLAG and WIAS graduated schools were all reviewed in mid 2009, by an international peer review committee of prominent scientists in the domain of the graduate school. These reviews were conducted at graduate school and chair group level. The midterm evaluation of WIMEK-SENSE was carried out in 2010. This midterm evaluation was not organised within the national SENSE context. WIMEK's International Advisory Board, which wished to serve as a sounding-board during this midterm evaluation, was extremely satisfied with the development of all the groups.

⁸ The CERES and MG3S graduate schools were merged to form WASS (Wageningen School of Social Sciences) in 2010.

The recommendations issued by the peer review committees during the reviews of the graduate schools conducted in 2009 (and published on the graduate school's website) gave cause to the further detailing of improvements in 2010. The progress in these improvement plans is a standing item on the annual agenda for the management meetings between the Vice-Chancellor and the scientific directors of the graduate schools.

The organisation has also been working on a fundamental improvement of the quality assurance by means of the implementation of a separate monitoring system.

1.6 Van Hall Larenstein University of Applied Sciences

Van Hall Larenstein University of Applied Sciences focuses on training practice-oriented professionals and the interpretation of scientific knowledge in terms of applied solutions. Van Hall Larenstein University of Applied Sciences, in combination with Wageningen University, endeavours to provide a broad spectrum of academic and professional study programmes that offer students appropriate opportunities to switch between programmes. Van Hall Larenstein University of Applied Sciences' study programmes are provided at the Leeuwarden, Velp and Wageningen locations.

Van Hall Larenstein University of Applied Sciences assists the students, on the basis of their interests, knowledge and experience, to develop into learning professionals with higher vocational education qualifications. The University of Applied Sciences does so both by offering professional bachelor's and master's programmes and by providing post-graduate training and education during the graduates' subsequent careers.

The education is competence-oriented, with a great deal of attention to learning in a vocational context. This enables students to become acquainted with professional practice as quickly and as thoroughly as possible by means of teaching methods such as learning-working placements, traineeships and final project assignments. The lecturers supervise the students and are also involved in applied research. This research is carried out within the lecturers' knowledge networks or within the context of contract research. These activities support innovation in the study programmes, increase the expertise of the lecturers and strengthen the links between the University of Applied Sciences and the professional field. The University of Applied Sciences is open to other cultures and welcomes students and programme participants from all over the world.

In the autumn of 2008, the management board began work on a strategic process to set the course for the coming four years. The management board's ambition is to offer some 6000 Dutch and international students appealing and excellent higher vocational education by 2015 and to carry out applied research within Wageningen UR's domain of a healthy diet and living environment. The focus will then be placed on the provision of maximum support to the students and on the staff's continual development their professional skills in an organisation which conducts economically-justifiable and healthy operations.

In June 2010, this transition process resulted in the completion of the Draft Strategic Memorandum for 2010-2015. Sections of this memorandum are included in Wageningen UR's Institutional Plan.

At the beginning of July 2010, the Co-determination Council and the Executive Board reached agreement on the merger, in accordance with the Administration Reinforcement Act, of the Van Hall Institute and Internationale Agrarische Hogeschool Larenstein to form Van Hall Larenstein University of Applied Sciences. The agreements reached at the time were worked out in more detail and the merger took place on 1 September 2011.

The financial preview of the coming years revealed that choices will need to be made to improve the organisation's efficiency. This process will be guided by the principle that all the University of Applied Sciences' operations are determined by the primary process.

The new Higher Education and Research Act came into force in the autumn of 2010. Wageningen UR had already appointed a number of working groups in 2008 to assess the specific consequences of the new Act as compared to the existing legislation. The University of Applied Sciences addressed this in more depth from mid-2010 onwards. One important project is the professionalisation and positioning of the new-style examination committees.

The Northern Sector's *Scholen voor ambities* ('Schools for ambitions') Plan acquired shape in 2010. The four northern universities of applied sciences (Van Hall Larenstein University of Applied Sciences, Hanze University Groningen University of Applied Sciences, NHL University and Stenden University) reached agreement on intensive cooperation in six themes. This cooperation, which will encompass both research and education, is intended to strengthen the economy of the northern Netherlands. Van Hall Larenstein University of Applied Sciences is the project manager for the Water Technology theme. The sector plan was submitted to the Ministry of Education, Science and Cultural Affairs in March 2010.

The agricultural universities of applied sciences drew up a plan for higher agricultural vocational education in the second half of 2010. This plan specifies the relevant developments in the agricultural universities of applied sciences' working field and then reviews the manner in which they intend to accommodate these developments in the coming years. The sector plan was submitted to the Ministry of Economic Affairs, Agriculture and Innovation in April 2011.

The preparations for the launch of the Dairy Campus, the national and international centre for dairy farming research, innovation and education, were carried out in 2010. Van Hall Larenstein University of Applied Sciences, the Province of Fryslân (Friesland), Municipality of Leeuwarden and Wageningen UR Livestock Research cooperate in the Dairy Campus programme.

Van Hall Larenstein University of Applied Sciences positions itself as an international university of applied sciences with an international orientation in its education contract work. The University of Applied Sciences trains people for work in an international context. Van Hall Larenstein University of Applied Sciences' Wageningen location, in particular, has an international flavour.

Van Hall Larenstein University of Applied Sciences, Velp is based at a unique location: the Larenstein Country Estate. The University of Applied Sciences intends to make better use of the benefits offered by this country estate by specifying the framework for the future of education and the country estate in more detail. This framework (the vision of education) determines the needs, requirements and preconditions governing the country estate's spatial layout that ultimately lay the foundations for the urban. Consequently, the University of Applied Sciences' approach to the planning process is based more on the ambitions for the education it provides and also takes more account of economic principles.

1.6.1 Education and students

1.6.1.1 Programmes

The study programmes offered by Van Hall Larenstein University of Applied Sciences (see Annex IB, table 1) are comprised of twenty professional bachelor's programmes, three professional master's programmes and six associate degree programmes.

The study programme is comprised of 46 full-time majors and ten part-time majors. The study programmes both deepen and broaden the students' knowledge in preparation for a transfer to the University. All master's and bachelor's programmes provided at Wageningen are provided entirely in English. The Dutch-language bachelor's programmes endeavour to provide at least one English-language major.

Van Hall Larenstein University of Applied Sciences cooperates with other universities of applied sciences and institutes within various study programmes. Van Hall Larenstein University of Applied Sciences' Leeuwarden location and NHL University jointly offer a number of technology programmes in the Life Sciences unit. The laboratory courses provided by the Friesland College (upper secondary vocational education) are also included in this joint programme. Van Hall Larenstein University of Applied Sciences is endeavouring to improve the transition from secondary and upper secondary vocational education to shortened and full-length higher vocational education. Van Hall Larenstein University of Applied Sciences' Leeuwarden location has achieved this objective by means including the Life Sciences unit and the new associate degree programmes. In addition, continual learning lines have been developed in cooperation with Helicon Opleidingen Velp. Bridging courses and summer courses are intended to simplify the switch to Van Hall Larenstein University of Applied Sciences.

Van Hall Larenstein University of Applied Sciences also takes part in various consultative bodies with other educational institutes, including the LICA ('National information centre for linking secondary education to universities of applied science'), VOHO ('Secondary/higher education communications platform') in Velp and Leeuwarden, the AOC consultative body in Leeuwarden and the AOC Oost consultative body.

1.6.1.2 Internal and external quality assurance

• Internal quality assurance

The internal quality assurance system of each education management board is primarily comprised of the evaluation of the education (a student satisfaction survey) in each period in each study programme. The direct result of these evaluations is manifested in the form of improvements to the relevant study programme. The performance of this process is assured by the education committees.

The student satisfaction at institutional level is measured externally in the National Student Survey. In 2010, all current students were once again contacted by e-mail with the request to take part in the survey. Their response was more than 40%. Van Hall Larenstein University of Applied Sciences average score for all study programmes and all quantified items was 3.6 (on a scale from 1 to 5). Since the National Student Survey has amended the questions, this score cannot be compared with that of previous years.

The annual alumni survey was detailed at institutional and cluster level and, for the major study programmes, at programme level. The survey did not yield any surprising findings. The general satisfaction of the alumni has increased slightly from last year. However, the fairly response complicates drawing conclusions.

As from October 2010, the key results from the satisfaction surveys (in particular, the in-house module evaluations, National Student Survey and alumni survey) are listed in a table by study programme. This information serves as valuable input for the annual quality cycle performed for each study programme. The discussion of the results in the management meetings shall need to result in improvement plans, whereby their implementation will be assured by means of annual plans and annual reports. The implementation of this last step is planned in 2011.

A new staff-satisfaction survey was carried out in mid-2010. The results were processed and analysed at the end of 2010. The presentation of the results, together with the conclusions and improvement plans, is scheduled for the beginning of 2011.

Improvements to the administrative support and provision of information to students are incorporated in the Operational Excellence project. Work on some elements of this project has now begun.

• External quality assurance/reviews and accreditation

Certified conducted reviews of the bachelor's Tropical Agriculture study programme and part-time master's Project and Process Management in Area Development programme in 2010. The results were favourable, and the reports were submitted to apply for renewed accreditation.

Van Hall Larenstein University of Applied Sciences and NHL University cooperated in the Netherlands Quality Agency (NQA) review of the Life Science study programmes. These study programmes, including the Van Hall Larenstein University of Applied Sciences Food Technology and Biotechnology study programmes, also received a favourable assessment. These reports were also submitted to apply for the renewal of the accreditation.

The new accreditation system came into force on 1 January 2011. Moreover, the full merger to create the new Van Hall Larenstein University of Applied Sciences took place on 1 September 2011. Van Hall Larenstein University of Applied Sciences makes use of the accelerated implementation of institutional accreditation and the limited study programme assessment. The AeQui evaluation organisation assisted with the limited study programme assessment of seven study programmes prior to the merger date.

The external evaluations of the research units (lectorates) have yet to take place. The first is scheduled for 2011.

The Validation Committee for Research Quality Assurance's external review of Van Hall Larenstein University of Applied Sciences' quality assurance is scheduled for the beginning of 2013.

1.6.1.3 Study progress and graduation efficiency

Table 4 of Annex IB lists the average time taken by students to graduate from Van Hall Larenstein University of Applied Sciences. The average was 4.5 years in 2010.

Table 3 of Annex IB lists the average time taken by students to graduate by study programme and location.

Pursuant to the regulations, Van Hall Larenstein University of Applied Sciences issues a binding recommendation to stop the study programme to students who have not achieved sufficient credits after their first year and for students who have not completed their propaedeutic programme within the first two years.

At the end of the 2009/2010 academic year Van Hall Larenstein University of Applied Sciences issued 153 negative study recommendations. Twenty-nine students lodged an appeal against the binding recommendation to stop the study programme with the Examination Appeals Board. The results from these objections are stated in Subsection 1.4.9.

A total of 463 students terminated their studies with Van Hall Larenstein University of Applied Sciences in the 2009/2010. The average time these students had studied at the University of Applied Sciences was 2.08 years.

1.6.1.4 Support services for students

The Educational Office is entrusted with a number of duties that are designed to ensure that the students make effective use of their time at the University of Applied Sciences. The Educational Office is responsible for maintaining correct records of student details (EU and Non-EU) and organisational and administrative details relating to the education. The Educational Office also prepares the timetables and performs the front-office duties at the three locations. The Educational Office devotes specific attention to international students, who receive assistance until the time they take up their studies comprised of finding accommodation, applying for residence documents and similar.

A number of projects have been initiated to harmonise the work processes at the three locations even further, with the ultimate objective of achieving further improvements in the cooperation. These projects include a review of the enrolment process for international students (EU and non-EU), with the focus on the further specification of the duties and responsibilities of the various parties involved. The cooperation between the Customer Contact Centre and the Education Office in Wageningen has been intensified, as a result of which all international students get the same answers and get them more quickly.

Tight timetabling is a permanent point of attention for the study programmes and the Education Office, in which continual investments in refined procedures, staff training and intensive communication with all those involved is self-explanatory.

Work has begun on the replacement of the obsolescent student information systems. The purchase of a 'modern' student information service with a digital archive will improve the quality and the efficiency of the support of the University of Applied Science's administrative processes. The Educational Office's duties also include the provision of management information. The new student information system will also improve the provision of information (and take account of their personal wishes).

In the coming years the Educational Office adopt working procedures in accordance with the operational excellence principle, in which the focus is on the student. This will require close cooperation between the educational staff and the Educational Office.

1.6.1.5 Study counselling, including career counselling

Study career development counselling and a digital student portfolio are essential elements of Van Hall Larenstein University of Applied Sciences' competence-based learning. As the study progresses the emphasis shifts from supervising the student to self-management. The students can use their digital portfolio to record and demonstrate their personal competence development.

1.6.1.6 Student counselling

Van Hall Larenstein University of Applied Sciences' student dean's office is staffed by five part-time deans. Approximately 22% of all students visit the student dean's office one or more times. In addition, many questions are asked and answered by telephone or e-mail. 917 students contacted the student dean's office during the 2009/2010 academic year. In total, 2434 consultations were held with these students, an increase of almost 10% as compared to the previous academic year.

In 2009/2010, the deans focused on the following topics:

- **Consultations with students**

These consultations related to study problems, personal and psychological problems, questions about study programme and career choices, studying with functional disabilities (particularly dyslexia and autism-related disorders). Most requests for help from students related to problems with their study progress and personal circumstances.

- **Studying with a functional disability**

The number of students with a complex functional disability (such as autism spectrum disorders (ASD), ADHD) continues to increase. The dean's office has submitted an ASD memo to the management board. This has resulted in a practical autism protocol (Velp) and intensive cooperation with the educational staff. Low-stimulus rooms are available at the locations. *Actie Tijdgebrek* ('Shortage of time campaign') visited Leeuwarden and Velp in the autumn of 2009. Van Hall Larenstein University of Applied Sciences has purchased and implemented special software for students with dyslexia (Kurzweil).

- **Training**

A pilot trial study acceleration group training programme has been started in Leeuwarden. This training programme and other training programmes are offered by three Leeuwarden universities of applied services and the mental health service.

- **Development of the team**

The team of deans implemented structured intervision in 2008. Three deans have followed / completed a coach training programme. The team has implemented its specific code of conduct.

1.6.1.7 Student facilities

Van Hall Larenstein University of Applied Sciences attaches great importance to a wide range of thriving facilities and provides any support that may be necessary.

Van Hall Larenstein University of Applied Sciences supports a wide range of facilities for its students at each location in the form of students' associations, work or study groups for individual study programmes, organisations that support them in looking for accommodation or providing access to sports facilities at attractive prices.

Two student associations, Quercus and Arboricultura, are active at Velp. These student associations organise substantive and social activities: they also offer students an opportunity to acquire experience in administrative and committee work. The students guarantee a wide range of activities, such as the assistance in the organisation of the introductory week. Arboricultura left Velp to move to new premises in Arnhem on 1 September 2010.

The Osiris student association is active in Leeuwarden. This student organisation organises numerous cultural, study-enriching, festive and sports activities from its offices in Leeuwarden.

Five student associations are active in Wageningen, namely WSV Ceres, KSV St. Franciscus Xaverius, Landbouwersvereniging Nji-Sri, SSR-W and JV Unitas. These are supplemented by smaller Christian and regional student associations. The best way of being introduced to Wageningen in all its facets is to take part in the General Introduction Days (AID) organised by the AID committee, which was supplemented with representatives from Van Hall Larenstein University of Applied Sciences' students two years ago.

Student Sport Arnhem offers sports facilities to students who study in Velp. The Larenstein Student Housing Foundation helps students to find rooms in Velp.

Students based in Leeuwarden can use contact Leeuwarden Student City for accommodation and sports services. Leeuwarden Student City also organises the annual Leeuwarden Student Football Tournament and the annual introductory days in Leeuwarden.

Students studying in Wageningen can make use of Sports Centre De Bongerd. Idealis arranges student accommodation in Wageningen. The number of student rooms available in Wageningen is a point for attention.

The newly fitted-out media libraries, completed in the second half of 2009, demonstrated their added value to the University of Applied Sciences in 2010. The number of visitors has exhibited spectacular growth, with an

approximately 40% increase to an average of 3500 passages a day in Leeuwarden and 3000 a day in Velp. Both the students and the lecturers greatly appreciate the media libraries' provision of many workplaces for a wide range of uses (for individuals and groups, with wi-fi and connections for laptops, a meeting place and a lounge). The media libraries have drawn a great deal of professional interest: many colleagues from all over the country have visited the media libraries to admire the various innovations. The media libraries have also welcomed many visitors from educational colleagues (secondary, upper secondary and higher education).

1.6.1.8 International mobility and exchange of staff and students

A new internationalisation policy plan was drawn up in 2010, and adopted at the beginning of 2011. An inventory of the current internationalisation situation and the ambitions was made to prepare for this plan: this was carried out using the Nuffic MINT (Mapping INTernationalisation) tool. The general policy plan will be detailed and implemented in 2011.

Van Hall Larenstein University of Applied Sciences makes use of Erasmus scholarship programmes for European mobility. In the 2009-2010 academic year this resulted in a European flow of 91 outgoing students to sixteen partner institutes and 39 companies in thirteen countries and in a flow of 33 incoming scholarship students from eighteen partner institutes in thirteen countries. Study or a traineeship abroad is compulsory for a number of majors focused on work in the tropics, usually outside Europe: no scholarship is then available. For this reason the mobility is much greater than indicated by the number of EU scholarships.

Short study-work visits were also paid to a number of European destinations and countries including Surinam. Almost all lecturer mobility is linked to contract work in the European Tempus and NPT programmes. Four lecturers made use of reimbursement from Erasmus lecturers mobility funding in the 2009-2010 academic year.

1.6.2 Alumni and fundraising

Van Hall Larenstein University of Applied Sciences is working on a redefinition of alumni policy, in part within the context of 'lifelong learning'. The objective is to increase the deployment of lecturers in the recruitment and counselling of the University of Applied Sciences' students and in the provision of information to update alumni on developments in training and consultancy programmes. The development of the alumni policy is being given shape in cooperation with the alumni associations. Consultations with Wageningen University's alumni centre have revealed that the two organisations can join forces.

1.6.3 Research

Van Hall Larenstein University of Applied Sciences' applied research is carried out within the lectorates, KIGO projects ('Expertise Dissemination and Innovation in Green Education') and in contract research. The majority of this research is carried out within projects. The research addresses real problems from professional practice which are placed in a sustainable network wherever possible. Van Hall Larenstein University of Applied Sciences' applied research is subjected to the Netherlands Association of Universities of Applied Sciences' sector protocol for quality assurance in research. This quality assurance system became operational on 1 January 2009. Van Hall Larenstein University of Applied Sciences has now started the implementation of the system at the institute. Validation by the Validation Committee for Research Quality Assurance is scheduled for 2013.

• Lectorates

The lectorates contribute to Van Hall Larenstein University of Applied Sciences' mission of evolving from an educational institute into a centre of expertise. The lectorates make the link between education, professional practice and society in social issues by promoting applied research, forming external and internal expertise networks and innovating in education. Van Hall Larenstein University of Applied Sciences has eight lectureships in a number of areas of the expertise domain which are important to the institute (water, living environment, nutrition, animals and regional transition). Five of these lectureships are what are referred to as 'SKO lectorates' which are financed by an allocated supplement to government funding and three lectorates are financed externally. In addition to what are referred to as the 'green plus' ('Dairy farming' and the 'Landscape manager of the future') lectorates that were awarded by the Ministry of Economic Affairs, Agriculture and Innovation (formerly the Ministry of

Agriculture, Nature and Food Quality) in 2009, the Ministry once again awarded green plus lectorates to the University of Applied Sciences ('Biobased Energy' and 'Fisheries and Aquaculture') in 2010.

Van Hall Larenstein University of Applied Sciences' lectorate policy framework that was adopted by the Executive Board in September 2009 has now been incorporated in Van Hall Larenstein University of Applied Sciences' draft research policy memorandum that was formulated in the autumn of 2010. This research policy will be adopted and implemented in the spring of 2011, in close cooperation with Wageningen UR.

• **KIGO applied research**

Van Hall Larenstein University of Applied Sciences makes extensive use of the incentive funding offered by the 'Expertise Dissemination Scheme and the Innovation in Green Education' Scheme (KIGO). The University of Applied Sciences benefits in two ways, firstly from the experience the lecturers and students acquire in working in projects and in building up professional networks at colleague institutes and secondly from the substantial practical input from the projects, focused on finding specific solutions for everyday problems encountered in practice. The projects are often part of the lectorates' applied research programmes.

The Green Knowledge Cooperative monitors the coherence of the KIGO funds via a large number of programmes. Van Hall Larenstein University of Applied Sciences plays a pioneering role in six programmes and is represented in virtually all programme teams. At the end of 2010, work was being carried out on projects initiated in 2010 and on projects initiated in 2007, 2008 and 2009. Each cycle involves an amount of more than €1 million in grants for work carried out by Van Hall Larenstein University of Applied Sciences staff.

At the end of 2010, Van Hall Larenstein University of Applied Sciences is still the lead agency for a project in the RAAK programme (Regional Focus and Action on Knowledge Circulation, Ministry of Education, Science and Cultural Affairs). Another project was completed in 2010.

• **Van Hall Larenstein University of Applied Sciences as a centre of expertise: Impetus**

The supplementary 'green impetus' contribution from the Ministry of Economic Affairs, Agriculture and Innovation (formerly the Ministry of Agriculture, Nature and Food Quality) is intended for the implementation of modernisations in knowledge dissemination, the professionalisation of the teaching staff and for internationalisation. The G statement includes a list of projects. The subsidy granted in 2008 has been utilised in full. Virtually all the subsidy for 2009 has been allocated to projects and a small part has already been utilised. The subsidy for 2010 has yet to be allocated. The linking of these projects to domains and programmes and the detail of the linking, development and model function is reported separately via the Green Knowledge Cooperative.

The projects result in an event, such as 'Together for Nature' or the 'Sun boat', a publication (such as the 'Delta' journal), a network (such as alumni communities), a supplement to the education (such as an AISHE sustainability audit) or a link between a work field and educational development (such as a specific minor or an Associate Degree). A major part of the professionalisation budget was allocated to specific schooling programmes for the lecturers in project management and in English. The work carried out on internationalisation included a number of activities with international partners and improvements in *internationalisering@home* for the benefit of both outgoing and incoming students.

• **Higher agricultural vocational education quality impetus**

At the end of 2010, the Ministry of Economic Affairs, Agriculture and Innovation granted a number of specific higher agricultural vocational education quality impetuses to the University of Applied Sciences. The objectives of the higher agricultural vocational education quality impetus are to:

- create more appealing higher agricultural vocational education for new target groups which has a recognisable and appealing profile and links up better in the green education column (upper secondary vocational education – higher vocational education and higher vocational education – university education). This will increase the sector's influx, transfers and outflow and, in so doing, enhance the critical mass;
- improve the study success by reducing the percentage of dropouts and increasing the efficiency, thereby contributing to the achievement of one of the targets specified in the higher education strategic agenda and the higher vocational education covenant;

- provide the up-to-date, flexible and accessible range of study programmes that is of importance to the dissemination of knowledge and lifelong learning via green education as laid down in the outline multiyear agreements for green education for the 2011-2015 period.

The four projects that were approved are being carried out in the 2010-2013 period. A few of these projects are being carried out in cooperation with other higher agricultural vocational education institutes.

1.7 DLO Foundation

1.7.1 Research

1.7.1.1 Research policy

The research carried out by the DLO Foundation consists partly of programmes funded by the Ministry of Economic Affairs, Agriculture and Innovation (formerly the Ministry of Agriculture, Nature and Food Quality), namely the Knowledge Base Research, Policy Support Research and Statutory Research Tasks programmes. The Knowledge Base Research focuses on the medium-term knowledge needs of the Ministry of Economic Affairs, Agriculture and Innovation, the business community, non-governmental organisations, other government agencies and Wageningen UR. The budget for Knowledge Base Research is also allocated to extra investments as listed in Subsection 1.5.3.1. Policy Support Research and Statutory Research Tasks focus on current policy questions and/or support the Ministry of Economic Affairs, Agriculture and Innovation in the area of legislation and regulations. The work carried out within the Knowledge Base Research, Policy Support Research and Statutory Research Tasks programmes is based on thematic clusters/themes. A specific programming and accountability cycle for programmes of this nature has been agreed with the Ministry of Economic Affairs, Agriculture and Innovation. The results are communicated by means including *Kennis Online* ('Knowledge Online') newsletters, e-News and the website (www.kennisonline.wur.nl).

Knowledge Base Research is divided into nine themes:

- Sustainable development of habitable green areas and oceans in a changing world
- Climate change
- Chains and agrologistics
- Sustainable agriculture
- Plants and animals for healthy people
- Food safety
- Transition processes, institutes, governance and policy
- Animal health and animal welfare
- Bio-based economy

Policy Support Research is divided into four domains:

- Nature, landscape and rural areas
- Agricultural chains and fisheries
- Food, animal and consumer
- International cooperation

Research is also carried out in a programme which transects these domains. This research examines knowledge processes and the impact of knowledge.

The statutory research tasks are carried out by two institutes and four programme units:

Institutes for Statutory Research Tasks:

- RIKILT – Institute of Food Safety
- CVI – Central Veterinary Institute

Four programme units for Statutory Research Tasks:

- Netherlands Society for Nature and Environment (NMP)
- Centre for Genetic Sources, the Netherlands (GCN)
- Centre for Economic Information (CEI)
- Centre for Fisheries Research (CVO)

A revision of the management of the Knowledge Base Research was carried out in 2010. This has not only resulted in a new control method, but has also resulted in the revision of the structure of the Knowledge Base Research and renovation of the research. At the end of 2010, the Knowledge Base Research was comprised of seven entirely new programmes.

As expected, the reclassification of the Policy Support Research into four domains that was carried out in 2009 has resulted in a more integral research programme and an increased synthesis of knowledge. In 2010, attention was also devoted to further increasing the visibility of the contribution that Policy Support Research, in particular, makes to the resolution of social issues, innovation and the enhancement of the Dutch economy.

An increasing proportion of DLO research is funded by other parties, such as the private market, the European Union, product boards and other government agencies. The content of this research also falls within the three related core areas (Nutrition & Food Production, Living Environment, and Health, Lifestyle & Living Conditions).

1.7.1.2 Quality assurance

The evaluations of the DLO Foundation's DLO institutes are a mandatory component of the agreements between the Ministry of Economic Affairs, Agriculture and Innovation and the DLO Foundation. These evaluations have been incorporated in the DLO Foundation Funding Regulations. The reviews are conducted on the basis of an evaluation protocol which is derived from the Standard Evaluation Protocol for universities (SEP). The institutes/business units are evaluated in terms of their scientific impact, socio-economic impact, research management and viability. The Statutory Research Task institutes are also assessed in terms of the performance of their statutory tasks. The review reports are, together with a plan of action based on the recommendations of the peer committees, submitted to the Minister of Economic Affairs, Agriculture and Innovation. No DLO reviews were conducted in 2010.

In conclusion, the Ministry of Economic Affairs, Agriculture and Innovation continued the evaluation of the performance of the Statutory Research Task programmes. Most of these evaluations are required in view of the expiry of the current implementation covenants and the need to make conclude new covenants. This process was completed for all the Statutory Research Task programmes bar one.

1.8 Facilities

1.8.1 Accommodation

The first phase of the Wageningen Campus Strategic Construction Plan was virtually completed in 2010. Work has begun on the preparations for and implementation of the second phase of the Strategic Construction Plan.

In 2010, the following projects were carried out to complete the first phase:

- Implementation of the plan for the renovation of the Animal Sciences Group's offices/laboratories;
- Implementation of the plan for the construction of the Animal Sciences Group's new research accommodation.

The rapid growth in the number of students and the wish to concentrate the education and research facilities on the Wageningen Campus has resulted in the decision to develop *one* complex for the educational facilities and Agrotechnology and Food Sciences Group. The completion of the planned educational facilities and the associated efficiency measures will enable Wageningen University to increase the number of students to 7500.

The following projects in the second phase of the Strategic Construction Plan were addressed:

- Delivery of the educational facilities in De Leeuwenborch;
- Implementation of the plan for educational facilities in Technotron;
- Preparations for the plan for the 2nd Orion education building;
- Implementation of the Agrotechnology and Food Sciences Group alteration projects (the rooftop unit on building 115 was completed in 2010);
- Preparations for the plan for the Agrotechnology and Food Sciences Group construction and renovation projects;
- Preparations for the second phase of the Wageningen Campus infrastructure.

On the completion of the Strategic Construction Plan, the following buildings and sites have become surplus to requirements and have been sold:

- The Kortenoord complex (sold in 2007, with definitive price agreements in 2011);
 - The Dreijen Botanical Centre, including the pre-university education campus (the former library)
- Plans have also been prepared for the redevelopment of Born-Oost, Dreijen, Duivendaal, the Animal Science Group practical centres and the Van Larenstein complex in Velp.

A new zoning plan was adopted for Wageningen Campus in 2010, pursuant to which the southern construction strip has been designated for external companies engaged in operations which are compatible with Wageningen UR's work domains. The development potential of the southern construction strip has been increased by purchasing an adjacent strip of land. This has contributed to Friesland Campina's decision to accommodate its research department in this location.

In addition to the Strategic Construction Plan projects, the following construction projects were also developed and carried out in 2010:

- Construction of student accommodation in the former FMD building and at the former Agronomy site on the Haarweg;
- Preparations for and the construction of the Algae PARC;
- Preparations for the Wageningen Campus Competence Centre plan;
- Preparations for the Administrative Centre accommodation plan (in the Atlas building);
- Preparations for the re-accommodation of ISRIC in combination with a new shared entrance to Gaia and Lumen;
- Preparations for the plan for the new accommodation of the Facilities Department;
- Preparations for the construction and alteration projects for the Animal Sciences group in Lelystad;
- Preparations for the plan for two wind turbines in Lelystad.

The following work relating to accommodation was also carried out in 2010:

- A number of studies and measures relating to sustainable construction and energy efficiency. These measures and the generation of wind energy have contributed to the evolution of Wageningen UR's buildings and campus into one of the Netherlands' most sustainable centres of expertise.
- Various fire safety measures within the context of the occupancy permit;
- Condition-dependent systematic maintenance, i.e. maintenance on the basis of the status of and future plans for the buildings (retention, sale or demolition).

1.8.2 Information and communication technology in education

The enactment of the amended Higher Education and Research Act has given cause to the need for a large number of modifications of the Student Information Systems. In 2010, and in cooperation with the Education & Research staff department, work began on the design of functionalities and the construction of the first modifications.

The preliminary study, carried out in 2009, was followed by a more specific review of the feasibility of the development of one communal Student Information System for both educational institutions (Van Hall Larenstein University of Applied Sciences and Wageningen University). This review examined the questions: Which major features are common to the two institutions?, What is the specific functionality? and What is the best approach to the development of one Student Information System?

The modernised EDUweb 3.0 was commissioned in September 2010. It is now, for example, possible to make use of EDUweb in more than one role, for example when one of Wageningen University's lecturers provides a course for Van Hall Larenstein University of Applied Sciences students.

The interest in EDUexam has increased greatly. The growing number of students has increased the appeal of sitting digital examinations to both lecturers and students.

EDUexam's success is accompanied by increasing demand for functional support.

In 2010, work also began on the 'Lecture TV' pilot trial. Lecturers can use this system to record their lectures or series of lectures when so requested. The objective of the pilot trial was to determine the magnitude of the investments that would be required and review the most appropriate organisation for recording lectures. The evaluation of the results from the pilot trial has given cause to a scale-up of the recording of lectures in 2011.

A great deal has also been invested in PROMIS, Wageningen UR's PhD student information/registration system, and in AAR, the auditorium activities registration system.

1.8.3 Facilities department

The Facilities department once again contributed to cost reductions and efficiency improvements in 2010. Where relevant, the savings have already been passed on in the rates for 2010 or will be passed on in the rates for 2011.

A second pan-Wageningen UR customer satisfaction survey carried out at the end of 2010 revealed that staff awarded Wageningen UR's facilities and services of Wageningen UR an average grade of 7.1, an improvement of 0.3 as compared to the benchmark survey in 2008.

The Executive Board has decided to integrate Wageningen UR's remaining decentralised facility services in the Facilities department, an organisational change that is expected to result in uniform services and an uninterrupted facilities and, ultimately result in the provision of improved services to customers and users. In addition, it will then be feasible to provide services of at least the same level at an appropriate price/quality ratio. Moreover, the changes will also enhance flexibility in the event of the growth or contraction of Wageningen UR units.

1.8.4 Safety and the environment

• The environment

All the environmental, water and energy, etc. results achieved in 2010 and the actions expected in the 2011-2013 period are listed in the 2010 Environmental Annual Report and 2011-2013 Environmental Annual Plan respectively.

The Environmental Licensing (General Provisions) Act came into force on 1 October 2010, which gave cause to Wageningen UR's decision to centralise the currently fragmented responsibilities for authorisation and entrust the associated duties to the Manager of the Facilities department and the manager of the Safety & Environment section. A central 'Permit counter' was also set up: this counter can be contacted for the submission of applications to the competent authorities for all the permits required for the implementation of various projects. The Permit counter also maintains records of the permits, and monitors and manages the procedures and procedure terms.

Many of the safety and environmental efforts are related to the Sustainability Programme, such as the energy, waste and mobility activities and the monitoring of the progress in these activities.

• Safety

The Safety & Environment section, in cooperation with the Quality, Working Conditions and Environment officers of the various organisational units, has ensured that the risks at Wageningen UR workplaces are minimised or are under constant control:

- In 2010, excellent experiences were acquired with RIE Manager, a digital instrument for the performance of risk inventories and evaluations. Emergency plans have been prepared or updated for buildings with elevated risks and/or a high occupancy level. Drills were held under the management of an external drill team. The Emergency Management Team was involved in these drills.
- Pursuant to a measure designed to improve the safety level, Wageningen UR has initiated a pan-organisation tendering procedure for the inspection of electrical safety in accordance with NEN 3140. These inspections will also assess other risks. Until now only limited inspections had been carried out by a variety of agencies, or in-house. This change is expected to provide increased safety assurances.
- The municipal fire brigade carried out the customary compliance inspections relating to occupancy permits in 2010. Amendments to the relevant regulations and developing insights into fire safety solutions gave cause to the implementation of a variety of structural and installation modifications in the majority of the buildings. On the completion of these measures fire safety has been elevated to a higher level and brought into compliance with the current legislation and regulations.

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- Integral safety has been imparted with an impetus by developments such as the adoption of a camera policy.
 - Wageningen UR was commissioned by VSNU to contribute to the preparation of part of a Health & Safety catalogue for hazardous substances.

2 Personnel

2.1 HR in strategic plans

Wageningen UR's HR policy is an integral element of the organisation's ambition to make a major contribution to the quality of life within the context of the 'healthy diet and living environment' domain and to fulfil the role of *the* European centre of expertise in this domain. For this reason, the achievement of the organisation's objectives is viewed from the perspective of a changed social context and the needs of the individual member of staff. The optimisation of the quality of both the staff and management is an important issue. Within this context the 2010 HR policy spearheads are further internationalisation, the academic staff career policy (the Tenure Track), 'scope for commercial talent' at DLO, a variety of development programmes including the talent-development programme, the improvement of the quality of the result and development interviews and the performance of a staff monitor. A continually greater emphasis is being placed on the staff members' personal responsibility for their certainty of a job and employability. This implies that the organisation shall need to offer the staff an opportunity to fulfil this increasing responsibility by adopting a flexible management method and promoting the fulfilment of staff needs. The HR policy is focused on the requirements of the work and on the maximum possible harmonisation of the needs and opportunities available to each staff member in each phase of their career.

2.1.1 Internationalisation

Pursuant to one element of the Recruiting Power project a job-applicant tracking system was implemented in 2010. This system has further increased the automation and professionalisation of the recruitment process from posting a vacancy right through to processing candidates. Campaigns have been developed to increase the international labour market's awareness of Wageningen UR as an attractive employer. These campaigns are now continually online in eleven countries all over the world. The procedures and processes of the international staff expert group that provides assistance to staff (including guest staff) in obtaining the necessary permits and travelling to the Netherlands have been optimised further. The integration of international staff has been simplified by measures including offering all staff and their partners planning to stay in the Netherlands for longer than six months a copy of the Holland Handbook, participation in the 'Introduction to the Netherlands' course and a 'Dutch as a second language' course.

2.1.2 Academic staff career development policy

The first talented staff members joined Tenure Track at the beginning of 2010. There were 48 participants at the end of 2010: some were already employed by Wageningen University and are now offered an opportunity to work towards the next step in their career and others were new staff members. An evaluation will be carried out in 2011, in accordance with the agreements. This evaluation will primarily assess whether attracting top talents to Wageningen and retaining top talent already present in the organisation has achieved the intended improvement in quality.

2.1.3 Scope for commercial talent at DLO

The career development policy to be developed for DLO researchers was in the first instance focused on a career development policy for excellent researchers comparable to the academic staff career development policy implemented by Wageningen University. The Executive Board, after giving careful consideration to the issue, decided that the DLO career development programme should focus primarily on the major challenge confronting DLO: the development of the supportive HR policy required to enable staff with commercial talents to develop themselves and, ultimately, increase the proportion of turnover generated by the market. This policy is expected to be implemented in 2011.

2.1.4 Result & development interviews

Wageningen UR attaches great importance to annual high-quality result and development interviews between managers and staff members. The introduction of the result & development interview digital system has improved the feasibility of monitoring result and development interviews: the system provides an insight into the number of result and development interviews that have been conducted and the main results from the coaching evaluations. These results gave cause to the decision to devote additional attention to the organisation of result and

development interviews in 2010. A great deal of effort was made to improve the quality of the interviews, by means including offering training courses to managers (linked to existing consultative forms) and staff members and the regular provision of information on the issue on the Intranet. The HRM department and other officers also regularly draw the managers' attention to the need to schedule result and development interviews, where relevant.

2.1.5 Staff monitor

A staff-satisfaction survey is conducted once every two years. The objective of this survey is to assess the opinion of Wageningen UR's staff on issues relating to their work so that any necessary adjustments to the policy can be made, where relevant. The response, 47% was higher than on the two previous occasions (2008, 41%, and 2006, 35%). The 2010 survey revealed that staff members generally have strong ties with their current position, their organisational unit and Wageningen UR. The primary motivation for working at Wageningen UR is the content of the work. The staff have a favourable opinion of the management style of their immediate supervisor, although the opinion becomes less favourable with increasing distance between staff member and manager. In line with the previous surveys measures will once again be implemented, via the line, to resolve the identified points for improvement. The implementation of these measures will focus on cooperation.

2.1.6 Development of managers and staff

The 2010 development spearheads related to the enhancement of communications with clients and financiers and the further development of leadership qualities.

The 'Winning customers with confidence' training course provided for staff members was once again successful. This has now been supplemented with the 'Management of winning customers' training course for managers on their role in generating new business and in managing staff entrusted with the generation of new business.

Attention has been devoted to the enhancement of leadership qualities, on the introduction of the 'Management and operations at Wageningen UR' training course for all new managers. Work has also begun on the design of a 'Young Leaders' talent development programme. This programme is being developed for talented staff classified in job grades 10 and 11. The content focuses in substantive knowledge and conceptual thinking, in combination with personal growth and effectiveness. The 2nd 'Leading change' programme was also organised for Talent Development Group (managers classified in job grade 13 and higher) with success. The content of this programme pivots on leadership, change management and an assignment focused on organisational development, in this instance the development of entrepreneurship.

A specific development programme set up for participants in Tenure Track addresses both assistant and associate professors and focuses on competence development.

2.1.7 Covenant on an action plan for the higher vocational education teaching profession

Van Hall Larenstein University of Applied Sciences has continued the implementation of measures pursuant to the Covenant on an Action Plan for the Higher Vocational Education Teaching Profession (2008). This covenant is intended to increase the appeal of teaching as a profession by enhancing the position of teachers, increasing their salary and optimising their employability.

Agreements were reached in the local consultations with the trade unions on the further allocation of the non-recurrent funds that were available. It was agreed that within the space of four years the University of Applied Sciences would upgrade positions equivalent to 23.8 FTE from job grade 11 to job grade 12. Positions equivalent to 11.1 FTE have now been upgraded. Positions equivalent to 7.4 FTE have also been upgraded from job scale 12 to job scale 13.

Work will continue on the implementation of the agreements in 2011 and 2012.

2.2 Collective labour agreement developments

The term of the current Collective Labour Agreement Dutch Universities expired on 1 March 2010. Following an extension, a new Collective Labour Agreement was concluded which runs to 31 December 2011 inclusive. The Agreement relates to issues including the certainty of work and availability of jobs, in particular for beneficiaries pursuant to the Disablement Assistance Act for Handicapped Young Persons Act. The career development policy will

be examined and rendered more specific. A discussion will be initiated on the organisation of the participational structure. The staff will receive a non-recurrent payment of €500 (on the basis of fulltime employment). A new Collective Labour Agreement for the DLO Foundation came into force which runs from 1 April 2010 to 1 April 2011 inclusive and lays down renewed agreements on the career development policy, talent development, modern labour relations and a life-phase oriented HR policy. Individual remuneration will in the first instance focus on an improvement of the quality of the result and development interviews. Salaries were increased by 1%. Van Hall Larenstein University of Applied Sciences is governed by the Collective Labour Agreement Universities of Applied Sciences. This has been extended by a period of 8 months from 1 August 2010 to 1 February 2012 inclusive. The agreements also relate to beneficiaries pursuant to the Disablement Assistance Act for Handicapped Young Persons Act and staff with a partial occupational disability. A periodic staff-satisfaction survey will be carried out which will also review work pressure. A joint agenda has been formulated for the coming years, which includes issues such as employment relationships and forms of contracts of employment, the labour market and life-phase oriented HR policy. Salaries increased by 2.4% as from August 2010, followed by a further 0.4% increase as from 1 January 2011.

2.3 Health and Welfare

2.3.1 Healthy lifestyle and absentee counselling

Wageningen UR has implemented the adoption of an integral approach by the Corporate Medical department, Corporate Social Work department, Labour and Organisation section and HR department to the welfare and health policy. Pursuant to this approach, Wageningen UR actively promotes a healthy lifestyle for its staff and students. The courses designed to promote the health of staff with (or at threat of developing) arm, neck, shoulder and back complaints organised in cooperation with the Sports Centre de Bongerd attract a great deal of interest.

An entirely new programme is the 'MyBalance' programme which began as a pilot trial at one of the Sciences Groups at the end of 2010. MyBalance offers staff and managers an opportunity to arrange for a full check-up and a health check including a measurement of the Workability Index (WI). The results can be discussed with a coach made available for the purpose, as so required followed by the formulation of a personal plan of approach under the control of the person concerned.

In addition, and self-explanatorily, appropriate absentee counselling (both preventive and curative) continues to be necessary. The employer must maintain contact with staff on sick leave during their period of absenteeism and the employer and staff member concerned must jointly make every effort to ensure that the staff member can return to work as quickly as possible.

In 2010, counselling was initiated in ten instances of sick leave (or the threat of sick leave). Nine of these ten instances resulted in a favourable outcome: one instance was continuing at the end of 2010. In 2009, eleven counselling interventions (of the eleven) were successful.

2.3.2 Rate of absenteeism due to illness

	2008	2009	2010
DLO Foundation	3.3	3.3	3.7
Wageningen University	3.3	3.2	3.5
Van Hall Larenstein University of Applied Sciences	6.0	5.6	6.1

The sick-leave information of all parts of the organisation reveals an increase in the rate of absenteeism due to illness. Wageningen UR's average 2010 rate of absenteeism due to illness was approximately 3.8%. Although this is lower than Wageningen UR's target of a maximum of 4% this is, nevertheless, an undesirable development. The increase is primarily due to long-term sick leave. The average duration of the sick leave increased by approximately 7%, while the number of individual instances in which staff reported sick decreased by approximately 8%. In conclusion, the number of staff who did not take any sick leave increased by approximately 4% (see also Annex 2, Staff).

2.3.3 Corporate social work

The Corporate Social Work department's work is based on the methodical provision of assistance to staff members and groups of staff. The department's core duties are the provision of assistance, advice and consultations, a contribution to policy development, the provision of information and prevention.

- **Prevention and the provision of information**

Work stress and nervous exhaustion – and their recognition and prevention – constitute an important element of the requests for help. For this reason a great deal of attention was devoted to the prevention of work stress. The Corporate Social Work department organised eighteen workshops in 2010, of which seventeen addressed work stress and one professional communication for laboratory managers and analytical technicians.

- **Summary of the most important client data**

The number of new client registrations increased by 14% in 2010 (339 new registrations in 2010, 5.2% of the total workforce). In total, i.e. in combination with staff members who had registered in 2009 and were still being assisted in 2010, 517 staff members – 7.9% of Wageningen UR's total workforce – made use of the Corporate Social Work department's services in 2010, as compared to 7.4% in 2009. Proportional numbers of newly-registered clients originate from all parts of the organisation. The requests for help related to work stress and nervous exhaustion (37%, was 39%), problems with colleagues (24%, was 19%), mobility and reorganisation (14%, was 14%) and personal problems (16%, was 14%). The treatment of 397 clients was completed in 2010, 88% of whom within six consultations.

Clients make use of their contacts with the Corporate Social Work department to deal with their situation in a timely and adequate manner that usually avoids the need for sick leave (70%). As a result, Wageningen UR's Corporate Social Work department has achieved the preventive target Wageningen UR specified for the department.

2.3.4 Wageningen UR Confidential Counsellor

The two-yearly 2009-2010 report from the undesirable social conduct confidential counsellor (WU and DLO) will be published in 2011. The number of reports of undesirable social conduct, including the reports to Van Hall Larenstein University of Applied Sciences' confidential counsellor, amounted to 58 in 2010, of which 44 by a staff member and 14 by a student. Two-thirds of the reports from both the staff and the students were made by women. About half of the students who made a report were international students. Wageningen University's confidential counsellor received a further ten reports of work-related problems.

2.3.5 Preventive medical examinations and risk inventories and evaluations

The objective of the preventive medical examinations is to identify any health risks as soon as possible and counsel the staff on the prevention of these health risks. A targeted preventive medical examination identifies any potential injury to the health of staff and provides for the implementation of adequate measures to prevent injury.

The objective of risk inventories and evaluations is to carry out a precise inventory to trace potential exposure to risk factors. This can be followed by an in-depth risk inventory and evaluation to determine the requisite preventive measures to be implemented.

A technical solution for the harmonisation of the individual databases which support the performance of medical examinations was completed in 2009, and commissioned in 2010.

3 Financial report

3.1 Wageningen University

3.1.1 Financial report Wageningen University

• Development of result

Wageningen University recorded a positive result of €6.2 million in 2010, an improvement of €5.6 million in comparison with the budgeted result of €0.6 million. €2.4 million originated from the departments and €3.2 million from the central staff departments.

The results recorded by the departments were improved by the lower salary costs (lower salary increases) than had been foreseen in the budget and higher turnover from contract research: above-budget results were, in particular, recorded by the Social Sciences department (€1.8 million), Plant Sciences department (€0.4 million) and Agrotechnology and Food department (€0.3 million).

The cumulative operating result of the central staff departments and Wageningen Business School amounted to €4.2 million, €5.1 million more than had been budgeted. This improvement was primarily due to the lower accommodation costs (€1.1 million), lower costs of the concern activities (€1.2 million) and lower expenditure on the strategic projects and Executive Board's policy scope (€3.1 million).

The non-recurrent result amounted to minus €1.0 million, €1.9 million lower than budgeted. This was due to the non-sale of the Lawet, an adjustment of the value of the Dreijen complex in connection with the planned change in use and the additions to provisions.

Income, other than the temporary decline in direct government funding, exhibited a favourable development in 2010. Direct government funding from the Ministry of Economic Affairs, Agriculture and Innovation decreased by €1.6 million as compared to 2009, to €159.5 million. This related to a temporary decline in direct government funding due to a dip in the number of PhD students graduating in 2008. Income from research funding grew by €17.9 million to €20.9 million, an increase of 17%. Turnover from the contract research increased by €3.2 million to €74.7 million, an increase of 4%. Turnover generated by all departments increased, in particular from the Dutch government.

The staff charges increased by €5.4 million as compared to 2009, to €170.4 million. This increase was due to the higher staffing level (4.3%) resulting from the increased number of contract-research funded projects and salary increases (0.6%). In addition, €1.2 million less was added to the personnel provision.

A further explanation is required for the appropriate interpretation of the result. The result can be broken down as follows:

	2010	2009
Operating balance in accordance with the Ministry of Education, Science and Cultural Affairs guidelines	€ 6.2 million	€ 9.6 million
Addition to the appropriated reserve for project costs in later years	€- 0.7 million	€ 0.8 million
Operating result based on the income and expenditure system	€ 5.5 million	€10.4 million
Book profit and exceptional write-downs	€ 1.0 million	€ 0.1 million
Regular result	€ 6.5 million	€10.5 million

Note:

Pursuant to the regulations, Wageningen University recognises cash revenues from direct government funding as income. Income that relates to project costs that will be incurred in later years leads to a positive result in the year under review and a negative result in later years. The distortion of the result this causes is neutralised via the appropriated reserve. Pursuant to this approach, €0.7 million of the result was added to this appropriated reserve in 2010, which will be offset by withdrawals in future years.

• Movement in the balance sheet

Wageningen University's liquidity increased by €83.7 million in 2010, to €101.7 million; an improvement of €84.2 million as compared to the budget. The factors which explain this improvement in the liquidity position are:

Improved opening balance sheet position at 1-1-2010	€ 31,1 million
Result recorded in excess of budget	€ 5,6 million
Increased depreciation (including exceptional write-downs)	€ 1,1 million
Improvement in short-term debts and receivables	€ 18,7 million
Lower investments	€ 25,1 million
Other items	€ 2,6 million
<hr/>	
Total	€ 84,2 million

The total liquidity position of €101.7 million includes prepayments of €104 million, of which €10.0 million are of the nature of funds to be passed on to partners. These funds to be passed on to partners were received since Wageningen University is the lead party in a number of consortia. These funds will be passed on to the partners in 2011.

Wageningen University's solvency ratio was 40.8% at 31 December 2010, as compared to 41.5% in 2009. This deterioration was due to the greatly increased short-term debts resulting from prepaid subsidies and advance project payments. These extra prepayments have resulted in an improved liquidity position and are not detrimental to the organisation's financial strength, since the prepayments can be used without needing to raise additional financing.

A change of system relating to the tuition fees of international students was implemented in 2010. The reclassification has resulted in a €3.9 million reduction of the internal capital, which has in turn resulted in a deterioration of the opening balance sheet solvency ratio from 42.6% to 41.5%.

• Prospects for 2011

Movement in the result

Wageningen University has budgeted a result of €0.0 million for 2011. The deterioration in the operating result is due to the higher costs that will be incurred in 2011 on the increase in student numbers, costs that will be financed by direct government funding only after a delay of two years. In 2011, in analogy with the past two years, €2.0 million will be allocated to themes in the Strategic Plan.

No detrimental effects are currently expected in 2011 from the measures announced in the Coalition Agreement, such as the long-term student discount and the efficiency-discount study. However, Wageningen University recognises that the risks will increase after 2012, such as the discounts, realisation of valuation risks on the sale of the Dreijen and Kortenoord, and the extra costs incurred on the commissioning of the Orion, the second teaching building.

Strategic Construction Plan

In 2009, the decision was taken to invest approximately €100 million in the Wageningen Campus during the years to 2013 inclusive for teaching rooms and single complex for the Agrotechnology & Food Sciences Group. The budget for 2011 specifies investments of €71.3 million, of which €43.6 million within the scope of the Strategic Construction Plan.

Amounts * € 1000,-

3.1.2 Annual accounts Wageningen University

Consolidated balance sheet

After the allocation of the net result

ASSETS		31-12-2010	Budget 2010	31-12-2009
FIXED ASSETS				
1	Tangible fixed assets	192,617	231,000	190,645
2	Financial fixed assets	267	200	300
	Total fixed assets	192,884	231,200	190,945
CURRENT ASSETS				
3	Stocks	100	0	121
4	Receivables and prepayments	55,026	35,200	54,307
5	Cash at bank and in hand	101,657	17,400	83,729
	Total current assets	156,783	52,600	138,157
	TOTAL ASSETS	349,667	283,800	329,102
LIABILITIES				
INTERNAL CAPITAL				
	General reserve	133,849	142,900	128,302
	Appropriated results	8,820		8,145
6	INTERNAL CAPITAL	142,669	142,900	136,447
7	PROVISIONS	20,465	18,500	20,677
8	LONG-TERM DEBTS	19,682	17,400	17,612
9	SHORT-TERM DEBTS	166,851	105,000	154,366
	TOTAL LIABILITIES	349,667	283,800	329,102

Amounts * € 1000,-

Consolidated profit and loss statement

	<i>Actual, 2010</i>	<i>Budget 2010</i>	<i>Actual, 2009</i>
10 INCOME			
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	159,537	158,100	161,183
Other contributions and subsidies	73	0	74
Tuition, course and examination fees	16,120	16,300	13,845
Income from work for third parties	95,638	85,400	89,466
Other income	20,480	23,500	20,270
TOTAL INCOME	291,848	283,300	284,838
EXPENDITURE			
11 Personnel costs	170,379	172,300	164,953
12 Depreciation	16,469	15,400	16,761
13 Accommodation costs	22,053	21,000	21,465
14 General costs	33,783	34,200	34,627
15 Specific costs	43,343	39,800	40,939
TOTAL EXPENDITURE	286,027	282,700	278,745
OPERATING RESULT	5,821	600	6,093
16 Financial income and expenditure	457	0	136
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	6,278	600	6,229
Taxation on ordinary activities			
17 Result from participating interests	-56	0	3,361
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	6,222	600	9,590
Third-party share	0	0	0
Extraordinary income and expenditure	0	0	0
NET RESULT	6,222	600	9,590

Amounts * € 1000,-

Consolidated cash flow statement

	<i>Actual, 2010</i>	<i>Budget 2010</i>	<i>Actual, 2009</i>
OPERATIONAL ACTIVITIES			
Net result	6,222	600	9,590
Depreciation	16,469	15,400	16,761
	<hr/> 22,691	<hr/> 16,000	<hr/> 26,351
Movement in provisions	-212	-600	-1,016
Movement in working capital	11,787	-7,100	29,197
Result from non-consolidated participating interests	59		-126
	<hr/> 11,634	<hr/> -7,700	<hr/> 28,055
Cash flow from operational activities	<hr/> 34,325	<hr/> 8,300	<hr/> 54,406
INVESTMENT ACTIVITIES			
Investments in buildings and land	-11,959	-37,900	-15,225
Investments in other tangible assets	-7,765	-6,500	-8,603
Investments in participating interests and members' capital	-26		584
Divestments in fixed assets	1,283	800	4,665
Cash flow from investment activities	<hr/> -18,467	<hr/> -43,600	<hr/> -18,579
FINANCING ACTIVITIES			
Movement in long-term receivables	0	0	641
Movement in other long-term debts	2,070	0	-816
Movement in internal capital			
Cash flow from financing activities	<hr/> 2,070	<hr/> 0	<hr/> -175
CASH FLOW	<hr/> 17,928	<hr/> -35,300	<hr/> 35,652
MOVEMENT IN LIQUID ASSETS			
Balance of liquid assets at 1 January	83,729	52,700	48,077
Balance of liquid assets at 31 December	101,657	17,400	83,729
Movement in liquid assets	<hr/> 17,928	<hr/> -35,300	<hr/> 35,652

Principles of valuation

The annual accounts were drawn up and approved by the Executive Board as at 11 April 2011.

• General

These are the annual accounts of Wageningen University. The annual accounts were prepared on the basis of the following principles of valuation. Any departure from these principles of valuation is stated under the relevant financial information.

The figures for the previous financial year are in accordance with the figures in the annual accounts of the relevant year. Variances can arise as a result of corrections or shifts within the balance sheet. Variances of relevant significance are indicated in the annual accounts.

• General accounting principles for the preparation of the annual accounts

Wageningen University is part of a group that is also comprised of WU Holding, ISRIC Foundation and Restaurant van de Toekomst Foundation.

The annual accounts are prepared on the basis of the historic costs. Unless otherwise stated, assets and liabilities are recognised at nominal value.

Monetary assets and liabilities in foreign currency are translated at the exchange rate on balance sheet date.

Exchange rate differences are recognised in the profit and loss statement.

Revenues and expenses in foreign currency are recognised in the profit loss statement at the exchange rate on the date of settlement.

The annual accounts have been prepared in accordance with the requirements imposed by the *Regeling Jaarverslaggeving Onderwijs* ('Annual Accounts Regulations, Education', 28 December 2007, the Netherlands Civil Code, Book 2, Title 9 and the *Richtlijnen voor de Jaarverslaggeving* ('Guidelines for Annual Reporting', RJ).

• Changes in system

As from the beginning of the 2010 financial year Wageningen University has recognised the tuition fees for international students in accordance with the income and expenditure system, i.e. one 8/12th part of the tuition fees received for the current year is recognised under the short-term debts.

The movement in internal capital following the change in system is as follows:

Internal capital on the balance sheet at 31-12-2009, 2009 annual accounts	140,302
Minus: increase in 'advance payments from third parties' balance sheet item	<u>3,855</u>
Internal capital at 01-01-2010	136,447

The comparative figures for the 2009 profit and loss statement have been adjusted from €12,649,000 to €11,723,000, a reduction of €926,000.

Result according to 2009 Annual Accounts	10,516
Lower tuition fees	<u>926</u>
Result for 2009 on the basis of the 2010 accounting principles	9,590

Amounts * € 1000,-

• Consolidation

The consolidation incorporates the annual accounts of the institution, its group companies and other organisations in which the institution exercises dominant control (pursuant to the actual situation) or conducts the central management. The group companies are legal entities over which the institution can exercise either direct or indirect dominant control since the institution possesses the majority of the voting rights or can control the financial and operational activities in some other manner. Account is then also taken of potential voting rights that can be exercised directly on the balance sheet date.

The annual accounts of group companies and other legal entities over which the institution can exercise dominant control or conducts the central management are fully included in the consolidation (see 2.1.7 Consolidation). The share of third parties in the group internal capital and the group result is reported separately.

• Consolidation circle

Participating interests are valued at acquisition cost or net asset value (nav).

	<i>Registered office</i>	<i>% in 2009</i>	<i>% in 2010</i>
Wageningen Universiteit Holding BV	Wageningen	100	100
Nexus Holding BV	Wageningen	100	100
CAN-iT BV	Wageningen	51	51
Ceradis BV	Wageningen	50	50
Bio Product BV	Wageningen	51	51
Biqualys BV	Wageningen	33	33
Biopartner BV	Wageningen	68	0
Green Dino BV	Wageningen	11	11
ISRIC Foundation	Wageningen		
Restaurant van de Toekomst Foundation	Wageningen		

• Accounting policies for the valuation of assets and liabilities

Costs of research and development

Research costs are recognised in the profit and loss statement.

Tangible fixed assets

Tangible fixed assets are valued at acquisition price or production cost less accumulated depreciation. Depreciation is applied using the straight line method on the basis of the estimated useful life and the residual value. Depreciation is applied in proportion in the year of purchase for assets other than buildings. The depreciation on buildings brought into use before 1 July in a given year is applied on 1 January of that year. The depreciation on buildings brought into use after 1 July in a given year is applied on 1 January of the following year.

Tangible fixed assets under construction or on order are valued at acquisition price or for the amount that has already been invoiced to the company by third parties. Investments of less than €5,000 are charged directly to the profit and loss statement.

The depreciation of the various groups of objects is as follows:

<i>Component</i>	<i>Depreciation</i>
Land / Work in progress	0%
Land layout and infrastructure	60 years
Buildings	
– Shell	60 years
– Fittings	30 years
– Built-in equipment / furnishing of buildings	15 years
Greenhouses, sheds, sundry buildings / structures	15 years
Machinery and equipment:	
– Office furniture / plant and machines / inventory of restaurant facilities / fibre optic network / other machinery and equipment	10 years
– Laboratory equipment / audiovisual equipment / vehicles / PR and information material	5 years
– Automation equipment including software (hardware for networks)	5 years
– Automation equipment including software (other hardware)	3 years

Investment subsidies acquired and amounts from externally financed projects are deducted from the capitalised amount in the year of purchase. Subsidies received for the assets required for the primary process, such as teaching buildings, are shown as a liability under debt and are released during the useful life of the asset.

The institution carries out an evaluation on each balance sheet date to determine whether there are indications that a fixed asset can be subject to an exceptional write-down. Should there be any such indications then the realisable value of the asset is determined. When the realisable value of the individual asset cannot be determined then the realisable value of the cash-flow generating unit to which the asset belongs is determined. An exceptional write-down is applicable when the book value of an asset is higher than the realisable value, where the realisable value is the higher of the market value and the business value.

When it is determined that an exceptional write-down that was recognised in the past no longer exists or has decreased then the increased book value of the asset is set no higher than the book value that would have been determined without the application of an exceptional write-down of the asset.

Fixed assets that are no longer usable for the primary activities are not depreciated. Write-downs or write-offs due to the permanent decline in value, divestment, loss or decommissioning of an asset are reported separately.

Financial fixed assets

Participating interests and members' capital whereby the institution exerts a significant influence on the business and financial policy are value at net asset value. This value is determined on the basis of the group's accounting policies for valuation and the determination of the result.

Participating interests and members' capital whereby the institution does not exert a significant influence on the business and financial policy are value at acquisition cost. The valuation of these assets takes account of any permanent decline in value, where relevant.

Stocks

This item is comprised of the trading stock, finished product, livestock and stock of harvested agricultural produce. The trading stock and finished product are valued according to the FIFO method at the acquisition cost or production cost increased by a margin for the indirect costs.

The stock of harvested agricultural produce is not valued.

The value of unmarketable stock or stock with a lower market value is decreased accordingly.

Receivables and prepayments

Receivables are valued at nominal value less, where relevant, a provision for uncollectable debts.

Work in progress

Work in progress for third parties is valued at the cost of the direct material use and labour, increased by a margin for indirect costs. Invoiced instalments and forecast losses on projects are deducted from this balance. The allocation of the result is determined in proportion with the progress in (the proportion of the realised costs for) that project. The Work in progress item is recognised under the short-term receivables and prepayments.

Securities

Securities are valued at acquisition cost (FIFO method) or lower market value.

Internal capital

Wageningen University does not make a distinction between private capital and public capital.

– General reserve

This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.

– Appropriated reserve

Two appropriated reserves are formed within the equity capital at corporate level:

- the innovation fund
- reserve for projects to be carried out in the future

Provisions

The provisions are valued at nominal value, with the exception of the personnel provisions formed on the basis of RJ 271. The determination of the amount of the obligations takes account of future indexation and price increases. The amount of the provision recognised in the annual accounts is the best estimate of the amount that will be required to settle the relevant obligations and losses at balance sheet date.

Provisions are formed for:

- legally enforceable or actual obligations that exist at balance sheet date;
- the settlement of obligations that will probably require an outflow of funds; and
- obligations when a reliable estimate can be made of those obligations.

Provision for unemployment insurance obligations

The provision for unemployment insurance obligations is formed to cover the existing unemployment insurance obligations at balance sheet date and anticipated future expenditure relating to staff who have already left employment and staff employed with a temporary employment contract.

Provision for Disability Insurance Act / Resumption of Work (Partially Disabled Persons) Act obligations

The provision for Disability Insurance Act / Resumption of Work (Partially Disabled Persons) Act obligations is formed to cover the anticipated Invalidity Insurance Act / Resumption of Work (Partially Disabled Persons) Act obligations at balance sheet date arising from the own risk borne by the organisation.

Other personnel provisions – service anniversary bonuses

The forecast obligation arising from future service anniversary bonuses is determined on the basis of historical information and withdrawals are made on the basis of realisation. The present value is determined on the basis of the prevailing market rate of interest for Wageningen University.

Other personnel provisions - pensions

The pension insurance has been taken out with ABP. The scheme is a defined benefit pension scheme, as a result of which account needs to be taken of future movements in pension contributions and investment results.

The obligation is recognised as a defined contribution pursuant to RJ 271.310. No obligations other than the payment of pension contributions arise from a defined contribution pension scheme. The pension contributions are recognised as personnel costs when they become payable. Prepaid pension contributions are recognised as prepayments to the extent that they will be reimbursed by the pension fund or credited to pension contributions due in the future.

The pension schemes are in accordance with the career-average scheme and are indexed if the pension fund cover ratio permits this. As at 31-12-2010 ABP has a cover ratio of 105.4%. This is 11% above the cover ratio forecast in the ABP recovery plan for this date. On the basis of the current cover ratio ABP has taken the decision not to apply indexation in 2011.

Provision for reorganisation costs

This provision has been formed to cover anticipated costs incurred as a result of decisions made and announced within the organisation that relate to current and intended reorganisations.

Provision for product and contract risks

This provision covers the cost of loss-making contracts, guarantees and claims arising from services and products delivered to third parties.

Long-term debts

Long-term debts are debts that exist for more than one year after the date of the end of the accounts of the year.

Short-term debts

Short-term debts are debts that exist for less than one year after the date of the end of the accounts of the year.

• Accounting policies for the determination of income and expenditure

General

Proceeds and costs are recognised as the business income and expenditure that can be allocated to the relevant financial year or activity, irrespective of whether they have resulted in receipts and expenses during the period of the accounts of the year.

Proceeds are recognised in the year in which the goods were delivered or the services were provided to clients. Losses and risk arising before the end of the financial year are taken into account to the extent that they are known before the preparation of the annual accounts.

Direct government funding and other payments

Direct government funding is recognised as income in the year in which the funding. Other payments are credited to the result in the year in which the project is carried out and the costs are incurred.

Tuition and course fees

The statutory tuition fees and institution tuition fees to be allocated to the accounts of the year are recognised under tuition fees. The payments for post-graduate courses are recognised under course fees.

Income from work for third parties

The proceeds from contract activities are recognised under the Income from work for third parties item. The income is determined on the basis of the direct costs increased by a margin for indirect costs to a maximum of the rate to be paid by the provider of finance. Results are taken in proportion to the progress in the project.

• Accounting principles for the preparation of the cash flow statement

The indirect method is used for the preparation of the cash flow statement.

Amounts * € 1000,-

Notes to the balance sheet

1 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Equipment and inventory</i>	<i>Work in progress</i>	<i>Assets not used for the primary process</i>	<i>Total</i>
Book value at 31-12-2009	11,049	138,277	20,896	11,195	9,228	190,645
Investments	24	2,083	7,924	9,693	0	19,724
Divestments *	25	1,256	2	0	0	1,283
Depreciation	62	7,431	7,419	0	0	14,912
Exceptional write-downs	0	1,557	0	0	0	1,557
Book value at 31-12-2010	10,986	130,116	21,399	20,888	9,228	192,617
Acquisition value 31-12-2009	15,913	240,202	95,109	11,195	35,285	397,704
Acquisitions 2010	24	2,083	7,924	9,693	0	19,724
Acquisition value of divestments 2008	26	1,268	7,210	0	0	8,504
Acquisition value 31-12-2010	15,911	241,017	95,823	20,888	35,285	408,924
Accumulated depreciation	4,925	97,517	74,424	0	24,629	201,495
Accumulated write-downs	0	13,384	0	0	1,428	14,812
Book value at 31-12-2010	10,986	130,116	21,399	20,888	9,228	192,617
* Divestments, of which:						
- Acquisition price	26	1,268	7,210	0	0	8,504
- Depreciation	1	12	7,208	0	0	7,221
Total divestments	25	1,256	2	0	0	1,283

Wageningen University is carrying out an extensive new construction programme. The University invested in educational facilities at the Dreijen in 2010. In addition, preparations began for the construction of the new Orion teaching building and investments were made in the new accommodation for the Department of Animal Sciences.

€7.5 million of the total depreciation of €14.9 million related to the regular depreciation of buildings and infrastructure and €7.4 million to equipment and inventory.

Wageningen UR has concluded an agreement for the sale of the Kortenoord complex with Bouwfonds MAB Ontwikkeling BV. The relevant assets have been delivered. The definitive selling price will be determined on the basis of the development planning for the land. Since Wageningen University can still be regarded as the economic owner of the assets, the assets are still recognised in the balance sheet at a book value of €20.9 million. The prepayment of €16.7 million (including interest) is recognised under short-term debt.

Section 1.8.1, Accommodation, contains a further explanation of the developments in the Strategic Construction Plan.

Wageningen University's property is insured for €461.7 million (reference date 1-6-2010).

Amounts * € 1000,-

The value for the purposes of the Valuation of Immovable Property Act has been set at €150.4 million (reference date 1-1-2010).

Wageningen University invested €11.8 million in buildings in 2010, of which €9.0 million was for the Strategic Construction Plan.

2 FINANCIAL FIXED ASSETS

	31-12-2010	31-12-2009
Participating interests in group companies	133	192
Other participating interests	24	24
Members' capital	110	84
Other receivables	0	0
Total financial fixed assets	267	300

Breakdown of the participating interests in group companies item

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Investment/ divestment</i>	<i>Other movements</i>	<i>Book value 31-12-2010</i>
Nexus Holding BV	6	0	-6	0
CAN-iT BV	53	0	-53	0
Bio Product BV	133	0	0	133
Total group companies	192	0	-59	133

Breakdown of the other participating interests item

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Investment/ divestment</i>	<i>Other movements</i>	<i>Book value 31-12-2010</i>
Green Dino BV	0	0	0	0
KLV Professional Match BV	0	0	0	0
ICG	20	0	0	20
Ceradis BV	0	0	0	0
Biqualy BV	0	0	0	0
Other participating interests	4	0	0	4
Total, other participating interests	24	0	0	24

Amounts * € 1000,-

Specification of members' capital

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Increase</i>	<i>Decrease</i>	<i>Book value 31-12-2010</i>
Members' capital, Friesland Foods	84	10	0	94
Avebe	0	8	0	8
CSM/Cosun	0	8	0	8
Total members' capital	84	26	0	110

3 STOCKS

	<i>31-12-2010</i>	<i>31-12-2009</i>
STOCKS		
Trading stock	11	11
Livestock	89	110
Stock of semi-finished goods	0	0
	100	121
Minus: Provision for unmarketability	0	0
TOTAL STOCKS	100	121

Amounts * € 1000,-

4 RECEIVABLES AND PREPAYMENTS

	31-12-2010	31-12-2009
Payables	17,769	15,681
Accounts receivable from affiliated parties	0	1
Minus: Provision for possible uncollectible receivables	-1,509	-1,140
Total accounts receivable	16,260	14,542
Projects in progress		
Cost of work carried out for third parties	267,103	239,273
Minus: invoiced instalments	273,257	242,078
Third-party orders	-6,154	-2,805
Minus: anticipated losses	-3,305	-2,508
Recognised under short-term debt	34,209	25,720
Total of third-party orders	24,750	20,407
Advances	2,161	1,433
VAT to be received	1,765	2,550
Receivables from other affiliated parties	1,428	1,302
Receivables from students	1,581	1,793
Prepayments	6,658	11,330
Other	423	950
Total advances and prepayments	14,016	19,358
Total receivables and accruals	55,026	54,307

The receivables from affiliated parties of €1,778,000 (2010) and €1,302,000 (2009) relate to the DLO Foundation.

5 LIQUID ASSETS

	31-12-2010	31-12-2009
Cash in hand	28	24
Bank (incl. balancing entries)	13,463	14,916
Deposits	88,166	68,789
Total liquid assets	101,657	83,729

Of the balance of liquid assets, €9.962 million is made up of deferred subsidies that must be remitted to the contract partners (remittance moneys).

Amounts * € 1000,-

	Budget	Actual	Variance from budget
Result	0.6	6.2	5.6
Depreciation	15.4	16.5	1.1
Decrease in provisions	-0.6	-0.2	0.4
Movement in working capital	-7.0	11.7	18.7
Result from participating interests	0.0	0.1	0.1
Cash flow from operational activities	8.4	34.3	25.9
Cash flow from investment activities	-43.6	-18.5	25.1
Cash flow from financing activities	0.0	2.1	2.1
Cash flow 2010	-35.2	17.9	53.1
Liquid assets at 1 January 2010	52.6	83.7	31.1
Liquid assets at 31 December 2010	17.4	101.6	84.2

Operational activities

Depreciation is €1.1 million above budget, in particular due to the exceptional write-down on the value of the Dreijen of €1.6 million. This is to some extent offset by the other below-budget depreciation on buildings amounting to €0.3 million.

The improvement in the working capital is due to the prepayments for projects.

Investment activities

The actual cash flow from investment activities is €25.1 million below budget. This has a favourable influence on the liquid assets. This lower figure is largely due to the below-budget investments in the Strategic Construction Plan (€20.0 million), in particular in the projects for the Animal Sciences department (re-accommodation and trial accommodation), the 2nd Orion teaching building and the Leeuwenborch teaching facilities. The lower investment expenditure is due to the longer lead times, the longer than scheduled design process and longer than scheduled time required for the approval of the specifications.

Financing activities

The positive cash flow from financing activities relates to the recognition of the investment subsidy from the Construction Impetus under long-term debts (€2.5 million) the release from the equalisation account for subsidies received earlier.

Amounts * € 1000,-

6 INTERNAL CAPITAL

	<i>General reserve</i>	<i>Appropriated reserve</i>	<i>Total</i>
Balance at 31-12-2009	128,302	8,145	136,447
Result appropriation	5,547	675	6,222
Addition to the reserve			
Withdrawal from the reserve			
Balance at 31-12-2010	133,849	8,820	142,669

This reserve relates to the innovation fund of €3.9 million and the reserve for future projects of €4.9 million. The sum of €0.7 million was paid into the latter reserve in 2010.

From net result for the year under review, €5.5 million is for the benefit of the general reserve and €0.7 million is for the benefit of appropriated results.

As a result of the change in the system regarding tuition fees, the opening balance of the general reserve was reduced by €3.9 million.

7 PROVISIONS

	<i>Balance at 31-12-2009</i>	<i>Addition</i>	<i>Withdrawal</i>	<i>Release</i>	<i>Balance at 31-12-2010</i>
Unemployment insurance obligations	6,993	2,364	1,157	504	7,696
Disability Insurance Act obligations	746	202	-68	675	341
Other personnel provisions	2,544	368	373	0	2,539
Reorganisation costs	8,994	1,968	1,948	194	8,820
Product and contract risks					
Provisions, other	1,400	334	-4	669	1,069
Total provisions	20,677	5,236	3,406	2,042	20,465
			<i>31-12-2010</i>		<i>31-12-2009</i>
Specification of the term of the provisions					
Short term (expires by no later than 31-12-2009)			4,633		9,796
Long term (expires between 31-12-2009 and 31-12-2013)			10,042		6,589
Long term (expires after 31-12-2013)			5,790		4,291
Total provisions			20,465		20,677

Unemployment insurance obligations

The provision for unemployment insurance obligations is formed to cover the existing unemployment insurance obligations at balance sheet date and anticipated future expenditure relating to staff who have already left employment and staff employed with a temporary employment contract. €2,364,000 was added to the provision in 2010, and €504,000 was released.

Amounts * € 1000,-

Disability Insurance Act obligations

The provision for Disability Insurance Act obligations is formed to cover anticipated future Invalidity Insurance Act and Resumption of Work Partially Disabled Workers Act benefits. In 2009, Wageningen University decided to bear the risk associated with the Resumption of Work Partially Disabled Workers Act. A provision of €341,000 has been formed for the current benefits.

Other personnel provisions

The other personnel provisions include a provision for future service anniversary bonuses obligations.

Reorganisation costs

The reorganisation cost provision has been formed for anticipated costs relating to the reorganisations implemented earlier. In 2010, additions were made to the provision for reorganisations implemented earlier in view of the expenditure that is continuing for longer than had previously been expected and a provision has been formed for the winding down of the Prota section.

Other provisions

The other provisions relate to claims third parties have addressed against Wageningen University.

8 LONG-TERM DEBTS

	<i>Balance at 31-12-2009</i>	<i>Increase in debt</i>	<i>Decrease in debt</i>	<i>Balance at 31-12-2010</i>
Other long-term debts	16,618		460	16,158
Equalisation of long-term investment subsidies	994	2,530		3,524
Total long-term debts	17,612	2,530	460	19,682

Summary of long-term debts:

<i>Description</i>	<i>Total (k€)</i>	<i>Interest</i>	<i>Term</i>	<i>Accumulated repayment (k€)</i>	<i>Long term > 1 years (k€)</i>	<i>Short term > 1 years (k€)</i>
ABN Amro Bank	15,000	4.9%	10 years	0	15,000	
Rabobank Vallei en Rijn	2,000	4.4%	10 years	800	1,000	200
Rabobank Vallei en Rijn	300	4.4%	10 years	112	158	30
Total	17,300			912	16,158	230

€15,238,000 of the long-term debts have a remaining term of more than 5 years.

Amounts * € 1000,-

9 SHORT-TERM DEBTS

	31-12-2010	31-12-2009
Advance payments from third parties	103,880	92,668
Debts to suppliers	10,806	8,561
Debts to suppliers of affiliated parties		
Taxation payable	9,598	9,159
Payables to other affiliated parties	10,479	7,364
Payables to the Ministry of Economic Affairs, Agriculture and Innovation	5,647	9,134
Deferred liabilities	11,639	13,178
Other	14,802	14,302
Total short-term debts	166,851	154,366

Advance payments from third parties increased by €11.2 million in 2010 as compared to 2009, in part due to the advance payments for CAT-Agrofood and prepayments on EU contracts. The short-term debt to the Ministry of Economic Affairs, Agriculture and Innovation has decreased by €3.1 million due to the expenditure of the Construction Impetus funds.

The Other short-term debts item primarily relates to the employees' accrued holiday allowances and leave.

Amounts * € 1000,-

Obligations and rights not included in the balance sheet

Long-term financial obligations

List of obligations entered into relating to rental, operational lease and similar agreements:

<i>Description</i>	<i>Total obligations</i>	<i>Expiring in 2011</i>	<i>Expiring between 2012 and 2015</i>	<i>Expiring after 2015</i>
Lease obligations	90	40	50	
Insurance	1,094	276	818	
Maintenance contracts	410	410		
Energy supplies	10,434	5,229	5,205	
Investments	16,141	16,141		
Total	28,169	22,096	6,073	

Interest rate instruments

The following interest rate instruments have been acquired:

<i>Instrument</i>	<i>Volume in millions</i>	<i>Starting date</i>	<i>Finishing date</i>
Interest rate swap	10.0	03-01-2005	02-01-2017
Interest rate swap	7.0	03-01-2005	04-01-2016

The value of the swaps at 31-12-2010 was – €2.4 million.

The interest rate instruments are acquired to cover the interest risk on the long-term loan of €15 million.

Amounts * € 1000,-

Affiliated Parties

Wageningen University has the following participating interests, held either directly or indirectly via Wageningen Universiteit Holding BV:

	Registered office	Activity code	Internal capital 31-12-2009	Actual, 2010	Article 2:403 of the Netherlands Civil Code	Participating interest in 2010	Consolidation
Wageningen Universiteit Holding BV	Wageningen	4	-561	-56	Y	100%	100%
Nexus Holding BV	Wageningen	4	0	-6	N	100%	0%
CANiT BV	Wageningen	4	0	N/A	N	51%	0%
Ceradis BV	Wageningen	4	0	N/A	N	50%	0%
Bio Product BV		4	133	N/A	N	51%	0%
Biqualy BV	Wageningen	2	0	N/A	N	33%	0%
Green Dino BV	Wageningen	4	0	N/A	N	11%	0%
KLV Professional Match BV	Wageningen	4	N/A	N/A	N	5%	0%
ISRIC Foundation	Wageningen	2	391	-287			100%
Restaurant van de Toekomst Foundation	Wageningen	2	-53	11			100%

The annual accounts of Wageningen Universiteit Holding BV, the ISRIC Foundation and the Restaurant van de Toekomst Foundation are consolidated in these annual accounts.

Pursuant to its terms of reference, Wageningen University takes part in a number of foundations and provides one or more members of the board of these foundations or is involved in these foundations in some other manner. Consolidation of the foundations that satisfy the substantial interest criteria would not have had a material effect on Wageningen University's result or balance sheet total.

Wageningen University together with the DLO Foundation and Van Hall Larenstein University of Applied Sciences form the Wageningen UR alliance. The central staff departments and the Facilities department have been merged within the scope of this alliance. The costs of these units are charged to the participants in Wageningen UR in proportion to their use.

Amounts * € 1000,-

Notes to the profit and loss statement

10 INCOME

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
DIRECT GOVERNMENT FUNDING		
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	157,063	159,590
Other subsidies, Ministry of Economic Affairs, Agriculture and Innovation	2,474	1,593
TOTAL DIRECT GOVERNMENT FUNDING	159,537	161,183
OTHER CONTRIBUTIONS AND SUBSIDIES	73	74
TUITION AND COURSE FEES		
Tuition and examination fees	14,256	11,723
Course fees	1,864	2,122
TOTAL TUITION AND COURSE FEES	16,120	13,845
INCOME FROM WORK FOR THIRD PARTIES		
Revenue from work for third parties	97,744	95,182
Movement in work in progress	-2,106	-5,716
TOTAL INCOME FROM WORK FOR THIRD PARTIES	95,638	89,466
OTHER INCOME		
Sales and use of facilities	485	739
Rental income	3,322	2,536
Secondments	83	194
Other income	16,590	16,801
TOTAL OTHER INCOME	20,480	20,270
TOTAL INCOME	291,848	284,838

Income increased in 2010. Direct government funding from the Ministry of Economic Affairs, Agriculture and Innovation decreased by €2.5 million to €157.1 million. This decrease was due to a decline in the number of PhD students graduating in the preceding years. An increase in government funding due to increased numbers of students is expected only after 2012. This is due to the budgeting method, in which an improved performance results in increased government funding only after a certain period of time.

Income from work commissioned by third parties increased by 7% to €95.6 million. This income is comprised of income from research funding, which increased by 17% to €20.9 million, and from contract research, which increased by 4% to €74.7 million. Turnover generated by all departments increased, in particular from the Dutch government client group. Tuition fees increased as compared to 2009 due to the increased number of students.

Annex 3 contains a specification of the work commissioned by third parties by type of financier and type of turnover.

Amounts * € 1000,-

The other income includes costs passed on to Van Hall Larenstein University of Applied Sciences (€4.4 million) and the Green Knowledge Cooperative (€2.1 million), direct proceeds from the service labs (€1.8 million) proceeds from the Sport cards (€0.5 million).

EXPENDITURE

11 PERSONNEL COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Gross wages and salaries	159,212	151,770
Temporary employees and contracted personnel	5,718	6,364
Other personnel costs	3,694	4,175
Addition to provision for unemployment insurance obligations	1,860	1,688
Addition to provision for Disability Insurance Act obligations	-473	717
Addition to other personnel provisions	368	239
Total personnel costs	170,379	164,953

The gross wages and salaries item includes the pension contributions of €16.1 million and the social security charges of €6.2 million. The staffing level increased from 2,439 FTE to 2,544 FTE in 2010. The average payroll total increased by 0.6%.

In 2010, Wageningen University expended €0.4 million (2009: €0.4 million) on salary costs and reimbursements for the members of the Executive Board and €25,000 (2009: €36,000) for members of the Supervisory Board. The members of the Executive Board also form the Executive Board of the DLO Foundation and of the Van Hall Larenstein Foundation. A further explanation of the salary costs of the Executive Board and Supervisory Board is enclosed in Section 2.4.

The members of the Supervisory Board also form the Supervisory Board of the DLO Foundation and the Van Hall Larenstein Foundation.

12 DEPRECIATION

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Tangible fixed assets	14,912	13,391
Exceptional write-downs	1,557	3,370
Total depreciation	16,469	16,761

In 2010, an exceptional write-down of €1.6 million was recognised in connection with the Dreijen complex due to the changed destination of this complex.

Amounts * € 1000,-

13 ACCOMMODATION EXPENDITURE

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Rent	7,696	7,280
Insurance	294	340
Maintenance	3,569	3,586
Energy and water	4,982	6,158
Cleaning costs	2,174	2,198
Levies	887	856
Other accommodation costs	2,451	1,047
Total accommodation costs	22,053	21,465

A number of Wageningen University's chair groups are accommodated in DLO buildings: Wageningen University paid rent of €7.7 million in 2010 for the use of part of these buildings.

14 GENERAL COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Other equipment costs	6,535	7,382
Other general costs	25,809	26,479
Additions to the provisions:		
Reorganisation costs	1,773	1,016
Product and contract risks		-250
Provisions, other	-334	
Total addition to general provisions	1,439	766
Total general costs	33,783	34,627

The other general costs include office expenses (€3.1 million), travelling and accommodation expenses (€7.4 million), representation costs, PR activities and student recruitment (€2.5 million), literature supplies (€3.6 million), non-recoverable VAT (€5.7 million) and catering costs (€1.1 million).

The other general costs item includes the following auditor's costs:

A Audit of the annual accounts	€ 139,000
B Other auditing activities	€ 392,000

15 SPECIFIC COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Specific costs	15,618	13,823
Services provided by third parties	18,600	18,732
Contributions and subsidies	9,125	8,384
Total specific costs	43,343	40,939

Amounts * € 1000,-

16 FINANCIAL INCOME AND EXPENDITURE

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Financial income	1,675	1,749
Financial expenditure	-1,218	-1,613
Total financial income and expenditure	457	136

The financial income relates to the interest received on the cash at bank in the financial year. Interest income increased in 2010 due to the increase in liquid assets.

The financial expenditure relates, in particular, to interest of €0.4 million payable to Bouwfonds MAB Ontwikkeling BV due to the prepayment received for the sale of Kortenoord and an interest expense of €0.8 million on the long-term debt to ABN Amro.

17 RESULT FROM PARTICIPATING INTERESTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Biopartner Center BV		3,436
Nexus Holding BV	-6	
CAN-iT BV	-53	-86
Other participating interests	3	11
Total result from participating interests	-56	3,361

Amounts * € 1000,-

Separate annual accounts

SEPARATE BALANCE SHEET

ASSETS	31-12-2010	31-12-2009
FIXED ASSETS		
Tangible fixed assets	192,613	190,639
Financial fixed assets	-447	-418
Total fixed assets	192,166	190,221
CURRENT ASSETS		
Stocks	100	121
Receivables and prepayments	53,675	52,502
Cash at bank and in hand	100,135	82,149
Total current assets	153,910	134,772
TOTAL ASSETS	346,076	324,993
LIABILITIES		
INTERNAL CAPITAL	142,331	135,835
PROVISIONS	20,134	20,676
LONG-TERM DEBTS	15,000	15,000
SHORT-TERM DEBTS	168,611	153,482
TOTAL LIABILITIES	346,076	324,993

The separate balance sheet does not incorporate the information of the ISRIC Foundation, Restaurant van de Toekomst Foundation or WU Holding BV. This balance sheet incorporates Wageningen University's receivables from the ISRIC Foundation and WU Holding BV. The internal capital varies from the internal capital recognised in the consolidated balance sheet by an amount of €338,000. This variance relates to the internal capital of the ISRIC Foundation (€391,000) and the Restaurant van de Toekomst Foundation (€- 53,000). The obligations not included in the balance sheet are equal to those in the consolidated account.

Of the balance of liquid assets, €9.962 million is made up of deferred subsidies that must be remitted to the contract partners (remittance moneys).

Amounts * € 1000,-

SEPARATE PROFIT AND LOSS STATEMENT

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
INCOME		
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	158,361	160,055
Tuition, course and examination fees	16,119	13,845
Income from work for third parties	94,746	88,684
Other income	20,402	20,104
Total income	289,628	282,688
EXPENDITURE		
Personnel costs	168,906	163,546
Depreciation	16,468	16,760
Accommodation costs	22,000	21,373
General costs	33,084	34,346
Specific costs	43,066	40,639
Total expenditure	283,524	276,664
OPERATING RESULT	6,104	6,024
Financial income and expenditure	448	127
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	6,552	6,151
Taxation on ordinary activities	0	0
Result from participating interests	-56	3,361
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	6,496	9,512
Third-party share	0	0
Extraordinary income and expenditure	0	0
NET RESULT	6,496	9,512

The €158.4 million direct government funding from the Ministry of Economic Affairs, Agriculture and Innovation is exclusive of the recognised €1.2 million direct government funding from the ISRIC Foundation. In 2010, WU Holding BV recorded a result of €-56,000, the ISRIC Foundation of €-285,000 and the Restaurant van de Toekomst Foundation of €11,000.

Other details

- **Post balance sheet events**

There were no post balance sheet events that gave cause to the adjustment of or notification in the annual accounts.

- **Independent auditor's report**

Report on annual accounts

In this report we have audited the annual accounts for 2010 of Wageningen University, Wageningen. These annual accounts consist of the consolidated and single balance sheets as at 31 December 2010 and the profit and loss account for 2010 with the notes thereto, which contain a summary of the financial reporting principles applied and other notes.

Responsibility of the Executive Board

The Executive Board is responsible for drawing up annual reports that accurately represents assets and results, as well as for drawing up the annual report, both in accordance with the Annual Accounts Regulations, Education. The Executive Board is also responsible for the financial legitimacy of the income, expenditure and balance sheet movements set out in the annual accounts. This means that these figures must comply with the provisions of relevant legislation and regulations. The Executive Board is also finally responsible for carrying out such internal management as it deems necessary to enable the drawing up of the annual accounts and compliance with the relevant legislation and regulations without any significant discrepancies as a result of fraud or error.

Responsibility of the auditor

Our responsibility is to issue an opinion on the annual accounts based on our audit, as defined in Article 2.9 (3) of the Higher Education and Academic Research Act (*Wet op het hoger onderwijs en wetenschappelijk onderzoek*). We have carried out our audit in accordance with Dutch law, including Dutch auditing standards, and the auditing of education protocol OCW/EL&I 2010, which require that we meet the ethical standards required of us and that we plan and carry out our audit in a way that we can have a reasonable degree of certainty that the annual accounts do not contain any materially significant discrepancies. An audit involves the performance of tasks to obtain auditing information concerning the sums set out in, and notes to, the annual accounts. The selected tasks are dependent upon the form of opinion applied by the auditor, having regard to an assessment of the risks that the annual accounts may contain any materially significant discrepancies as a result of fraud or error. In making this risk assessment, the auditor takes into account the internal management relevant to the drawing up of the annual accounts and to a reliable reflection thereof, as well as compliance with the relevant legislation and regulations focused on such auditing work as is appropriate in the circumstances. The purpose of this risk assessment is not, however, to be able to form an opinion on the effectiveness of the internal management of the entity. An audit also involves the evaluation of the suitability of the principles applied in respect of the financial reporting and the criteria for financial legitimacy and of the reasonableness of the estimates made by the board of the entity, as well as an evaluation of the overall picture of the annual accounts.

It is our view that the auditing data we obtained is adequate and suitable to substantiate our opinion.

Opinion

It is our opinion that the annual accounts reliably represent the amount and composition of the capital of Wageningen University as at 31 December 2010 and of the results for 2010 in accordance with the Annual Accounts Regulations, Education. We are also of the opinion that the income, expenditure and balance sheet movements for 2010 satisfy the requirement for financial legitimacy, i.e. these figures are in accordance with the provisions of the relevant legislation and regulations as referred to in section 2.3.1. of the Frame of Reference for the auditing of education protocol OCW/EL&I 2010.

Report pursuant to other statutory provisions and/or regulations of regulatory bodies

Pursuant to Book 2 Article 393 (5) (e) and (f) of the Netherlands Civil Code, as far as we have been able to establish, our audit has not revealed any breaches of the requirement for the annual report to be drawn up in accordance with Title 9 Book 2 of the Netherlands Civil Code or for the inclusion of the information as required by Book 2 Article 393 (1) of the Netherlands Civil Code. We would further confirm that, as far as we have been able to establish, the annual report is in accordance with the annual accounts as required by Book 2 Article 391 (4) of the Netherlands Civil Code.

Arnhem, 23 May 2011



Ernst & Young Accountants LLP

Signed by F. de Bruijn RA

3.1.3 Appendices Wageningen University

• Appendix 1 Clarifications

Outsourcing of one or more components of CROHO registered study programmes to a private organisation (+ costs)

Wageningen University does not outsource activities in the sense referred to above. Any outside expertise contracted for teaching (for example, as a consequence of the earlier 'division of duties & concentration' operations) is contracted from sister higher education institutions and not from private institutions.

Customised programmes for companies / organisations

Wageningen University does not provide any customised programmes for companies and/or organisations in the form of CROHO registered courses leading to a certificate. Customisation in the form of post-initial courses are provided under the Wageningen UR umbrella by the Centre for Development and Innovation (CDI) and Wageningen Business School (WBS).

Personnel registered for initial study programmes

Once again, in 2010 Wageningen University had a large number of students who were simultaneously appointed members of staff of the University or, in other words, members of staff who were also enrolled as students. The names of these persons are known. These persons include student assistants and students with a part-time job for a number of hours.

None of these 'staff students' are following one of the University's initial study programmes within the scope of the education and training of WU personnel. Consequently, the University has not paid the tuition fees for any member of staff.

Allocation of direct government funding to private activities

Wageningen University allocates funds to the following private activities:

- post-initial education relating to establishing new study programmes and transferring knowledge to society;
- student facilities such as sports facilities and training activities;
- student accommodation for international MSc students. Although the provision of student accommodation is not one of the University's primary duties, the acute accommodation needs nevertheless resulted in the Executive Board's 2009 decision to invest in temporary accommodation for international students. The Supervisory Board has agreed to this move, in view of the exceptional state of the Wageningen accommodation market, particularly for students. The accommodation is made available to the tenants for rents in line with the market. The objective is to achieve break-even operations with these investments. Wageningen University consulted with the housing corporations on the realisation of these units.

Wageningen University did not make any investments in spin-outs in 2010.

• **Appendix 2 Staffing level (FTE)**

Average staffing level

	<u>2010</u>	<u>2009</u>
FACULTY		
Academic staff:		
Professor	98.2	97.6
Associate professor	140.3	133.9
Assistant professor	262.7	276.9
Researchers	264.8	265.1
Lecturers and other academic staff	40.4	34.2
PhD candidate	602.4	608.5
TOTAL ACADEMIC STAFF	1,408.8	1,416.2
Support and administrative staff:		
Job grade 13 and above	20.0	21.2
Job grade 9 to 12	231.7	224.5
Job grade below 9	393.3	369.9
TOTAL SUPPORT AND ADMINISTRATIVE STAFF	645.0	615.6
TOTAL FACULTY	2,053.8	2,031.8
GENERAL SERVICES		
Job grade 13 and above ⁹	43.4	40.3
Job grade 9 to 12	205.2	194.7
Job grade below 9	220.9	208.5
TOTAL GENERAL SERVICES	469.5	443.5
TOTAL number of staff with a Wageningen University contract	2,523.3	2,475.3
On-charged staff with a DLO contract	22.1	
Total staffing level	2,545.4	2,475.3

⁹ Staff not assigned a job grade are included in the group with an equivalent salary.

Amounts * € 1000,-

• **Appendix 3 Work commissioned by third parties by type of financier and type of turnover**

Specification of proceeds by client

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Research funding	20,905	17,937
Government	10,178	9,173
Other Dutch government agencies	19,093	15,740
Business community	11,384	10,323
European Union	14,654	15,434
Foreign government and public sector	1,386	3,069
Collection-box funds	433	315
DLO	4,548	4,100
Other	13,057	13,375
Total proceeds by client	95,638	89,466

• **Appendix 4 Target funding, deferred liabilities and payments to be reimbursed to the Ministry of Economic Affairs, Agriculture and Innovation**

Project description	Decision	Awarded amount	Balance 31-12-2009	Received 2010	Expenditure 2010	Balance 31-12-2010
Target funding						
WURKS 2008 (incl. Labour-market policy)	DK 2007/3376, 11-12-2007	903,000	71,960	0	71,960	0
WURKS 2009	DWK 2008/2708, 27-11-2008	718,000	718,000	0	718,000	0
WURKS 2009-2010	TRCDK 2009/2029, 24-11-2009	1,864,332	1,864,332	0	218,453	1,645,879
BAMA	DK 2002/4101, 9-12-2002	499,158	58,232	0	0	58,232
Business club Learning and Working Green 2007-2008	DK 2007/3189, 30-11-2007	60,000	2,570	-2,570	0	0
Learning in practice	TRCDK/09/0676, 24-3-2009	166,600	128,529	0	112,481	16,048
Introduction of educative minors	804A0-27081 (CFI 11-11-2009)	136,906	96,906	0	3,354	93,552
In search of excellence in the European PhD	TRCDKI/09/2041, 29-10-2009	80,000	80,000	0	0	80,000
Professionalisation and Teachers 2009-2012	TRCDK 2009/2239	920,000	368,000	368,000	188,445	547,555
Quality Impetus 2009-2012	TRCDKI/09/2064, 13-11-2009	1,925,000	573,786	0	490,312	83,474
Construction Impetus	TRCDKI/2009/2247, 26-11-2009	3,715,534	2,972,427	0	2,972,427	0
Academics in front of the class	TRCDKI 2010/2195, 13-12-2010	625,000	0	325,000	0	325,000
Restoration of ISRIC soil samples	TRCDKI 2010/1427 12-10-2010	330,000	0	66,000	0	66,000
Center for biobased Economy	TRCDKI 2010/2190, 15-12-2010	5,000,000	0	1,000,000	0	1,000,000
Deferred liabilities direct government funding letter						
GKC	DK 2007/2775, 13-11-2007	5,800,000	1,530,978	4,640,000	4,772,807	1,398,171
Accommodation funds	TRCDK-DH/06/2543, 18-10-2006	1,317,000	671,261	0	671,261	0
Learning in practice 2010		238,000	0	238,000	0	238,000
Incentive fund, Joint Degrees	TRCDKI 2009/1402	95,000	0	95,000	0	95,000
Total recognised under Ministry of Economic Affairs, Agriculture and Innovation subsidies		24,393,530	9,136,981	6,729,430	10,219,500	5,646,911

GKC's expenditure is not included in the Wageningen University profit and loss statement, since Wageningen University is solely the lead agency for this subsidy. Account is given for expenditure in an auditor's report. The receivable from EL&I of €743,107 is not included in the balance sheet item Payables to EL&I under short-term debts.

The other subsidies item under income is comprised of the following:

Expenditure of Ministry of Economic Affairs, Agriculture and Innovation and Ministry of Education, Science and Cultural Affairs subsidies in accordance with Annex 4	€ 10.219.500
Minus: Construction Impetus to equalisation reserve	€ 2.972.427
Minus: GKC	€ 4.772.807
Recognised subsidies	€ 2.474.267

3.2 Van Hall Larenstein University of Applied Sciences

3.2.1 Financial report Van Hall Larenstein University of Applied Sciences

• Development of result

The consolidated 2010 annual account concluded with a positive result of €0.4 million, in line with the budget.

The total proceeds increased by €0.4 million to €50.8 million in 2010.

The increase as compared to the budget is largely due to the increase in income from contract research of €0.6 million, the increase in the tuition fees of €0.4 million and the decrease in other income of €0.8 million.

The increase in tuition fees is due to an increase in the number of students and the annual price increment.

Other income decrease due to the lower rental proceeds and a reduction of the proceeds from secondment.

On balance, costs decreased by €0.4 million, due primarily to a sharp decrease in the general costs of €1.2 million and an increase in the salary costs of €0.6 million. The decline in the general costs is largely due to a lower addition to the reorganisation provision.

• Movement in the balance sheet

The tangible fixed assets decreased by €1.7 million due to the lower depreciation charges, additional depreciation on ICT equipment due to a change in the estimate method, the release of the equalisation account for the media libraries (which was not yet an issue in 2009) and the lower investments.

Receivables and prepayments decreased by €0.5 million, primarily due to the lower balance of the accounts receivable.

Work in progress as a component of the receivables and prepayments increased slightly in 2010, to €1.8 million.

The liquid assets decreased by €1.1 million, primarily due to the non-payment of the full advances for the master's programmes in December 2010. In contrast to 2009, only 50% of the advances had been received by the end of the year.

On balance, the provisions decreased by €1.4 million, primarily due to the decline of the redundancy pay provision (by €0.5 million) and the €0.9 million decline of the other personnel provisions.

The short-debt debts decreased by €2.2 million, in part due to the decline in the 'Ministry of Economic Affairs, Agriculture and Innovation research yet to be carried out' item.

The solvency ratio was 15.7% at 31-12-2010 as compared to 13.6% in 2009. This slight increase is due to a decrease in the balance sheet total resulting from the declines in the short-term debts and the provisions items.

• Prospects for 2011

Movement in the result

The 2011 budget specifies an operating result of €0.0. However, Van Hall Larenstein is confronted with many changes that will take place during 2010. As a result, a variety of issues and developments will lead to supplementary measures and additional costs in 2011. However, since these will be supplemented by some measures that will result in cost reductions, the objective is nevertheless to record a positive operating result.

The main issues for attention are:

1. Van Hall Larenstein's liquidity position will need to be improved during the coming years. The higher vocational education guarantee fund will be abolished, as a result of which the solvency will be subjected to an even more critical review within the context of financing or refinancing.
2. The central government has stated that it will implement major spending cuts in the coming years. In view of the magnitude of these spending cuts, it is necessary to assume that higher professional education institutes will also be confronted with economies.
3. Work will begin on the implementation of Van Hall Larenstein's new strategy in 2011. This will involve additional investments.

The following measures are foreseen in 2011:

a. Evaluation and reorganisation of the staff departments

Work will begin on the reorganisation of the staff departments in 2011, a move which is necessary in view of the organisational developments. The forecasts indicate that the decline in the number of staff due to natural wastage will amount to between 15 and 20 FTEs. The costs incurred in assessment, development and severance payments, where relevant, will be covered by the operating income. The reorganisation will be completed, depending on the staff department concerned, within 1 to 3 years. At the time these annual accounts were adopted a formal decision, in consultation with the participational structure, had yet to be taken: this decision is expected in May 2011. The reorganisation is expected to lead to a structural improvement in the result of between €0.8 million and €1.0 million.

b. Abolition of the Training & Consultancy department

The Training & Consultancy department, which has been loss-making for many years, will be abolished. Solely the International and Courses & Training Programmes components that are deemed to be healthy shall be restarted and the accountability for the performance of the GS2/GS3 projects will be assigned explicitly to the study programmes. This reorganisation had already been foreseen at the end of 2009, and a reorganisation provision was formed that is still deemed to be adequate. The definitive decision, with the concurrence of the participational structure, is expected in April 2011. The reorganisation is expected to lead to a structural improvement in the result of between €0.3 million and €0.5 million.

c. Management focused on the financial result

As from 2011, study programmes and clusters of study programmes shall be approached as business units. The indirect costs will be passed on to the study programmes as determined by a cost allocation sheet. In an endeavour to improve the solvency, the study programmes shall be set a target of a return of 3% during the next five years, as a result of which internal capital should increase from €5 million to €7.5 million. These targets are to be achieved by a higher student/lecturer ratio, an improvement of the cover ratio from the GS2/GS3 projects, Management Team endeavours to limit the overheads and the rundown of loss-making parts of the organisation.

Merger of the institutions

The institutions shall merge on 1 September 2011. This has consequences both for funding and the (administrative) organisation and the underlying processes. Moreover, many of the relevant agreements reached by the participational structure and the Executive Board will be implemented during the course of 2011.

Operational Excellence

Operational excellence is an important element of Van Hall Larenstein University of Applied Sciences' new strategy. This relates primarily to the provision of support to education and the services and information provided to students. Both the increasing requirements imposed on the annual reports with respect to student dossiers and funding, as well as the requirements governing the accreditation of institutes, give case to the need of the standardisation of the support and processes. This, in view of the variation in the backgrounds and procedures of the various study programmes, will result in fundamental changes that can be implemented solely by initiating a large number of transition projects. Investments shall also be made in a new student information system and a web-based information portal for students required for the adoption of adequate project and programme-based working methods.

Amounts * € 1000,-

3.2.2 Annual accounts Van Hall Larenstein University of Applied Sciences

Balance sheet

After the allocation of the net result.

ASSETS	31-12-2010	31-12-2009
FIXED ASSETS		
1 Tangible fixed assets	22,864	24,538
Total fixed assets	22,864	24,538
CURRENT ASSETS		
2 Stocks	0	55
3 Receivables and prepayments	6,138	6,595
4 Liquid assets	11,680	12,794
Total current assets	17,818	19,444
TOTAL ASSETS	40,682	43,982
LIABILITIES		
INTERNAL CAPITAL		
General reserve	6,395	5,986
5 INTERNAL CAPITAL	6,395	5,986
6 PROVISIONS	4,503	5,854
7 LONG-TERM DEBTS	7,722	7,864
8 SHORT-TERM DEBTS AND LIABILITIES	22,062	24,278
TOTAAL PASSIVA	40,682	43,982

Amounts * € 1000,-

Profit and loss statement

	<i>Actual, 2010</i>	<i>Budget 2010</i>	<i>Actual, 2009</i>
9 INCOME			
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	27,216	27,510	27,744
Other contributions and reimbursements	3,831	2,819	3,074
Tuition, course and examination fees	6,932	6,808	6,542
Income from work for third parties	9,744	11,198	9,170
Other income	3,059	3,005	3,894
Total income	50,782	51,340	50,424
EXPENDITURE			
10 Personnel costs			
11 Depreciation			
12 Accommodation costs			
13 General costs	29,513	29,427	28,907
14 Specific costs	2,099	2,059	1,847
	3,504	3,642	3,709
Total expenditure	10,522	9,722	11,675
	4,548	5,766	4,390
OPERATING RESULT			
15 Financial income and expenditure	50,186	50,616	50,528
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX			
Taxation on ordinary activities	596	724	-104
16 Result from participating interests	-187	-294	-163
RESULT FROM ORDINARY ACTIVITIES AFTER TAX			
Third-party share	409	430	-267
Extraordinary income and expenditure	0	0	0
NET RESULT	0	0	0

Amounts * € 1000,-

Cash flow statement

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
OPERATIONAL ACTIVITIES		
Net result	409	-267
Depreciation	2,099	1,847
	<hr/> 2,508	<hr/> 1,580
Movement in provisions	-1,351	386
Movement in working capital	-1,705	1,080
Result from non-consolidated participating interests		0
	<hr/> -3,056	<hr/> 1,466
Cash flow from operational activities	<hr/> -548	<hr/> 3,046
INVESTMENT ACTIVITIES		
Investments in buildings and land	-131	-1,836
Investments in other tangible assets	-293	-1,884
Reclassification of equalisation account investment subsidies	0	11,034
Divestments of fixed assets	0	0
Cash flow from investment activities	<hr/> -424	<hr/> 7,314
FINANCING ACTIVITIES		
Movement in long-term debt to Ministry of Agriculture, Nature and Food Quality	0	-8,520
Movement in other long-term debts	-142	-661
Movement in internal capital		0
Cash flow from financing activities	<hr/> -142	<hr/> -9,181
CASH FLOW	<hr/> -1,114	<hr/> 1,568
MOVEMENT IN LIQUID ASSETS		
Balance of liquid assets at 1 January	12,794	11,226
Balance of liquid assets at 31 December	11,680	12,794
Movement in liquid assets	<hr/> -1,114	<hr/> 1,568

Principles of valuation

The annual accounts were drawn up and approved by the Executive Board as at 11 April 2011.

• General

These are the annual accounts of the Van Hall Larenstein Foundation. The annual accounts were prepared on the basis of the following principles of valuation.

The figures presented for the financial year are in agreement with the figures from the annual accounts for the relevant year, with the exception of the effects of the change of system relating to the presentation of the equalisation account investment subsidies. Pursuant to RJ 660, as from the beginning of the 2010 financial year receipts of subsidies are recognised under tangible fixed assets rather than under long-term debts. The comparative figures have been adjusted accordingly. This method of presentation has no effects on the result or the capital.

• General accounting principles for the preparation of the annual accounts

The Van Hall Larenstein Foundation forms a group together with the Business Center Van Hall Foundation, Onroerend Goed Larenstein Foundation and Larenstein Transfer Foundation.

The annual accounts are prepared on the basis of the historic costs. Unless otherwise stated, assets and liabilities are recognised at nominal value.

Monetary assets and liabilities in foreign currency are translated at the exchange rate on balance sheet date. Exchange rate differences are recognised in the profit and loss statement. Revenues and expenses in foreign currency are recognised in the profit loss statement at the exchange rate on the date of settlement.

The annual accounts have been prepared in accordance with the requirements imposed by the *Regeling Jaarverslaggeving Onderwijs* ('Annual Accounts Regulations') and the Ministry of Education, Culture and Science's notes to those regulations.

• Changes in system

Pursuant to the annual account regulations, as from the beginning of the 2010 financial year receipts of subsidies are recognised under tangible fixed assets rather than under long-term and short-term debts. This change in the system has no consequences for the result or the capital.

The comparative figures for the tangible fixed assets, long-term debts, short-term debts, other income and depreciation charges items have been adjusted for the purposes of comparisons of the financial years.

The subsidies received up to and including the 2009 financial year were recognised under the equalisation account investment subsidies in the long-term debt and short-term debt items. Every year part of the investment subsidy is credited to the result, on the basis of the useful life of the asset. The annual release of the equalisation account was recognised under other income until the 2009 financial year. As from the beginning of the 2010 financial year, the annual release is deducted from the annual depreciation charges.

The effects of the reclassification of the comparative figures are listed below.

1. The tangible fixed assets have been reduced by €11,034
2. The long-term debts have been reduced by €10,302
3. The short-term debts have been reduced by €732
4. The other income has been reduced by €389
5. The depreciation charges have been reduced by €389.

The change in the system has resulted in an increase in the solvency ratio from 11.0% to 13.6% at 31-12-2009.

• Consolidation

The consolidation incorporates the annual accounts of the institution, its group companies and other organisations in which the institution exercises dominant control (pursuant to the actual situation) or conducts the central management. The group companies are legal entities over which the institution can exercise either direct or indirect dominant control since the institution possesses the majority of the voting rights or can control the financial and operational activities in some other manner. Account is then also taken of potential voting rights that can be exercised directly on the balance sheet date.

The annual accounts of group companies and other legal entities over which the institution can exercise dominant control or conducts the central management are fully included in the consolidation. The share of third parties in the group internal capital and the group result is reported separately.

• Consolidation circle

These annual accounts incorporate the separate annual accounts of the Van Hall Larenstein Foundation.

The settlement of costs as between the Van Hall Larenstein Foundation, the Business Center Van Hall, Foundation, the Onroerend Goed Larenstein Foundation and the Larenstein Transfer Foundation is made on the basis of actual direct costs increased by a margin for indirect costs.

• Accounting policies for the valuation of assets and liabilities

Tangible fixed assets

Tangible fixed assets are valued at acquisition price or production cost less accumulated depreciation. Depreciation is applied using the straight line method on the basis of the estimated useful life and the residual value. Depreciation is applied in proportion in the year of purchase.

Tangible fixed assets under construction or on order are valued at acquisition price or for the amount that has already been invoiced to the company by third parties. Investments of less than €5,000 are charged directly to the profit and loss statement.

The depreciation of the various groups of objects is as follows:

<i>Component</i>	<i>Depreciation</i>
Land / Work in progress	0%
Land layout and infrastructure	60 years
Buildings	
– Shell	60 years
– Fittings	30 years
– Built-in equipment / furnishing of buildings	15 years
Greenhouses, sheds, sundry buildings / structures	15 years
Machinery and equipment	
– Office furniture / plant and machines / inventory of restaurant facilities / fibre optic network / other machinery and equipment	10 years
– Laboratory equipment / audiovisual equipment / vehicles / PR and information material	5 years
– Automation equipment including software (hardware for networks)	3 years
– Automation equipment including software (other hardware)	3 years

As from the beginning of the 2010 financial year, receipts of investment subsidies are debited from the assets to which they relate.

Fixed assets that are no longer usable for the primary activities are not depreciated. Write-downs or write-offs due to the permanent decline in value, divestment, loss or decommissioning of an asset are reported separately.

The institution carries out an evaluation on each balance sheet date to determine whether there are indications that a fixed asset can be subject to an exceptional write-down. Should there be any such indications then the realisable value of the asset is determined. When the realisable value of the individual asset cannot be determined then the realisable value of the cash-flow generating unit to which the asset belongs is determined. An exceptional write-down is applicable when the book value of an asset is higher than the realisable value, where the realisable value is the higher of the market value and the business value.

When it is determined that an exceptional write-down that was recognised in the past no longer exists or has decreased then the increased book value of the asset is set no higher than the book value that would have been determined without the application of an exceptional write-down of the asset.

Change in the estimation of the useful economic life of automation equipment

A reassessment of the useful life of ICT equipment took place in the 2010 financial year. This resulted in the reduction of the useful economic life from 5 to 3 years.

This reduction in turn resulted in additional depreciation of €0.4 million. This has been debited from the result.

Receivables and prepayments

Receivables are valued at nominal value less, where relevant, a provision for uncollectable debts.

Work in progress

Work in progress for third parties is valued at the cost of the direct material use and labour, increased by a margin for indirect costs. Invoiced instalments and forecast losses on projects are deducted from this balance. The allocation of the result is determined in proportion with the progress in that project (and the proportion of the realised costs for that project). The work in progress item is recognised in the balance sheet under short-term receivables and short-term debts, depending on the progress in the work in progress on each project.

Internal capital

The Van Hall Larenstein Foundation does not make a distinction between private capital and public capital.

– General reserve

This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.

– Appropriated reserve

The appropriated reserve is formed for the benefit of the Stichting Waarborgfonds HBO.

Provisions

The provisions are valued at nominal value. The determination of the amount of the obligations takes account of future indexation and price increases. The amount of the provision recognised in the annual accounts is the best estimate of the amount that will be required to settle the relevant obligations and losses at balance sheet date.

Provisions are formed for:

- legally enforceable or actual obligations that exist at balance sheet date;
- the settlement of obligations that will probably require an outflow of funds; and
- obligations when a reliable estimate can be made of those obligations.

Provision for unemployment insurance obligations

The provision for unemployment insurance obligations is formed to cover the existing unemployment insurance obligations at balance sheet date and anticipated future expenditure relating to staff who have already left employment and staff employed with a temporary employment contract.

Provision for reorganisation costs

This provision has been formed to cover anticipated costs incurred as a result of decisions made and announced within the organisation that relate to current and intended reorganisations.

The pension schemes are in accordance with the career-average scheme and are indexed if the pension fund cover ratio permits this. As at 31-12-2010 ABP has a cover ratio of 105.4%. This is 11% above the cover ratio forecast in the ABP recovery plan for this date. On the basis of the current cover ratio ABP has taken the decision not to apply indexation in 2011.

Long-term debts

Long-term debts are debts that exist for more than one year after the date of the end of the accounts of the year.

Short-term debts

Short-term debts are debts that exist for less than one year after the date of the end of the accounts of the year.

• Accounting policies for the determination of income and expenditure

General

Revenues and costs are recognised as the business income and expenditure that can be allocated to the relevant financial year or activity, irrespective of whether they have resulted in receipts and expenses during the period of the accounts of the year.

Proceeds are recognised in the year in which the goods were delivered or the services were provided to clients. Losses and risk arising before the end of the financial year are taken into account to the extent that they are known before the preparation of the annual accounts.

Direct government funding and other payments

Direct government funding is recognised as income in the year in which the funding. Other payments are credited to the result in the year in which the activity is carried out and the costs are incurred.

Tuition and course fees

The statutory tuition fees and payments for post-initial courses to be allocated to the accounts of the year are recognised under tuition and course fees.

Income from work for third parties

The proceeds from contract activities are recognised under the Income from work for third parties item. The income is determined on the basis of the direct costs increased by a margin for indirect costs to a maximum of the rate to be paid by the provider of finance. Results are taken in proportion to the progress in the project.

• Accounting principles for the preparation of the cash flow statement

The indirect method is used for the preparation of the cash flow statement.

Amounts * € 1000,-

Notes to the balance sheet

1 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Equipment and inventory</i>	<i>Total</i>
Book value at 31-12-2009	3,945	17,288	3,305	24,538
Investments	0	132	293	425
Divestments *	0	0	0	0
Depreciation	0	568	1,105	1,673
Exceptional write-downs	0	0	426	426
Book value at 31-12-2010	3,945	16,853	2,067	22,864
Acquisition value at 31-12-2009	3,945	34,670	21,297	59,912
Acquisitions 2010	0	132	293	425
Acquisition value 31-12-2010	3,945	34,802	21,590	60,337
Accumulated depreciation	0	17,950	19,097	37,047
Accumulated write-downs	0	0	426	426
Book value at 31-12-2010	3,945	16,852	2,067	22,864
* Divestments, of which:				
– Acquisition price	0	0	0	0
– Depreciation	0	0	0	0
Total divestments	0	0	0	0

Amounts * € 1000,-

2 STOCKS

	31-12-2010	31-12-2009
STOCKS		
Trading stock	0	55
	0	55
Minus: provision for unmarketability	0	0
TOTAL STOCKS	0	55

As from the 2010 financial year the value of the stock of printed matter is debited directly from the result.

3 RECEIVABLES AND PREPAYMENTS

	31-12-2010	31-12-2009
Receivables	1,924	2,036
Accounts receivable from affiliated parties	425	373
Minus: provision for possible uncollectible receivables	-913	-313
Total accounts receivable	1,436	2,096
	1,849	1,693
Cost of work carried out for third parties	0	0
Minus: Invoiced instalments	1,849	1,693
Work for third parties other than the Ministry of Economic Affairs, Agriculture and Innovation	1,849	1,693
Total work in progress	261	233
Prepayments	2,592	2,573
Other	2,853	2,806
Total advances and prepayments	6,138	6,595

The accounts receivable from affiliated parties relate to DLO and Wageningen University.

Amounts * € 1000,-

4 LIQUID ASSETS

	31-12-2010	31-12-2009
Cash in hand	5	9
Bank (incl. balancing entries)	11,675	12,676
Deposits	0	109
Total liquid assets	11,680	12,794

All liquid assets are freely available. The liquidity decreased by €1.1 million in 2010, due to the fact that the advances for the master's programmes were not received in full.

The budget had provided for a liquidity position of €10.4 million. This improvement in comparison with the budget can be explained as follows:

	Budget	Actual	Variance from budget
Liquid assets at 1 January 2010	8,525	12,794	4,269
Result	430	409	-21
Depreciation	2,059	2,099	40
Movement in provisions	-1,957	-1,351	606
Movement in working capital	2,652	-1,705	-4,357
Cash flow from operational activities	3,184	-548	-3,732
Cash flow from investment activities	-817	-424	393
Cash flow from financing activities	-523	-142	381
Total liquid assets at 31 December 2010	10,369	11,680	1,311

Operational activities

– The balance of the liquid assets at 1 January 2010 was €4.3 million higher than provided for in the budget. This is due to reasons including the receipt of the Construction Impetus subsidy and other advances of subsidies.

– The 2010 result was virtually at the level stated in the budget.

– Depreciation was virtually equal to the budget.

The depreciation charges were virtually at the level of the budget. However, two non-budgeted items were recognised under the deprecation charges for the 2010 financial year: an additional €0.4 million depreciation on ICT equipment (with a negative effect on the result) and a €0.4 million release from the media libraries equalisation reserve (with a positive effect on the result).

– €0.6 million was withdrawn from the provisions.

– The working capital decreased, primarily due to the lower short-term debts

Investment activities:

– The actual investments were €0.4 million below budget due to the adjustment of the investment limit and the investment policy. The investment limit was increased from €2,500 to €5,000 in 2010. Investments of less than €5,000 are charged directly to the profit and loss statement. This was not taken into account in the budget, as a result of which the total of the investments was lower in 2010 as investments of less than €5,000 were charged directly to the profit and loss statement.

Amounts * € 1000,-

Financing activities

- The investment subsidy equalisation account has been reclassified from long-term debts to tangible fixed assets. This has resulted in an improvement in the cash flow from financing activities.

5 INTERNAL CAPITAL

	<i>General reserve</i>	<i>Appropriated reserve</i>	<i>Total</i>
Balance at 31-12-2009	5,707	279	5,986
Result appropriation	409	0	409
Balance at 31-12-2010	6,116	279	6,395

The appropriated reserve relates to the suretyship issued by the Stichting Waarborgfonds HBO in The Hague.

6 PROVISIONS

	<i>Balance at 31-12-2009</i>	<i>Addition</i>	<i>Withdrawal</i>	<i>Release</i>	<i>Balance at 31-12-2010</i>
Unemployment insurance obligations	2,381	322	699	107	1,897
Other personnel provisions	1,823	20	862	11	970
Reorganisation costs	1,650	0	14	0	1,636
Total provisions	5,854	342	1,575	118	4,503

	<i>31-12-2010</i>	<i>31-12-2009</i>
Specification of the term of the provisions		
Short term (expires by no later than within 1 year)	1,989	3,091
Long term (expires between 1 and 5 years)	2,291	2,543
Long term (expires after 5 years)	223	220
Total provisions	4,503	5,854

Unemployment insurance obligations

The provision for unemployment insurance obligations is formed to cover the existing unemployment insurance obligations at balance sheet date and anticipated future expenditure relating to staff who have already left employment.

Other personnel provisions

The other personnel provisions include a provision for the future service anniversary obligations, early-retirement benefits to former staff and other reorganisation costs.

Reorganisation costs

The reorganisation cost provision has been formed for anticipated costs relating to the reorganisations implemented earlier.

Amounts * € 1000,-

7 LONG-TERM DEBTS

	<i>Balance at 31-12-2009</i>	<i>Increase in debt</i>	<i>Decrease in debt</i>	<i>Balance at 31-12-2010</i>
Other long-term debts	7,324	0	82	7,242
Reservation for decentral conditions of employment	540	0	60	480
Total long-term debts	7,864	0	142	7,722

In 2009, agreement was reached with the trade unions on the allocation of €0.5 million of the underutilisation of the decentral conditions of employment in previous years on decentral conditions of employment in the coming 10 years. In 2010, an amount of €0.05 million was expended on an Internet payment. The amount for 2011 is included under short-term debts.

List of other long-term debts

<i>Description</i>	<i>Remaining debt (k€)</i>	<i>Principal (k€)</i>	<i>Interest</i>	<i>Term</i>	<i>Accumulated repayment (k€)</i>	<i>Long term > 5 years (k€)</i>	<i>Short term > 1 year (k€)</i>
BNG (1) *)	6,000	8,500	4.71%	15 years	0	5,787	0
BNG (2)	1,242	2,269	6.28%	27 years	945		82
Total	7,242	8,269			945	5,787	82

*) The total BNG loan (1) is €8.5 million, of which €6.0 million had been withdrawn at 31-12-2009. The fourth tranche of €1.1 million will be released on 1 March 2011 and the fifth tranche on 30 January 2012. The loan has a term until 31 December 2023. Repayments will begin on 30 June 2012. The BNG loan (2), with a remaining debt of €1.3 million, will be repaid on 30 January 2012.

8 SHORT-TERM DEBTS AND LIABILITIES

	<i>31-12-2010</i>	<i>31-12-2009</i>
Advance payments from third parties	6,195	6,436
Debts to suppliers	2,242	2,300
Debts to suppliers of affiliated parties	1,645	1,973
Payable taxation and contributions	1,586	1,320
Ministry of Economic Affairs, Agriculture and Innovation research still to be carried out	2,794	4,675
Deferred liabilities	5,145	5,130
Other	2,455	2,444
Total short-term debts	22,062	24,278

Short-term debts decreased by €2.2 million as compared to 2009, primarily due to the decrease in the Ministry of Economic Affairs, Agriculture and Innovation research still to be carried out item. The payables to suppliers from affiliated parties relate to Wageningen University and DLO.

Amounts * € 1000,-

Obligations and rights not included in the balance sheet

Long-term financial obligations

List of obligations entered into relating to rental, operational lease and similar agreements.

Description	Total obligations	Falling due in 2011	Falling due between 2012 and 2014	Falling due after 2015
Rental obligations	991	991	0	0
Other obligations	800	288	512	0
Total	1,791	1,279	512	0

A pledge has been granted in respect of the rights and receivables relating to the direct government funding for the accommodation of the Van Hall Instituut to 2024 inclusive for the loan, with suretyship has been issued by the Stichting Waarborgfonds HBO in The Hague.

The Stichting Waarborgfonds HBO in The Hague has issued a suretyship: a positive mortgage covenant with negative pledge clause has been issued relating to the loans from the Netherlands Municipalities Bank (BNG). The bankers have issued guarantees to the Stichting Waarborgfonds HBO in The Hague for a total amount of the €0.3 million balance of the appropriated reserve.

Amounts * € 1000,-

Notes to the profit and loss statement

9 INCOME

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
DIRECT GOVERNMENT FUNDING		
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	27,216	27,744
Other reimbursements	3,831	3,074
TUITION AND COURSE FEES		
Tuition and examination fees	6,932	6,542
INCOME FROM WORK FOR THIRD PARTIES		
Proceeds from work for third parties	10,775	9,477
Movement in work in progress	-1,031	-307
TOTAL INCOME FROM WORK FOR THIRD PARTIES	9,744	9,170
OTHER INCOME		
Rental income	1,417	1,783
Secondments	738	1,017
Other income	904	1,094
TOTAL OTHER INCOME	3,059	3,894
TOTAL INCOME	50,782	50,424

Income increased by €0.4 million as compared to 2009. Direct government funding from the Ministry of Economic Affairs, Agriculture and Innovation increased by €0.2 million to €31 million. Income from contract research increased by €0.6 million as compared to 2009

The other reimbursements increased by €0.8 million due to the increase in direct government funding for practical schools.

Income from tuition fees increased by €0.4 million as compared to 2009, due to the increase in number of students and the annual price increase.

The other income decreased by €0.8 million as compared to 2009, due to lower rental income and income from secondments.

Annex 3 contains a specification of the work commissioned by third parties by type of financier and type of turnover.

Amounts * € 1000,-

EXPENDITURE

10 PERSONNEL COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Gross wages and salaries	25,883	25,631
Temporary employees and contracted personnel	2,611	1,706
Other personnel costs	1,013	1,434
Addition to other personnel provisions	6	136
Total personnel costs	29,513	28,907

The gross wages and salaries increased by €0.2 million as compared to 2009 to €25.9 million, due to Collective Labour Agreement measures. The staffing level decreased by 20 FTE in 2010, to 380 FTE. The large increase in the number of temporary employees and contracted personnel is due to the interim fulfilment of a number of positions in the staff departments. The other personnel costs were higher in 2009, due to an extra €0.6 million reservation for the decentral employment conditions Personnel Costs includes a sum for national insurance and pension payments of €4.905 million.

11 DEPRECIATION

	<i>Resultaat 2010</i>	<i>Resultaat 2009</i>
Tangible fixed assets	1,673	1,847
Exceptional write-downs	426	0
Total depreciation	2,099	1,847

The depreciation charges increased by €0.3 million as compared to 2009, due to an exceptional write-down on €0.4 million in 2010.

An exceptional write-down on ICT equipment was recognised in the 2010 financial year. The useful life of ICT equipment has been reduced from 5 years to 3 years.

12 ACCOMMODATION COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Rent	1,346	1,353
Insurance	38	40
Maintenance	677	729
Energy and water	680	778
Cleaning costs	418	485
Levies	279	248
Other accommodation costs	66	76
Total accommodation costs	3,504	3,709

The accommodation costs decreased by €0.2 million as compared to 2009.

Amounts * € 1000,-

13 GENERAL COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Other equipment costs	2,720	2,777
Other general costs	7,166	7,190
Additions to the provisions:	633	0
Reorganisation costs	3	1,708
Total addition to general provisions	636	1,708
Total general costs	10,522	11,675

The 2010 addition to the provisions relates to doubtful debts.

14 SPECIFIC COSTS

	<i>Resultaat 2010</i>	<i>Resultaat 2009</i>
Specific costs	1,827	1,869
Services provided by third parties	2,721	2,521
Contributions and subsidies	0	0
Total specific costs	4,548	4,390

15 FINANCIAL INCOME AND EXPENDITURE

	<i>Resultaat 2010</i>	<i>Resultaat 2009</i>
Financial income	206	254
Financial expenditure	-393	-417
Total financial income and expenditure	-187	-163

The financial income relates to the interest received on the cash at bank in the financial year.

Other details

- **Post balance sheet events**

There were no post balance sheet events that gave cause to the adjustment of or notification in the annual accounts.

- **Independent auditor's report**

Report on annual accounts

In this report we have audited the annual accounts for 2010 of Van Hall Larenstein Foundation, Leeuwarden. These annual accounts consist of the consolidated and single balance sheets as at 31 December 2010 and the profit and loss account for 2010 with the notes thereto, which contain a summary of the financial reporting principles applied and other notes.

Responsibility of the Executive Board

The Executive Board is responsible for drawing up annual reports that accurately represents assets and results, as well as for drawing up the annual report, both in accordance with the Annual Accounts Regulations, Education. The Executive Board is also responsible for the financial legitimacy of the income, expenditure and balance sheet movements set out in the annual accounts. This means that these figures must comply with the provisions of relevant legislation and regulations. The Executive Board is also finally responsible for carrying out such internal management as it deems necessary to enable the drawing up of the annual accounts and compliance with the relevant legislation and regulations without any significant discrepancies as a result of fraud or error.

Responsibility of the auditor

Our responsibility is to issue an opinion on the annual accounts based on our audit, as defined in Article 2.9 (3) of the Higher Education and Academic Research Act (*Wet op het hoger onderwijs en wetenschappelijk onderzoek*). We have carried out our audit in accordance with Dutch law, including Dutch auditing standards, and the auditing of education protocol OCW/EL&I 2010, which require that we meet the ethical standards required of us and that we plan and carry out our audit in a way that we can have a reasonable degree of certainty that the annual accounts do not contain any materially significant discrepancies. An audit involves the performance of tasks to obtain auditing information concerning the sums set out in, and notes to, the annual accounts. The selected tasks are dependent upon the form of opinion applied by the auditor, having regard to an assessment of the risks that the annual accounts may contain any materially significant discrepancies as a result of fraud or error. In making this risk assessment, the auditor takes into account the internal management relevant to the drawing up of the annual accounts and to a reliable reflection thereof, as well as compliance with the relevant legislation and regulations focused on such auditing work as is appropriate in the circumstances. The purpose of this risk assessment is not, however, to be able to form an opinion on the effectiveness of the internal management of the entity. An audit also involves the evaluation of the suitability of the principles applied in respect of the financial reporting and the criteria for financial legitimacy and of the reasonableness of the estimates made by the board of the entity, as well as an evaluation of the overall picture of the annual accounts.

It is our view that the auditing data we obtained is adequate and suitable to substantiate our opinion.

Opinion

It is our opinion that the annual accounts reliably represent the amount and composition of the capital of Van Hall Larenstein Foundation as at 31 December 2010 and of the results for 2010 in accordance with the Annual Accounts Regulations, Education. We are also of the opinion that the income, expenditure and balance sheet movements for 2010 satisfy the requirement for financial legitimacy, i.e. these figures are in accordance with the provisions of the relevant legislation and regulations as referred to in section 2.3.1. of the Frame of Reference for the auditing of education protocol OCW/EL&I 2010.

Report pursuant to other statutory provisions and/or regulations of regulatory bodies

Pursuant to Book 2 Article 393 (5) (e) and (f) of the Netherlands Civil Code, as far as we have been able to establish, our audit has not revealed any breaches of the requirement for the annual report to be drawn up in accordance with Title 9 Book 2 of the Netherlands Civil Code or for the inclusion of the information as required by Book 2 Article 393 (1) of the Netherlands Civil Code. We would further confirm that, as far as we have been able to establish, the annual report is in accordance with the annual accounts as required by Book 2 Article 391 (4) of the Netherlands Civil Code.

Arnhem, 23 May 2011



Ernst & Young Accountants LLP

Signed by F. de Bruijn RA

Amounts * € 1000,-

Separate annual accounts

BALANCE SHEET

AFTER THE ALLOCATION OF THE NET RESULT

ASSETS	31-12-2010	31-12-2009
FIXED ASSETS		
16 Tangible fixed assets	17,823	19,313
16A Financial fixed assets	3,276	3,559
Total fixed assets	21,099	22,872
CURRENT ASSETS		
17 Stocks	0	55
18 Receivables and prepayments	4,058	6,343
19 Liquid assets	11,113	8,661
Total current assets	15,172	15,059
TOTAL ASSETS	36,270	37,931
LIABILITIES		
INTERNAL CAPITAL		
General reserve	5,702	4,572
20 INTERNAL CAPITAL	5,702	4,572
21 PROVISIONS	4,497	5,846
22 LONG-TERM DEBTS	7,722	7,864
23 SHORT-TERM DEBTS AND LIABILITIES	18,349	19,649
TOTAL LIABILITIES	36,270	37,931

The single balance sheet does not incorporate the information of the Business Center Van Hall Foundation, Onroerend Goed Larenstein Foundation or Larenstein Transfer Foundation. The internal capital varies from the consolidated balance sheet by an amount of €0.7 million. This relates to the internal capital of the Business Center Van Hall Foundation and the Larenstein Transfer Foundation (–€2.5 million) and Onroerend Goed Larenstein Foundation (€3.2 million).

Amounts * € 1000,-

SEPARATE PROFIT AND LOSS STATEMENT

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
24 INCOME		
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	27,216	27,744
Other contributions and reimbursements	3,831	3,074
Tuition, course and examination fees	6,932	6,542
Income from work for third parties	6,755	4,317
Other income	3,184	6,125
Total income	47,918	47,802
EXPENDITURE		
25 Personnel costs	27,984	28,391
26 Depreciation	1,914	1,664
27 Accommodation costs	3,504	3,709
28 General costs	10,344	11,417
29 Specific costs	3,006	1,921
Total expenditure	46,752	47,102
OPERATING RESULT	1,166	700
30 Financial income and expenditure	-36	-65
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	1,130	635
Taxation on ordinary activities	0	0
31 Result from participating interests	0	0
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	1,130	635
Third-party share	0	0
Extraordinary income and expenditure	0	0
NET RESULT	1,130	635

The result varies from the consolidated profit and loss account by an amount of €0.7 million. This relates to the result of the Business Center Van Hall Foundation and Larenstein Transfer Foundation (–€0.4 million) and Onroerend Goed Larenstein Foundation (–€0.3 million).

Amounts * € 1000,-

Notes to the separate balance sheet

16 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Equipment and inventory</i>	<i>Total</i>
Book value at 31-12-2009	3,098	12,950	3,265	19,313
Investments	0	132	293	425
Divestments *	0	0	0	0
Depreciation	0	406	1,088	1,494
Exceptional write-downs	0	0	421	421
Book value at 31-12-2010	3,098	12,676	2,049	17,823
Acquisition value at 31-12-2009	3,098	25,986	20,435	49,519
Acquisitions 2010	0	132	293	425
Acquisition value of divestments in 2010	0	0	0	0
Acquisition value 31-12-2010	3,098	26,118	20,728	49,944
Accumulated depreciation	0	13,442	18,258	31,700
Accumulated write-downs	0	0	421	421
Book value at 31-12-2010	3,098	12,676	2,049	17,823
* Divestments, of which:				
- Acquisition price	0	0	0	0
- Depreciation	0	0	0	0
Total divestments	0	0	0	0

The investments made in 2009 primarily relate to the alterations of the multimedia libraries in Velp and Leeuwarden.

16A FINANCIAL FIXED ASSETS

	<i>31-12-2010</i>	<i>31-12-2009</i>
Receivables	3,276	3,559
Total financial fixed assets	3,276	3,559

Amounts * € 1000,-

17 STOCKS

	31-12-2010	31-12-2009
Stocks		
Trading stock	0	55
	0	55
Minus: provision for unmarketability	0	0
Total stocks	0	55

As from the 2010 financial year the value of the stock of printed matter is debited directly from the result.

18 RECEIVABLES AND PREPAYMENTS

	31-12-2010	31-12-2009
Accounts receivable	1,117	751
Accounts receivable from affiliated parties	237	302
Minus: provision for possible uncollectible receivables	-428	-5
Total accounts receivable	926	1,048
Prepayments	261	19
Other	2,871	5,276
Total advances and prepayments	3,132	5,295
Total receivables and accruals	4,058	6,343

The accounts receivable from affiliated parties relate to DLO and Wageningen University.

19 LIQUID ASSETS

	31-12-2010	31-12-2009
Cash in hand	5	9
Bank (incl. balancing entries)	11,108	8,543
Deposits		109
Total liquid assets	11,113	8,661

All liquid assets are freely available.

Amounts * € 1000,-

20 INTERNAL CAPITAL

	<i>General reserve</i>	<i>Appropriated reserve</i>	<i>Total</i>
Balance at 31-12-2009	4,293	279	4,572
Result appropriation	1,130	0	1,130
Balance at 31-12-2009	5,424	279	5,702

The appropriated reserve relates to the suretyship issued by the Stichting Waarborgfonds HBO in The Hague.

21 PROVISIONS

	<i>Balance at 31-12-2009</i>	<i>Addition</i>	<i>Withdrawal</i>	<i>Release</i>	<i>Balance at 31-12-2010</i>
Unemployment insurance obligations	2,381	322	699	107	1,897
Other personnel provisions	1,815	20	860	11	964
Reorganisation costs	1,650	0	14	0	1,636
Total provisions	5,846	342	1,573	118	4,497

	<i>31-12-2010</i>	<i>31-12-2009</i>
Specification of the term of the provisions		
Short term (expires by no later than within 1 year)	1,989	3,091
Long term (expires between 1 and 5 years)	2,285	2,543
Long term (expires after 5 years)	223	212
Total provisions	4,497	5,846

Unemployment insurance obligations

The provision for unemployment insurance obligations is formed to cover the existing unemployment insurance obligations at balance sheet date and anticipated future expenditure relating to staff who have already left employment.

Other personnel provisions

The other personnel provisions include a provision for the future service anniversary obligations, early-retirement benefits to former staff and other reorganisation costs.

Reorganisation costs

The reorganisation cost provision has been formed for anticipated costs relating to the reorganisations implemented earlier.

Amounts * € 1000,-

22 LONG-TERM DEBTS

	<i>Balance at 31-12-2009</i>	<i>Increase in debt</i>	<i>Decrease in debt</i>	<i>Balance at 31-12-2010</i>
Other long-term debts	7,324	0	82	7,242
Reservation for decentral conditions of employment	540	0	60	480
Total long-term debts	7,864	0	142	7,722

In 2009, agreement was reached with the trade unions on the allocation of €0.5 million of the underutilisation of the decentral conditions of employment in previous years on decentral conditions of employment in the coming 10 years. In 2010, an amount of €0.05 million was expended on an Internet payment. The amount for 2011 is included under short-term debts.

List of other long-term debts

<i>Description</i>	<i>Remaining debt (k€)</i>	<i>Principal (k€)</i>	<i>Interest</i>	<i>Term</i>	<i>Accumulated repayment (k€)</i>	<i>Long term > 5 years (k€)</i>	<i>Short term > 1 year (k€)</i>
BNG (1) *)	6,000	8,500	4.71%	15 years	0	5,787	0
BNG (2)	1,324	2,269	6.28%	27 years	945	0	82
Total	7,324	8,269			945	5,787	82

*) The total BNG loan (1) is €8.5 million, of which €6.0 million had been withdrawn at 31-12-2009. The fourth tranche of €1.1 million will be released on 1 March 2011 and the fifth tranche on 30 January 2012. The loan has a term until 31 December 2023. Repayments will begin on 30 June 2012. The BNG loan (2), with a remaining debt of €1.3 million, will be repaid on 30 January 2012.

23 SHORT-TERM DEBTS AND LIABILITIES

	<i>31-12-2010</i>	<i>31-12-2009</i>
Advance payments from third parties	304	926
Debts to suppliers	1,534	1,450
Debts to suppliers of affiliated parties	1,576	1,956
Payable taxation and contributions	1,502	1,262
Ministry of Economic Affairs, Agriculture and Innovation research still to be carried out	2,793	4,674
Deferred liabilities	5,128	4,809
Other	5,512	4,572
Total short-term debts	18,349	19,649

The payables to suppliers from affiliated parties relate to Wageningen University and DLO.

Amounts * € 1000,-

Obligations and rights not included in the balance sheet

Long-term financial obligations

List of obligations entered into relating to rental, operational lease and similar agreements

Description	Total obligations	Falling due in 2011	Falling due between 2012 and 2014	Falling due after 2015
Rental obligations	991	991	0	0
Other obligations	821	288	533	0
Total	1,812	1,279	533	0

A pledge has been granted in respect of the rights and receivables relating to the direct government funding for the accommodation of the Van Hall Instituut to 2024 inclusive for the loan, with suretyship has been issued by the Stichting Waarborgfonds HBO in The Hague.

The Stichting Waarborgfonds HBO in The Hague has issued a suretyship: a positive mortgage covenant with negative pledge clause has been issued relating to the loans from the Netherlands Municipalities Bank (BNG).

The bankers have issued guarantees to the Stichting Waarborgfonds HBO in The Hague for a total amount of the €0.3 million balance of the appropriated reserve.

Notes to the separate profit and loss statement

24 INCOME

	Actual, 2010	Actual, 2009
DIRECT GOVERNMENT FUNDING		
Direct government funding, Ministry of Economic Affairs, Agriculture and Innovation	27,216	27,744
Other reimbursements	3,831	3,074
TUITION AND COURSE FEES		
Tuition and examination fees	6,932	6,542
Course fees	0	0
TOTAL TUITION AND COURSE FEES	6,932	6,542
INCOME FROM WORK FOR THIRD PARTIES		
TOTAL PROCEEDS FROM WORK FOR THIRD PARTIES	6,755	4,317
OTHER INCOME		
Sales and use of facilities	0	0
Rental income	1,477	1,865
Secondments	608	1,011
Other income	1,099	3,249
TOTAL OTHER INCOME	3,184	6,125
TOTAL INCOME	47,918	47,802

Amounts * € 1000,-

EXPENDITURE

25 PERSONNEL COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Gross wages and salaries	24,377	24,901
Temporary employees and contracted personnel	2,593	1,943
Other personnel costs	1,004	1,423
Addition to other personnel provisions	10	124
Total personnel costs	27,984	28,391

26 DEPRECIATION

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Tangible fixed assets	1,494	1,664
Exceptional write-downs	420	0
Total depreciation	1,914	1,664

27 ACCOMMODATION COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009 (separate)</i>
Rent	1,346	1,353
Insurance	38	40
Maintenance	677	729
Energy and water	680	778
Cleaning costs	418	485
Levies	279	248
Other accommodation costs	66	76
Total accommodation costs	3,504	3,709

The accommodation costs decreased by €0.2 million as compared to 2009.

Amounts * € 1000,-

28 GENERAL COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Other equipment costs	2,704	2,768
Other general costs	7,637	7,169
Additions to the provisions:		
Reorganisation costs	3	1,480
Total addition to general provisions	3	1,480
Total general costs	10,344	11,417

29 SPECIFIC COSTS

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Specific costs	3,006	1,921
Total specific costs	3,006	1,921

30 FINANCIAL INCOME AND EXPENDITURE

	<i>Actual, 2010</i>	<i>Actual, 2009</i>
Financial income	356	348
Financial expenditure	-392	-413
Total financial income and expenditure	-36	-65

3.2.3 Appendices Van Hall Larenstein University of Applied Sciences

• Appendix 1 Clarifications

Outsourcing of one or more components of CROHO registered study programmes to a private organisation (+ costs)

Van Hall Larenstein University of Applied Sciences does not outsource activities in the sense referred to above. Any occasional outside expertise contracted for teaching is contracted from sister higher education institutions or by contracting individual guest lecturers.

Customised programmes for companies / organisations

Van Hall Larenstein University of Applied Sciences does not provide any customised programmes for companies and/or organisations in the form of CROHO registered courses leading to a certificate. However, Van Hall Larenstein does provide a variety of courses and training programmes to the business community and authorities within the scope of 'lifelong learning'.

Personnel registered for initial study programmes

Once again, in 2010 Van Hall Larenstein University of Applied Sciences had a number of students who were simultaneously appointed members of staff of the University of Applied Sciences or, in other words, members of staff who were also enrolled as students. The names of these persons are known. These persons include student assistants and students with a part-time job for a number of hours.

None of these 'staff students' are following one of the University of Applied Science's initial study programmes within the scope of the education and training of VHL personnel. Consequently, the University of Applied Science has not paid the tuition fees for any member of staff.

Allocation of direct government funding to private activities

Van Hall Larenstein University of Applied Sciences allocates funds to the following private activities:

- student facilities such as sports facilities and training activities.
- Van Hall Larenstein contributed approximately €70,000 to student accommodation for foreign students in 2010. Although the provision of student accommodation is not one of the University of Applied Sciences' primary duties, in practice the short time most international students attend the University of Applied Sciences makes it impossible to find adequate accommodation for them. This situation has given cause to Van Hall Larenstein University of Applied Sciences' decision to contribute towards part of the vacancy costs incurred in the operation of the temporary accommodation for foreign students. The accommodation is made available to the tenants for rents in line with the market.

• **Appendix 2 Staffing level (FTE)**

	<u>2010</u>	<u>2009</u>
Teaching staff		
Lector	2.5	1.3
Lecturer	211.4	216.1
Assistant	9.1	8.3
Total teaching staff	<u>223.0</u>	<u>225.7</u>
Support staff		
Job grade 13 and above	10.0	9.8
Job grade 9 to 12	51.7	60.7
Job grade below 9	95.3	104.2
Total support staff	<u>157.0</u>	<u>174.7</u>
Total staffing level	<u>380.0</u>	<u>400.4</u>

• **Appendix 3 Work commissioned by third parties by type of financier and type of turnover**

	<u>2010</u>	<u>2009</u>
DGIS/Nuffic	300	892
Educational institutions	2,412	1,088
Government	5,281	4,134
Other government	908	1,178
Commercial companies	752	1,782
Other private parties	91	96
Total turnover	9,744	9,170
In the Netherlands		
Contract research	1,593	2,731
Research funding	6,214	4,777
In or with developing countries	1,937	1,662
	9,744	9,170

• Appendix 4 Earmarked target funding, Ministry of Education, Science and Cultural Affairs and Ministry of Economic Affairs, Agriculture and Innovation

G statement, 2010

Geoormerkte doelsubsidies OCW en LNV							
Model G: Geoormerkte doelsubsidies OCW en LNV							
Omschrijving	Kenmerk	Jaar	toewijzing € 1.000	Saldo 1-1 € 1.000	ontvangsten € 1.000	lasten € 1.000	saldo 31-12 € 1.000
Lectoraat			3.387	412	1.080	745	746
impuls 08 / Internationalisering	DK.2008/2371/2904685+DK.2008/2372/2904689	2008	248	196	52	188	60
impuls 08 / Professionalisering	DK.2008/2371/2904686+DK.2008/2372/2904690	2008	248	248	0	250	3
impuls 08 / School als kenniscentrum	DK.2008/2371/2904684+DK.2008/2372/2904688	2008	1.377	1.270	52	1.113	105
impuls 09 / Internationalisering	TRCDKI/2009/2365+TRCDKI/2009/2366	2009	226	226	56	34	136
impuls 09 / Professionalisering	TRCDKI/2009/2365+TRCDKI/2009/2366	2009	302	302	0	-	302
impuls 09 / School als Kenniscentrum	TRCDKI/2009/2365+TRCDKI/2009/2366	2009	1.258	1.258	128	92	1.038
impuls 10 / School als kenniscentrum		2010	-	-	-	13	13
KIGO			4.268	762	857	1.297	323
RIGO			1.903	134	101	439	204
Praktijkleren 2008	DK.2008/2371/2904687+DK.2008/2372/2904691	2008	373	373	-	252	121
Lectoraat 2009	CFI/BEK-2008/126967 M	2009	595	13	-	13	-
Bouw impuls 2009	1400003737	2009	3.143	160	-	-	160
Praktijkleren 2009	22000-941 en 22000-942	2009	1.240	541	-	102	439
Internationaal onderwijs 2009	TRCDKI/2009/2395	2009	400	-	400	368	32
Internationaal onderwijs 2010	TRCDKI/2010/1579	2010	400	-	400	396	4
Praktijkleren 2010	BEK/BPR-2010/50604 M	2010	1.337	-	1.337	1.107	230
Praktijkleren, impuls en versterking primaire opleidingen groen onderwijs	BEK/BPR-2010/50604 M	2010	1.654	-	1.654	-	1.654
Lerarenbeurs	BEK-10/73336 M	2010	6	-	6	-	6
Kw alreitsimpuls	TRCDKI/2010/2185	2010	810	-	250	-	250
Grand Total			23.176	5.574	5.902	6.410	5.066

3.3 DLO Foundation

3.3.1 Financial report DLO Foundation

• Financial developments

The DLO Foundation recorded a positive net result of €10.6 million in 2010, €0.2 million lower than the net result for 2009 (€10.8 million).

The DLO Foundation's result for 2010 is comprised of the following:

– Institutes	€ 2,9 million
– Internal margin for capital costs	€ 6,7 million
– Executive Board / Staff departments / Facilities department:	
Non-recurrent	€ –1,1 million
Operational	€ 2,1 million
– Net results DLO Foundation	€ 10,6 million

The result for 2010 contains a number of non-recurrent components that jointly have a negative effect of €1.1 million.

– Book profit on sale of fixed assets	€ 3,5 million
• Book profit on the sale of the Ten Houten and Marijkehuis buildings of €2.5 million and a loss on the sale of the remaining Kortenoord land of € –0,6 million	€ 1,9 million
• Book profit on the sale of the De Bouwing experimental farm of € 1,1 million	€ 1,1 million
• Book profit on the sale of Born Oost land of € 0,5 million	€ 0,5 million
– Impairments of fixed assets	€ –4,8 million
• Impairment of fixed assets Lelystad	€ –1,9 million
• Impairment of fixed assets RIKILT, Wageningen	€ –0,5 million
• Impairment of fixed assets Sterksel	€ –0,5 million
• Impairment of fixed assets Spelderholt, Lelystad	€ –1,9 million
– Backlog depreciation, Lelystad Biologicals	€ –0,8 million
– Movement in provisions	€ 1,0 million
• Release of reorganisation provision Lelystad Biologicals	€ 1,3 million
• Release of reorganisation provision, Animal Sciences Group practical centres	€ 0,1 million
• Dotatie voorziening Werkhervatting Gedeeltelijk Arbeidsgeschikten	€ –0,4 million

Turnover of €357.7 million was generated in 2010. The DLO Foundation's largest client is the Ministry of Economic Affairs, Agriculture and Innovation, which generates approximately 48% of total turnover (57% of research turnover).

Liquid assets increased by €9.9 million at year-end 2010 in comparison with 2009. This can be explained as follows:

– Net result	€ 10,6 million
– Movement in real estate (balance of investments, divestments and depreciation)	€ 7,0 million
– Movement in provisions	€ –5,0 million
– Balance of the movement on long-term debts	€ –1,1 million
– Movement in working capital	€ –2,5 million
– Result from non-consolidated participating interests	€ 0,9 million

Investments in buildings and land amounted to €19.3 million in 2010.

- **Changes in the legal structure and capital stake**

A number of changes were implemented in the group in 2010:

- A legal merger of the DLO Foundation and the following companies: Agrotechnology & Food Innovations BV, Alterra BV, Landbouw-Economisch Instituut (LEI) BV, Plant Research International BV, Praktijkonderzoek Veehouderij BV, PPO BV and IMARES DLO Holding BV;
- The capital stake in Pepsan Systems BV declined from 33% to 29%;
- The capital stake in NSure Holding BV declined from 44% to 37%.

- **Prospects for 2011**

A net result of €12.0 million is budgeted for the DLO Foundation. The result from ordinary activities (= net result less Executive Board's non-recurrent result) amounts to €13.6 million. In view of the current conditions resulting from the credit crisis and the government's spending cuts it is possible to state that the DLO Foundation, with a normalised result of €13.6 million in 2011, remains on course.

The positive result increased the solvency ratio to 48.4%. In 2009, the solvency ratio was 46.7%. The budget takes account of a further increase in the solvency ratio to 50.5% in 2011.

€33.2 million will be invested in buildings and land in 2011. The majority of the investments within the scope of the Strategic Construction Plan (€6.7 million) will be made in the De Born infrastructure and the alteration of Futurum. These are supplemented by the regular investments (€21.6 million), including construction work for CVI and IMARES and major maintenance operations on the Animal Sciences group building at the Edelhertweg in Lelystad.

Amounts * € 1000,-

3.3.2 Annual accounts DLO Foundation

Consolidated balance sheet

After the allocation of the net result

ASSETS	31-12-2010	31-12-2009
FIXED ASSETS		
1 Tangible fixed assets	339,401	345,893
2 Financial fixed assets	72,243	77,619
Total fixed assets	411,644	423,512
CURRENT ASSETS		
3 Stocks	4,066	4,271
4 Receivables and prepayments	108,606	104,734
5 Liquid assets	53,933	44,060
Total current assets	166,605	153,065
TOTAL ASSETS	578,249	576,577
LIABILITIES		
INTERNAL CAPITAL		
Other reserves	279,953	269,377
6 INTERNAL CAPITAL	279,953	269,377
7 SHARE OF THIRD PARTIES	0	0
GROUP INTERNAL CAPITAL	279,953	269,377
8 PROVISIONS	24,591	29,577
9 LONG-TERM DEBTS	130,811	135,858
10 SHORT-TERM DEBTS	142,894	141,765
TOTAL LIABILITIES	578,249	576,577

Amounts * € 1000,-

Consolidated profit and loss statement

	Result 2010	Result 2009
11 INCOME	357,702	351,412
EXPENDITURE		
12 Personnel costs	191,554	192,584
13 General costs	76,075	84,519
14 Specific costs	73,770	65,394
TOTAL EXPENDITURE	341,399	342,497
15 Other income and expenditure	0	7,716
OPERATING RESULT	16,303	16,631
16 Financial income and expenditure	-4,820	-4,983
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	11,483	11,648
17 Taxation on ordinary activities	0	-635
18 Result from participating interests	-907	-233
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	10,576	10,780
19 Third-party share	0	0
Extraordinary income and expenditure	0	0
NET RESULT	10,576	10,780

Amounts * € 1000,-

Consolidated cash flow statement

	Result 2010	Result 2009
OPERATIONAL ACTIVITIES		
Net result	10,576	10,780
Depreciation and exceptional write-downs	26,735	24,707
	<u>37,311</u>	<u>35,487</u>
Movement in provisions	-4,986	-644
Movement in working capital	-2,538	13,584
Result from non-consolidated participating interests	907	233
	<u>-6,617</u>	<u>13,173</u>
Cash flow from operational activities	<u>30,694</u>	<u>48,660</u>
INVESTMENT ACTIVITIES		
Investments in intangible assets	0	0
Investments in buildings and sites (inc. WIU)	-19,254	-29,887
Investments in other tangible assets	-6,576	-8,611
Investments in participating interests and members' capital	526	132
Divestments of fixed assets	5,587	1,905
Cash flow from investment activities	<u>-19,717</u>	<u>-36,461</u>
FINANCING ACTIVITIES		
Movement in long-term receivable, Ministry of Economic Affairs, Agriculture and Innovation	3,943	3,944
Movement in long-term debt to Ministry of Economic Affairs, Agriculture and Innovation	-3,944	-3,944
Movement in other long-term debts	-793	-4,711
Decrease in lease obligations	-310	-312
Movement in internal capital	0	0
Movement in third-party share	0	83
Cash flow from financing activities	<u>-1,104</u>	<u>-4,940</u>
CASH FLOW	<u>9,873</u>	<u>7,259</u>
Balance of liquid assets at 1 January	44,060	36,801
Balance of liquid assets at 31 December	53,933	44,060
Movement in liquid assets	<u>9,873</u>	<u>7,259</u>

Principles of valuation

The annual accounts were drawn up and approved by the Executive Board as at 11 April 2011.

• General

The settlements and debt ratios between the various members of the group (what are referred to as intergroup payments) have been eliminated.

The figures for the previous financial year are in accordance with the figures in the annual accounts of the relevant year. Variances may arise as a result of corrections, shifts between items or changes in the rounding-off method. Variances of relevant significance are indicated in the annual accounts.

• General accounting principles for the preparation of the annual accounts

The DLO Foundation forms a group together with DLO Holding Wageningen BV and a number of (smaller) subsidiaries. The staff are employed by the DLO Foundation and are allocated, on the basis of the on-charged actual wage costs, to the various operating companies. The DLO Foundation owns the real estate used by the operating companies pursuant to contracts for use.

The annual accounts are prepared on the basis of the historic costs. Unless otherwise stated, assets and liabilities are recognised at nominal value.

Monetary assets and liabilities in foreign currency are translated at the exchange rate on balance sheet date. Exchange rate differences are recognised in the profit and loss statement. Revenues and expenses in foreign currency are recognised in the profit loss statement at the exchange rate on the date of settlement.

The annual accounts are prepared in accordance with the requirements imposed by the Netherlands Civil Code, Book 2, Title 9, and the accounting standards issued by the Dutch Accounting Standards Board.

• Consolidation circle

The consolidation incorporates the annual accounts of the DLO Foundation, its group companies and other organisations in which the Foundation exercises dominant control (pursuant to the actual situation) or conducts the central management. The group companies are legal entities over which the DLO Foundation can exercise either direct or indirect dominant control since the Foundation possesses the majority of the voting rights or can control the financial and operational activities in some other manner. Account is then also taken of potential voting rights that can be exercised directly on the balance sheet date.

The annual accounts of group companies and other legal entities over which the DLO Foundation can exercise dominant control or conducts the central management are fully included in the consolidation. The share of third parties in the group internal capital and the group result is reported separately.

The annual accounts of the following companies are consolidated in full in the consolidated accounts.

	<i>Registered office</i>	<i>% year-end 2009</i>	<i>Change</i>	<i>% year-end 2010</i>
Agri New ventures BV	Wageningen	100%	–	100%
Calendula Oil BV	Wageningen	56%	–	56%
DLO Holding Wageningen BV	Wageningen	100%	–	100%
Exploitiemaatschappij Windmolenparken Lelystad BV	Wageningen	100%	–	100%
ID-Lelystad BV	Wageningen	100%	–	100%
Wageningen Business Generator BV	Wageningen	100%	–	100%
Windmolenpark Neushoortocht BV	Wageningen	100%	–	100%
Windmolenpark Mammoethocht BV	Wageningen	100%	–	100%

The following companies were merged with the DLO Foundation in 2010: Agrotechnology & Food Innovations BV, Alterra BV, Landbouw-Economisch Instituut (LEI) BV, Plant Research International BV, Praktijkonderzoek Veehouderij BV, PPO BV and IMARES BV.

Participating interests are valued at acquisition cost or net asset value (nav).

	<i>Registered office</i>	<i>% year-end 2009</i>	<i>Change</i>	<i>% year-end 2010</i>
at acquisition cost:				
Bfactory BV	Wageningen	17%	–	17%
Isolife BV	Wageningen	5%	–	5%
Lactive BV	Lelystad	10%	–	10%
Telemetry Biometry BV	Heteren	4%	–	4%
at net asset value:				
Covaccine BV	Lelystad	25%	–	25%
Fresh Forward Holding BV	Wageningen	49%	–	49%
Knowhouse BV	Horst	30%	–	30%
Nsure Holding BV	Wageningen	44%	–7%	27%
Oostwaardhoeve Beheer BV	Wageningen	50%	–	50%
Pepscan Systems BV	Lelystad	33%	–4%	29%
VOF Oostwaardhoeve	Slootdorp	50%	–	50%

Transactions with participating interests are carried out on the basis of normal market values.

• Accounting policies for the valuation of assets and liabilities

Intangible fixed assets

Development costs, patents and licences, software, goodwill and production rights are not capitalised unless they are purchased from third parties or the production costs can be determined reliably. In addition, the intangible fixed asset must be capable of generating future economic benefits. Intangible fixed assets are valued at acquisition or production cost. Amortisation is applied in proportion to the realisation of the forecast revenue in five years. The straight-line method is used when it is not possible to make a reliable determination of the realisation of revenue. Pursuant to the statutory obligations a statutory reserve is maintained for the capitalised amount of development costs. Write-downs or write-offs due to the permanent decline in value, divestment, loss or decommissioning of an asset are reported separately.

Tangible fixed assets

Tangible fixed assets are valued at acquisition price or production cost less accumulated depreciation. Depreciation is applied using the straight line method on the basis of the estimated useful life and the residual value. Depreciation is applied in proportion in the year of purchase.

Tangible fixed assets under construction or on order are valued at acquisition price or for the amount that has already been invoiced to the company by third parties. Investments of less than €5,000 are charged directly to the profit and loss statement.

The depreciation of the various groups of objects is as follows:

<i>Component</i>	<i>Depreciation</i>
Land / work in progress	0%
Land layout and infrastructure	60 years linear
Buildings	
– Shell	60 years linear
– Fittings	30 years linear
– Built-in equipment / furnishing of buildings	15 years linear
Greenhouses, sheds, sundry buildings / structures	15 years linear
Machinery and equipment:	
– Office furniture / plant and machines / inventory of restaurant facilities / fibre optic network / other machinery and equipment	10 years linear
– Laboratory equipment / audiovisual equipment / vehicles / PR and information material	5 years linear
– ICT equipment including software (hardware for networks)	5 years linear
– ICT equipment including software (other hardware)	3 years linear

However, an exception is made for buildings and equipment that, pursuant to the requirements imposed by the provider of finance, are immediately charged in full. The full cost of these fixed assets is recognised in the year of purchase.

Write-downs or write-offs due to the permanent decline in value, divestment, loss or decommissioning of an asset are reported separately. An assessment is made on balance sheet date to review whether there are indications that a fixed asset can be subject to an exceptional write-down. Should there be any such indications then the realisable value of the asset is determined. When the realisable value of the individual asset cannot be determined then the realisable value of the cash-flow generating unit to which the asset belongs is determined. An exceptional write-down is applicable when the book value of an asset is higher than the realisable value, where the realisable value is the higher of the market value and the business value.

When it is determined that an exceptional write-down that was recognised in the past no longer exists or has decreased then the increased book value of the asset is set no higher than the book value that would have been determined without the application of an exceptional write-down of the asset.

Financial fixed assets

Participating interests and members' capital whereby the institution exerts a significant influence on the business and financial policy are value at net asset value. This value is determined on the basis of the group's accounting policies for valuation and the determination of the result.

Participating interests and members' capital whereby the institution does not exert a significant influence on the business and financial policy are value at acquisition cost. The valuation of these assets takes account of any permanent decline in value, where relevant.

Stocks

This item is comprised of the trading stock, finished product, livestock and stock of harvested agricultural produce. The trading stock and finished product are valued according to the FIFO method at the acquisition cost or production cost increased by a margin for the indirect costs.

The valuation of livestock and stock of harvested agricultural produce is based on market prices.

The value of unmarketable stock or stock with a lower market value is decreased accordingly. The write-down on the stock of antisera is applied on the basis of five times the average sales in the past ten years.

The stock of finished product is valued according to the FIFO method at the acquisition cost or production cost increased by a margin for the indirect costs.

Receivables and prepayments

Receivables are valued at nominal value less, where relevant, a provision for uncollectable debts.

Work in progress

Work in progress for third parties is valued at the cost of the direct material use and labour, increased by a margin for indirect costs. Invoiced instalments and forecast losses on projects are deducted from this balance. The allocation of the result is determined in proportion with the progress in the project or the proportion of the realised costs for that project. Projects with a negative balance are then, after setting off the prepayments that have been received, recognised under short-term receivables. Projects with a negative balance are recognised under the prepayments item of short-term debt.

Securities

Securities are valued at acquisition cost (FIFO method) or lower market value.

Internal capital

– Subscribed capital

The nominal value of issued and paid-up share capital is recognised under this item.

– Statutory reserve

The maintenance of a statutory reserve must be maintained for research and development costs capitalised in the balance sheet is mandatory.

– General reserve

This reserve is credited with the operating result in any year in which the result is not allocated to a specific use.

Third-party share

The share of third parties in a participating interest consolidated in full by the group is recognised in the Third-party share item in the annual accounts.

Provisions

Unless otherwise stated, provisions are valued at nominal value. The amount of the provision recognised in the annual accounts is the best estimate of the amount that will be required to settle the relevant obligations and losses at balance sheet date.

Provisions are formed for:

- legally enforceable or actual obligations that exist at balance sheet date;
- the settlement of obligations that will probably require an outflow of funds; and
- obligations when a reliable estimate can be made of those obligations.

Provision for unemployment insurance obligations

The provision for unemployment insurance obligations is formed to cover the existing unemployment insurance obligations at balance sheet date and anticipated future expenditure relating to staff who have already left employment and staff employed with a temporary employment contract.

Provision for the Resumption of Work (Partially Disabled Persons) Act

The provision for Resumption of Work (Partially Disabled Persons) Act obligations is formed to cover the obligations pursuant to the Act as anticipated on the balance sheet date. The DLO Foundation bears the associated risks as from 2011.

Other personnel provisions – service anniversary bonuses

The anticipated obligation arising from future service anniversary bonuses is determined on the basis of historical information and withdrawals are made on the basis of realisation. The present value is determined on the basis of the prevailing market rate of interest for the DLO Foundation.

Other personnel provisions - pensions

The pension insurance has been taken out with ABP. The scheme is a defined benefit pension scheme, as a result of which account needs to be taken of future movements in pension contributions and investment results.

The obligation is recognised as a defined contribution pursuant to RJ 271.310. No obligations other than the payment of pension contributions arise from a defined contribution pension scheme. The pension contributions are recognised as personnel costs when they become payable. Prepaid pension contributions are recognised as prepayments to the extent that they will be reimbursed by the pension fund or credited to pension contributions due in the future.

The pension schemes are in accordance with the career-average scheme and are indexed if the pension fund cover ratio permits this. As at 31-12-2010 ABP has a cover ratio of 105.4%. This is 11% above the cover ratio forecast in the ABP recovery plan for this date. On the basis of the current cover ratio ABP has taken the decision not to apply indexation in 2011.

Provision for reorganisation costs

This provision has been formed to cover anticipated costs incurred as a result of decisions made and announced within the organisation that relate to current and intended reorganisations.

Provision for product and contract risks

This provision covers the expected cost of loss-making contracts, guarantees and claims arising from services and products delivered to third parties.

Long-term debts

Long-term debts are debts that exist for more than one year after the date of the end of the accounts of the year.

Short-term debts

Short-term debts are debts that exist for less than one year after the date of the end of the accounts of the year.

• Accounting policies for the determination of income and expenditure

General

Proceeds and costs are recognised as the business income and expenditure that can be allocated to the relevant financial year or activity, irrespective of whether they have resulted in receipts and expenses during the period of the accounts of the year.

Proceeds are recognised in the year in which the goods were delivered or the services were provided to clients. Losses and risk arising before the end of the financial year are taken into account when they are known before the preparation of the annual accounts.

Revenue from contract activities is recognised under the Contract research item. The income is determined on the basis of the direct costs increased by a margin for indirect costs to a maximum of the rate to be paid by the provider of finance. Results are taken in proportion to the progress in the project.

Revenue from the Ministry of Economic Affairs, Agriculture and Innovation falling under the subsidy regulation is recognised under the Ministry of Economic Affairs, Agriculture and Innovation programme research item. The income is determined on the basis of the direct costs increased by a margin for indirect costs. The margin for indirect costs is determined once a year in accordance with the prevailing system for the margin. Results are taken in proportion to the progress in the project.

Taxation on the result is calculated from the profit before tax item in the income and expenditure statement, taking into account any available losses that are offsettable against tax (to the extent that these have not been recognised in the deferred tax credits) and tax-exempt profit constituents after the inclusion of non-deductible costs. Account is also taken of any changes in deferred tax credits and deferred tax liabilities arising from changes in the applicable tax rate.

- **Changes in system**

Not applicable.

Amounts * € 1000,-

Notes to the balance sheet

1 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Fixed equipment in buildings</i>	<i>Machinery and equipment</i>	<i>Work in progress</i>	<i>Total</i>
Book value at 31-12-2009	103,450	211,838	200	19,027	11,378	345,893
Investments	7,131	15,377	-26	6,602	-3,254	25,830
Disinvestments	2,326	3,115	0	146	0	5,587
Depreciation	4	15,585	15	6,331	0	21,935
Exceptional write-downs	0	4,800	0	0	0	4,800
Book value at 31-12-2010	108,251	203,715	159	19,152	8,124	339,401
Acquisition value at 31-12-2009	103,466	323,739	721	83,070	11,378	522,374
Acquisitions 2010	7,131	15,377	-26	6,602	-3,254	25,830
Acquisition value of divestments in 2010	2,326	10,544	0	1,587	0	14,457
Acquisition value 31-12-2010	108,271	328,572	695	88,085	8,124	533,747
<i>Accumulated depreciation</i>	20	96,888	536	68,790	0	166,234
Accumulated write-downs	0	27,969	0	143	0	28,112
Book value at 31-12-2010	108,251	203,715	159	19,152	8,124	339,401
Divestments, of which:						
- Acquisition price	2,326	10,543	0	1,587	0	14,456
- Depreciation	0	7,428	0	1,441	0	8,869
Total divestments	2,326	3,115	0	146	0	5,587

€11.2 million was added to the work in progress item for investments in buildings in 2010 and €13.9 million was withdrawn. The other movements in the work in progress item relate to equipment investments and withdrawals.

Alongside a number of smaller construction projects, the addition to the work in progress item recognises the Strategic Construction Plan (€5.9 million, Technotron teaching facilities, €1.2 million, Atlas, €0.8 million, Radix and €0.6 million infrastructure), CVI construction work (€0.6 million), ASG Lelystad (€0.5 million) and Atrium (€0.4 million).

The projects that were delivered include the Technotron teaching facility, €6.0 million, CVI construction, €3.5 million, ASG installations, €1.5 million, Bosma Zathe manure fermenter, €1.4 million, Radix, €1.3 million, ASG Lelystad, €0.5 million, and CVI, €0.5 million.

The DLO Foundation's real estate is insured for €482.5 million (reference date 1-6-2010). The value for the purposes of the Valuation of Immovable Property Act has been set at €272.7 million (reference date 1-1-2010).

Amounts * € 1000,-

2 FINANCIAL FIXED ASSETS

	31-12-2010	31-12-2009
Participating interests in group companies	1,261	2,068
Other participating interests	59	6
Receivables from other affiliated parties	273	632
Members' capital	1,456	1,347
Other securities	0	429
Receivables from the Ministry of Economic Affairs, Agriculture and Innovation	69,194	73,137
Total financial fixed assets	72,243	77,619

Breakdown of the participating interests in group companies item:

<i>Description</i>	<i>Book value 31-12- 2009</i>	<i>Investment / divestment</i>	<i>Other movements*</i>	<i>Downward revaluation</i>	<i>Actual, 2010</i>	<i>Book value 31-12- 2010</i>
Covaccine BV	18	0	0	0	0	18
Fresh Forward Holding BV	757	0	73	0	0	830
Knowhouse BV	0	0	0	0	0	0
Nsure Holding BV	0	100	0	100	0	0
Oostwaardhoeve Beheer BV	18	0	0	0	0	18
Pepscan Systems BV	1,068	0	0	0	-880	188
VOF Oostwaardhoeve	207	0	0	0	0	207
Total	2,068	0	73	0	-880	1,261

* other movements relates to changes in the results for 2009 due to variances between the participating interests' provisional and definitive annual figures.

Breakdown of the other participating interests item:

<i>Description</i>	<i>Book value 31-12- 2009</i>	<i>Investment / divestment</i>	<i>Other movements</i>	<i>Downward revaluation</i>	<i>Actual, 2010</i>	<i>Book value 31-12- 2010</i>
Beijing China	0	53	0	0	0	53
Bfactory BV	5	0	0	0	0	5
Isolife BV	1	0	0	0	0	1
Lactive BV	0	0	0	0	0	0
Telemetronics Biometry BV	0	0	0	0	0	0
Total	6	53	0	0	0	59

Amounts * € 1000,-

The breakdown of the receivables from other affiliated parties is as follows:

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Change</i>	<i>Book value 31-12-2010</i>
Fresh Forward BV	450	-200	250
Nsure Holding BV	100	-100	0
Bfactory BV	82	-59	23
Total	632	-359	273

The breakdown of the members' capital is as follows:

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Change</i>	<i>Book value 31-12-2010</i>
Avebe	73	-13	60
Bloemenveiling Aalsmeer (VBA)	3	0	3
FrieslandCampina	1,073	32	1,105
Cosun	68	-3	65
CSM	3	-3	0
CSVCOVAS	0	7	7
Dutch Greentech Fund	0	33	33
Flora Holland	3	0	3
Forfarmers	0	61	61
Fruitmasters	3	0	3
Greenery	5	-2	3
Koelhuis Mastland	3	0	3
Nautilus	1	-1	0
Nedato	2	0	2
Noliko	3	-1	2
Potatopol	1	1	2
Windunie	104	0	104
Rounding-off	2	-2	0
Total	1,347	109	1,456

Breakdown of the other securities item:

<i>Description</i>	<i>Book value 31-12- 2009</i>	<i>Investment / divestment</i>	<i>Other movements</i>	<i>Dividend</i>	<i>Actual, 2010</i>	<i>Book value 31-12- 2010</i>
Prionics AG	429	0	0	0	-429	0
Total	429	0	0	0	-429	0

At year-end 2010 it was decided to offset the shares in Prionics A.G. against an outstanding long-term R&D obligation relating to Prionics A.G. The associated contracts were effected at the beginning of 2011. As a result, the value of the shares in Prionics A.G. is set at €0.

Amounts * € 1000,-

The receivables from the Ministry of Economic Affairs, Agriculture and Innovation are comprised of three items:

<i>Description</i>	<i>Total</i>	<i>Interest</i>	<i>Cumulative repayments</i>	<i>Long-term</i>	<i>Short-term</i>
Transfer of buildings and land in connection with the privatisation of DLO	83,949	0%	33,597	47,552	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,702	0%	9,807	17,938	957
Transfer of IAC and ILRI buildings and land	5,627	0%	1,735	3,704	188
Totaal	118,278	0%	45,139	69,194	3,945

€3.9 million of the receivables is due each year and is recognised under other receivables.

3 STOCKS

	<u>31-12-2010</u>	<u>31-12-2009</u>
STOCKS		
Trading stock	2,532	2,291
Livestock	1,632	2,066
Harvested agricultural produce	675	557
Stock of semi-finished goods	290	307
	<u>5,129</u>	<u>5,221</u>
Minus: provision for unmarketability	-1,063	-950
TOTAL STOCKS	<u>4,066</u>	<u>4,271</u>

Amounts * € 1000,-

4 RECEIVABLES AND PREPAYMENTS

	31-12-2010	31-12-2009
Receivables	32,248	32,978
Minus: provision for possible uncollectible receivables	-2,478	-3,538
Total accounts receivable	29,770	29,440
Cost of work carried out for third parties	367,553	395,004
Minus: Invoiced instalments	336,828	359,743
Work for third parties other than the Ministry of Economic Affairs, Agriculture and Innovation	30,725	35,261
Minus: anticipated losses	-2,985	-2,431
Recognised under short-term debt	26,482	20,228
Project costs yet to be invoiced	54,223	53,058
Advances	1,005	1,887
Receivables from affiliated parties	10,395	7,364
Prepayments	8,881	8,593
Other	4,332	4,392
Total advances and prepayments	24,613	22,236
Total receivables and accruals	108,606	104,734

Work in progress comprises the balance of allocated project costs less invoiced instalments. The item is corrected with a provision for anticipated losses. The result is allocated on the basis of the percentage of completion method determined in accordance with the degree of the realisation of the forecast costs. Project losses are recognised immediately.

The balance of orders from third parties comprises projects with a positive balance (the value of the work carried out is in excess of the invoiced instalments) and projects with a negative balance (the value of the invoiced instalments is in excess of the value of the work carried out). Projects with a negative balance are recognised under short-term debts.

The receivables from affiliated parties relates to receivables from Wageningen University. These relate to short-term positions that are regularly offset against each other.

The €3.9 million portion of the receivables from the Ministry of Economic Affairs, Agriculture and Innovation that becomes due each year is recognised under other receivables.

Amounts * € 1000,-

5 LIQUID ASSETS

	31-12-2010	31-12-2009
Cash in hand	59	47
Bank (incl. balancing entries)	53,874	25,463
Deposits	0	18,550
Total liquid assets	53,933	44,060

Liquidity increased by €9.9 million. The breakdown of this increase is as follows:

– Net result	€ 10,6 million
– Movement in real estate (balance of investments, divestments and depreciation)	€ 7,0 million
– Movement in provisions	€ –5,0 million
– Balance of the movement in long-term debts	€ –1,1 million
– Movement in working capital	€ –2,5 million
– Result from non-consolidated participating interests	€ 0,9 million

The decline in the real estate item is largely due to the sale of real estate with a book value of €4.5 million.

The balance of the liquid assets is freely available. The DLO Foundation has a credit facility of €1.1 million. Of the balance of liquid assets, €15.358 million is made up of deferred subsidies that must be remitted to the contract partners (remittance moneys).

6 INTERNAL CAPITAL

	<i>General reserve</i>	<i>Total</i>
Balance at 31-12-2009	269,377	269,377
Result appropriation	10,576	10,576
Balance at 31-12-2010	279,953	279,953

The entire positive net result of €10.6 million recorded for the financial year has been transferred to the general reserve.

Amounts * € 1000,-

7 SHARE OF THIRD PARTIES

	<i>Balance at 31-12-2009</i>	<i>Addition / withdrawal</i>	<i>Balance at 31-12-2010</i>
Third-party share	0	0	0
Total third-party share	0	0	0

No information about the 2010 balance sheet and profit and loss statement has been received from the Calendula Oil BV participating interest. Since this participating interest is not of material significance to the total group the figures have not been recognised in these annual accounts. A provision covers the DLO Foundation's entire receivables from Calendula Oil BV and for this reason the risk incurred with this participating interest is minor. The capital stake in Calendula Oil BV was 56% at year-end 2010.

Bedragen * € 1000,-

8 PROVISIONS

	<i>Balance at 31-12-2009</i>	<i>Addition</i>	<i>Withdrawal</i>	<i>Release</i>	<i>Balance at 31-12-2010</i>
Unemployment insurance obligations	4,924	3,141	904	1,429	5,732
Disability Insurance Act / Resumption of Work (Partially Disabled Persons) Act	86	400	3	83	400
Service anniversary bonuses	4,742	611	661	0	4,692
Reorganisation costs	17,060	59	4,401	1,463	11,255
Product and contract risks	2,765	374	211	487	2,441
Major maintenance operations	0	72	-2	3	71
Total provisions	29,577	4,657	6,178	3,465	24,591

As from 2011, the DLO Foundation bears the risk for the Resumption of Work (Partially Disabled Persons) Act provision. €0.4 million was added to this provision in 2010.

The reorganisation item costs include the provision for the 'Focus 2006' restructuring plan. €3.6 million was withdrawn from this provision in 2010. The reorganisation costs item also recognises the practical research provision and Lelystad Biologicals provision. Amounts of €0.1 million and €0.4 million respectively were withdrawn from these provisions.

	<i>31-12-2010</i>	<i>31-12-2009</i>
Specification of the term of the provisions		
Short term (expires by no later than within 1 year)	10,114	10,172
Long term (expires between 1 and 5 years)	6,796	9,871
Long term (expires after 5 years)	7,681	9,534
Total provisions	24,591	29,577

9 LONG-TERM DEBTS

	<i>Balance at 31-12-2009</i>	<i>Increase in debt</i>	<i>Decrease in debt</i>	<i>Balance at 31-12-2010</i>
Debt to the Ministry of Economic Affairs, Agriculture and Innovation	107,797	0	3,944	103,853
Long-term savings model	958	166	179	945
Other long-term debts	26,334	3,727	4,507	25,554
Subtotal of long-term debts	135,089	3,893	8,630	130,352
Financial lease obligations	769	0	310	459
Total long-term debts	135,858	3,893	8,940	130,811

Amounts * € 1000,-

The debt to the Ministry of Economic Affairs, Agriculture and Innovation is comprised of three items:

<i>Description</i>	<i>Total</i>	<i>Interest</i>	<i>Cumulative repayments</i>	<i>Long-term</i>	<i>Short-term</i>
Transfer of buildings and land in connection with the privatisation of DLO	135,408	4,50%	50,398	82,210	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,701	5,20%	9,805	17,939	957
Transfer of IAC and ILRI buildings and land	5,627	5,00%	1,735	3,704	188
Total	169,736		61,938	103,853	3,945

The annual linear repayment of these loans amounts to €3.9 million. This amount is recognised under other short-term debts. €15.8 million of the long-term constituent has a term of less than 5 years. A formal decision as to whether an additional repayment of the Ministry of Economic Affairs, Agriculture and Innovation loan amounting to €1.9 million per annum had yet to be taken at year-end 2010. For this reason this annual extra repayment is recognised as long-term.

Supplementary information about the other long-term debt:

	<i>Loan</i>	<i>Interest</i>	<i>Term in years</i>	<i>Cumulative repayments</i>	<i>Long-term</i>	<i>Short-term</i>
Rabobank Flevoland	3,037	3.75%	10	1,664	1,061	312
De Lage Landen Financial Services	425	n.v.t.			425	
Triodos Bank, Zeist	20,500	3.00%	10	8,492	9,885	2,123
Triodos Bank, Zeist	19,500	3.00%	10	8,287	9,141	2,072
Rabobank Vallei en Rijn	375	3.60%	10	187	151	37
Restaurant of the Future Foundation	1,871	10 years funding +0.2%	10	745	940	186
Other	5,268	6%	4	0	3,951	1,317
Total	50,976			19,375	25,554	6,047

€22.7 million of the long-term debt item has a term of less than 5 years.

The financial lease obligations are comprised of:

<i>Description</i>	<i>Total (k€)</i>	<i>Interest</i>	<i>Cumulative lease amounts</i>	<i>Long-term</i>	<i>Short-term</i>
De Lage Landen Financial Services	2,612	Nvt	1,841	459	312
Total	2,612	Nvt	1,841	459	312

€0.5 million of the long-term financial lease obligations have a term of less than 5 years.

Amounts * € 1000,-

10 SHORT-TERM DEBTS

	31-12-2010	31-12-2009
Advance payments from third parties	42,704	46,365
Advance payments from third parties – work in progress	26,482	20,228
Debts to suppliers	11,311	12,998
Taxation payable	13,411	14,122
Debts to affiliated parties	273	34
Ministry of Economic Affairs, Agriculture and Innovation programme research yet to be completed	5,047	6,147
Deferred liabilities	14,716	13,358
Other	28,950	28,513
Total short-term debts	142,894	141,765

The other debts item includes the holiday allowance due to the personnel at balance sheet date (€6.0 million) and leave yet to be taken (€5.1 million). The linear annual repayment of €3.9 million due to the Ministry of Economic Affairs, Agriculture and Innovation, the short-term constituent of the other long-term loans (€6.0 million) and the lease instalments falling due in 2010 (€0.3 million) are also recognised under the other debts item.

The wage tax and social security charges due are recognised under the tax due item.

The breakdown of the debt to affiliated parties item is as follows:

Description	Book value 31-12-2009	Change	Book value 31-12-2010
Wageningen University	34	239	273
Total	34	239	273

The debts to Wageningen University item relates to short-term positions that are settled against each other once a month.

The NAPRO (*Nog Af te ronden PROgrammaonderzoek*, 'programme research yet to be completed) item amounts to €5.0 million (3.3%). This amount is exclusive of the prepaid amount of €0.4 million (equivalent to 0.2%) for the High Containment Unit. The NAPRO relates to Ministry of Economic Affairs, Agriculture and Innovation commissions within the scope of the programme research that are in the concluding phase. Consequently, this level falls within the 5% level set by the Ministry of Economic Affairs, Agriculture and Innovation as the maximum acceptable level. The total available Ministry of Economic Affairs, Agriculture and Innovation programme financing amounted to €155.1 million for 2010, including the Commodity and Product Boards' drawing rights to an amount of €1.0 million. The total subsidy, excluding VAT, for the Ministry of Economic Affairs, Agriculture and Innovation's programme funds (Knowledge Base, Statutory research tasks and Policy support research) (including the additional) amounts to €154.1 million.

Amounts * € 1000,-

Obligations and rights not included in the balance sheet (consolidated)

No amounts were pledged at year-end 2010. The DLO Foundation has, via Wageningen University, issued a €2.3 million suretyship for its subsidiaries to the European Commission.

At year-end 2010 the DLO Foundation had entered into obligations relating to investment, renovation, rent, operational lease and similar amounting to €42.9 million. €12.4 million of these obligations fall due within one year and €16.9 million within one to five years. Consequently the instalments falling due after five years amount to €13.6 million.

Description	Total amount of obligations	Of which due within 1 year	Of which due with 1 to 5 years	Of which due after 5 years
Investment	1,960	1,960	0	0
Rental obligations	21,943	2,013	6,691	13,239
Lease obligations	1,102	455	647	0
Energy	3,733	1,248	2,485	0
Knowhouse BV loan	10,434	5,229	5,205	0
Cleaning / security / coffee vending machine	142	142	0	0
Other	1,831	763	663	405
Investment	1,791	621	1,170	0
Total	42,936	12,431	16,861	13,644

The DLO Foundation has received bank guarantees from third parties within the scope of the Strategic Construction Plan to a total of €1.5 million.

The patent and licence rights, pig manure production rights and milk quota have been acquired without charge or, pursuant to the accounting principles for valuation, valued at zero. In addition, a number of fixed assets have been acquired within the scope of the merger of the practical centres without charge. In the event of the sale of these assets acquired without charge then the DLO Foundation will be under an obligation to the original contributors.

The DLO Foundation has terminated its cooperation in the Bioscience Park project. Agreement on the financial settlement has yet to be reached with the other partners in this project.

The DLO Foundation had a credit facility of €1.1 million on balance sheet date.

DLO Foundation's wind park group companies

The DLO Foundation has granted a right of superficies to both the Windmolenpark Mammoethocht BV and Windmolenpark Neushoorntocht BV wind park companies for the construction of wind turbines.

A mortgage has been established on the right of superficies as security for the loans to both Windmolenpark Neushoorntocht BV and Windmolenpark Mammoethocht BV. In addition, the wind turbines, supply and guarantee agreement, maintenance agreement, power supply agreement and balance of the bank accounts have been pledged to the provider of finance. Pursuant to an agreement reached with the financier, both companies shall maintain a deposit of €1.2 million to serve as security for interest and repayment instalments.

A €3.3 million bank guarantee has been issued for Exploitiemaatschappij Windmolenparken Lelystad BV. The receivables from the power companies have also been pledged to the provider of finance.

Bank guarantees (for a total of a maximum of €0.8 million) have been received from the party that bought Cedi Diagnostics from the DLO Foundation in 2009 within the scope of earn-out subsequent payments that could be received in the period from 2010 and 2011.

Amounts * € 1000,-

Notes to the profit and loss statement

11 INCOME

	<i>Result 2010</i>	<i>Result 2009</i>
Contract research		
EU	21,065	19,908
Authorities	47,087	40,728
Commodities and Product Boards	16,837	18,325
Business community	40,021	43,391
Ministry of Economic Affairs, Agriculture and Innovation funding other than subsidy schemes	15,497	14,108
Other	6,356	7,103
Total contract research	146,863	143,563
Patents and licences	2,965	2,986
Revenue from sales	14,678	16,789
Analyses and advice	6,931	6,541
Ministry of Economic Affairs, Agriculture and Innovation in accordance with subsidy schemes		
Policy Support Research and Statutory Research Tasks	120,388	121,303
Knowledge Base	35,048	34,789
Total, Ministry Economic Affairs, Agriculture and Innovation in accordance with subsidy schemes	155,436	156,092
Sale of real estate	3,509	804
Course fees (CDI)	2,099	1,529
Proceeds from wind turbines	6,438	8,343
Other	18,783	14,765
Total income	357,702	351,412

Amounts * € 1000,-

EXPENDITURE

12 PERSONNEL COSTS

	<i>Result 2010</i>	<i>Result 2009</i>
Cost of permanent personnel	152,660	154,405
Cost of temporary personnel	20,850	19,328
Temporary employees and contracted personnel	9,937	10,659
Other personnel costs	5,467	6,278
Addition to provision for unemployment insurance obligations	1,712	1,539
Addition to provision for Disability Insurance Act obligations	317	-76
Addition to other personnel provisions	611	451
Total personnel costs	191,554	192,584

The direct personnel costs of temporary and permanent personnel decreased by €0.2 million due to the increase in the number of FTEs by 61 (excluding trainees) and to an increase in the average personnel cost per FTE (of 2.3%). Personnel with a contract of employment for an indefinite period of time are recognised under permanent personnel. Personnel with a contract for a definite period of time are recognised under temporary personnel.

The average number of employees, excluding trainees, in the financial year amounted to 2,766 (2009: 2,827). The personnel costs include €7.1 million for social security charges (2009: €7.0 million) and €19.7 million for pension contributions (2009: €19.2 million).

The DLO Foundation's share in the remuneration of the Executive Board amounted to €0.4 million in the financial year (2009: €0.4 million). This amount includes the pension and similar obligations. The cost of permanent personnel item includes an amount of €31,000 million (2009: €36,000 million) for the remuneration of the members of the Supervisory Board. Section 2.4 contains the remuneration statement, in accordance with the Act governing the Disclosure of Top Income Earners in Publicly Funded Sectors.

Amounts * € 1000,-

13 GENERAL COSTS

	<i>Result 2010</i>	<i>Result 2009</i>
Accommodation costs	23,025	25,081
Amortisation/depreciation of intangible and tangible fixed assets	21,935	20,196
Exceptional write-down of intangible and tangible fixed assets	4,800	4,511
Other equipment costs	8,105	8,102
Other general costs	19,658	22,594
Additions to the provisions:		
Reorganisation costs	-1,404	3,989
Product and contract risks	-113	-20
Provisions, other	69	66
Total addition to general provisions	-1,448	4,035
Total general costs	76,075	84,519

Other general costs include office expenses, including telephone, postage and copying costs (€3.3 million), a provision for doubtful debts (€- 0.5 million), a provision for project losses (€1.2 million), travelling and accommodation expenses (€8.7 million), books and subscriptions (€2.4 million), representation costs (€0.5 million), PR costs (€0.5 million) and irrecoverable VAT (€2.1 million). The other general costs item also recognises the auditor's charges of €826,302, of which €169,808 for auditing the annual accounts.

The release from the Lelystad Biologicals provision, €1.3 million, and the release from the practical research provision, €0.1 million, are also recognised in the movement in reorganisation costs item.

Specification of depreciation/amortisation and movement in value

	<i>Result 2010</i>	<i>Result 2009</i>
Depreciation		
Tangible fixed assets	21,935	20,196
Total depreciation	21,935	20,196
Movement in value		
Tangible fixed assets	4,800	4,511
Total movement in value	4,800	4,511

Amounts * € 1000,-

Exceptional movements in value in 2009 and 2010:

	2010	2009
Lelystad Biologicals		3,200
Lelystad slaughterhouse		1,311
Rikilt WVA	517	
Lelystad	1,756	
Spelderholt	1,975	
Sterksel	552	
Total movement in value	4,800	4,511

The exceptional movements in value relate to the change of use of buildings or parts of buildings, whereby the indirect income value has been reduced.

14 SPECIFIC COSTS

	<i>Result 2010</i>	<i>Result 2009</i>
Specific costs	28,162	27,399
Services provided by third parties	45,257	37,489
Contributions and subsidies	351	506
Total specific costs	73,770	65,394

15 OTHER INCOME AND EXPENDITURE

	<i>Result 2010</i>	<i>Result 2009</i>
Sale of Lelystad Biologicals	0	7.716
Total other income and expenditure	0	7.716

16 FINANCIAL INCOME AND EXPENDITURE

	<i>Result 2010</i>	<i>Result 2009</i>
Financial income	1,233	1,223
Financial expenditure	-6,053	-6,206
Total financial income and expenditure	-4,820	-4,983

The financial income includes the interest income received on the cash at bank in the financial year. The financial expenditure includes the €5.1 million interest paid on the loans for the financing of the buildings and land of the Ministry of Economic Affairs, Agriculture and Innovation.

Amounts * € 1000,-

17 TAXATION ON ORDINARY ACTIVITIES

	<i>Result 2010</i>	<i>Result 2009</i>
Taxation on ordinary activities (corporation tax)	0	-635
Total taxation on ordinary activities	0	-635

At the end of 2009 the tax authorities stated that Lelystad Biologicals was deemed not to be liable for corporation tax. Consequently, the deferred tax credit of €0.6 million has been released and credited to the result.

18 RESULT FROM PARTICIPATING INTERESTS

	<i>Result 2010</i>	<i>Result 2009</i>
VOF Oostwaardhoeve	0	-94
Fresh Forward Holding BV	72	-68
Covaccine BV	0	0
Pepscan Systems BV	-879	-71
Nsure Holding BV	-100	0
Lactive BV	0	0
Total result from participating interests	-907	-233

The result from participating interests relates to the result from participating interests valued at net asset value and at acquisition cost.

19 THIRD-PARTY SHARE IN THE RESULT

The third-party share item relates to the 44% third-party participating interest in Calendula Oil BV, amounting to zero.

Amounts * € 1000,-

Separate balance sheet

After the allocation of the net result

ASSETS	31-12-2010	31-12-2009
FIXED ASSETS		
20 Tangible fixed assets	314,711	299,956
21 Financial fixed assets	81,488	107,893
Total fixed assets	396,199	407,849
CURRENT ASSETS		
22 Stocks	4,066	47
23 Receivables and prepayments	110,141	65,111
24 Liquid assets	43,981	-5,541
Total current assets	158,188	59,617
TOTAL ASSETS	554,387	467,466
LIABILITIES		
25 Internal capital		
26 Provisions	279,953	269,377
27 Long-term debts	24,590	24,629
28 Short-term debts	109,840	109,558
	140,004	63,902
TOTAL LIABILITIES	554,387	467,466

Amounts * € 1000,-

Separate profit and loss statement

	<i>Result 2010</i>	<i>Result 2009</i>
INCOME	350,915	120,493
EXPENDITURE		
Personnel costs	191,121	44,644
General costs	69,753	51,178
Specific costs	73,092	18,472
Total expenditure	333,966	114,294
Other income and expenditure		
OPERATING RESULT	16,949	6,199
Financial income and expenditure	-4,128	-2,886
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	12,821	3,313
Taxation on ordinary activities	0	0
Result from participating interests	-2,245	7,467
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	10,576	10,780
Third-party share	0	0
Extraordinary income and expenditure	0	0
NET RESULT	10,576	10,780

Amounts * € 1000,-

Notes to the separate annual accounts

General

Unless otherwise stated, the accounting principles included in the notes to the consolidated annual accounts are also applicable to the single annual accounts.

20 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Fixed equipment in buildings</i>	<i>Machinery and equipment</i>	<i>Work in progress</i>	<i>Total</i>
Book value at 31-12-2009	103,357	182,587	86	4,119	9,807	299,956
Assets taken over as a result of the legal merger	92	6	65	14,647	1,205	16,015
Investments	7,132	15,377	-26	6,601	-3,254	25,830
Disinvestments	2,326	3,115	-49	-115	-366	4,911
Depreciation	4	11,030	15	6,330	0	17,379
Exceptional write-downs	0	4,800	0	0	0	4,800
Book value at 31-12-2010	108,251	179,025	159	19,152	8,124	314,711
Acquisition value at 31-12-2009	103,357	278,171	101	19,292	9,807	410,728
Assets taken over as a result of the legal merger	108	12	478	63,030	1,205	64,833
Acquisitions 2010	7,131	15,377	-26	6,602	-3,254	25,830
Acquisition value of divestments in 2010	2,326	10,544	-142	839	-366	13,201
Acquisition value 31-12-2010	108,271	283,016	695	88,084	8,124	488,190
<i>Accumulated depreciation</i>	20	76,022	536	68,789	0	145,367
Accumulated write-downs	0	27,969	0	143	0	28,112
Book value at 31-12-2010	108,251	179,025	159	19,152	8,124	314,711
Divestments, of which:						
- Acquisition price	2,326	10,543	-142	839	-366	13,200
- Depreciation	0	7,428	-93	954	0	8,289
Total divestments	2,326	3,115	-49	-115	-366	4,911

€11.2 million was added to the work in progress item for investments in buildings in 2010, and €13.9 million was withdrawn. The other movements in the work in progress item relate to equipment investments and withdrawals.

Alongside a number of smaller construction projects, the addition to the work in progress item recognises the Strategic Construction Plan (€5.9 million, Technotron teaching facilities, €1.2 million, Atlas, €0.8 million, Radix and €0.6 million infrastructure), CVI construction work (€0.6 million), ASG Lelystad (€0.5 million) and Atrium (€0.4 million).

The projects that were delivered include the Technotron teaching facility, €6.0 million, CVI construction, €3.5 million, ASG installations, €1.5 million, Bosma Zathe manure fermenter, €1.4 million, Radix, €1.3 million, ASG Lelystad, €0.5 million, and CVI, €0.5 million.

Amounts * € 1000,-

The DLO Foundation's real estate is insured for €482.5 million (reference date 1-6-2010). The value for the purposes of the Valuation of Immovable Property Act has been set at €272.7 million (reference date 1-1-2010).

21 FINANCIAL FIXED ASSETS

	31-12-2010	31-12-2009
Participating interests in group companies	10,644	26,526
Other participating interests	58	0
Receivables from group companies	0	8,130
Receivables from affiliated parties	273	100
Members' capital	1,319	0
Receivables from the Ministry of Economic Affairs, Agriculture and Innovation	69,194	73,137
Total financial fixed assets	81,488	107,893

The participating interests in group companies decreased as compared to 2009, due to the legal merger between the DLO Foundation and a number of subsidiaries (see the following table):

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Investment / divestment</i>	<i>Other movements (merger)</i>	<i>Downward revaluation</i>	<i>Actual, 2010</i>	<i>Book value 31-12-2010</i>
Alterra BV	5,295		-5,295	0	0	0
Agrotechnology & Food Innovations BV	-21,136		21,136	0	0	0
Landbouw-Economisch Instituut (LEI) BV	18,754		-18,754	0	0	0
PPO BV	3,995		-3,995	0	0	0
Plant Research International BV	13,710		-13,710	0	0	0
Livestock Research BV	1,004		-1,004	0	0	0
IMARES BV	3,895		-3,895	0	0	0
Holding Wageningen UR	1,009		11,780	0	-2,145	10,644
Total	26,526	0	-13,737	0	-2,145	10,644

Breakdown of the other participating interests item:

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Investment / divestment</i>	<i>Other movements</i>	<i>Downward revaluation</i>	<i>Actual, 2010</i>	<i>Book value 31-12-2010</i>
Beijing China	0	53	0	0	0	53
Lactive BV	0	0	0	0	0	0
Bfactory BV	0	0	5	0	0	5
Total	0	53	5	0	0	58

Other mergers due to the change in the legal structure.

Amounts * € 1000,-

The receivables from group companies item has decreased as compared to 2009 due to the legal merger with DLO Holding BV. The receivable from DLO Holding BV became a receivable from the DLO Foundation on 31 December 2010.

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Change</i>	<i>Book value 31-12-2010</i>
Agrotechnology & Food Innovations BV	8,130	-8,130	0
Total	8,130	-8,130	0

The breakdown of the receivables from affiliated parties is as follows:

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Change</i>	<i>Book value 31-12-2010</i>
Nsure Holding BV	100	-100	0
Fresh Forward	0	250	250
Bfactory	0	23	23
Total	100	173	273

The breakdown of the members' capital is as follows:

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Movement as a result of the legal merger</i>	<i>Change</i>	<i>Book value 31-12-2010</i>
Avebe	0	73	-13	60
Bloemenveiling Aalsmeer (VBA)	0	3	0	3
FrieslandCampina	0	1,073	32	1,105
Cosun	0	68	-3	65
CSM	0	3	-3	0
CSVCOVAS	0	0	7	7
Flora Holland	0	3	0	3
Forfarmers	0	0	61	61
Fruitmasters	0	3	0	3
Greenery	0	5	-2	3
Koelhuis Mastland	0	3	0	3
Nautilus	0	1	-1	0
Nedato	0	2	0	2
Noliko	0	3	-1	2
Potatopol	0	1	1	2
Total	0	1,241	78	1,319

Amounts * € 1000,-

The receivables from the Ministry of Economic Affairs, Agriculture and Innovation are comprised of three items:

<i>Description</i>	<i>Total</i>	<i>Interest</i>	<i>Cumulative repayments</i>	<i>Long-term</i>	<i>Short-term</i>
Transfer of buildings and land in connection with the privatisation of DLO	83,949	0%	33,597	47,552	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,702	0%	9,807	17,938	957
Transfer of IAC and ILRI buildings and land	5,627	0%	1,735	3,704	188
Total	118,278	0%	45,139	69,194	3,945

€3.9 million of the receivables is due each year and is recognised under other receivables.

22 STOCKS

	<i>31-12-2010</i>	<i>31-12-2009</i>
Stocks		
Trading stock	2,532	47
Livestock	1,632	0
Harvested agricultural produce	675	0
Stock of semi-finished goods	290	0
Subtotal stocks	5,129	47
Minus: provision for possible unmarketability	-1,063	0
Total stocks	4,066	47

Amounts * € 1000,-

23 RECEIVABLES AND PREPAYMENTS

	31-12-2010	31-12-2009
Receivables	32,022	3,097
Receivables from group companies	0	0
Accounts receivable from affiliated parties	0	0
Minus: provision for possible uncollectible receivables	-2,451	-251
Total accounts receivable	29,571	2,846
Cost of work carried out for third parties	367,553	35,458
Minus: Invoiced instalments	336,828	26,394
Work for third parties other than the Ministry of Economic Affairs, Agriculture and Innovation	30,725	9,064
Minus: anticipated losses	-2,985	-1,200
Recognised under short-term debt	26,482	-1,807
Project costs yet to be invoiced	54,222	6,057
Advances	1,005	329
VAT to be received	0	-1,331
Receivables from group companies	3,323	41,509
Receivables from affiliated parties	10,063	6,809
Prepayments	7,749	4,701
Other	4,208	4,191
Total advances and prepayments	26,348	56,208
Total receivables and accruals	110,141	65,111

Work in progress comprises the balance of allocated project costs less invoiced instalments. The item is corrected with a provision for anticipated losses. The result is allocated on the basis of the percentage of completion method determined in accordance with the degree of the realisation of the forecast costs. Project losses are recognised immediately.

The balance of orders from third parties comprises projects with a positive balance (the value of the work carried out is in excess of the invoiced instalments) and projects with a negative balance (the value of the invoiced instalments is in excess of the value of the work carried out). Projects with a negative balance are recognised under short-term debts.

The receivables from affiliated parties relates to receivables from Wageningen University. These relate to short-term positions that are offset against each other every month.

The €3.9 million portion of the receivables from the Ministry of Economic Affairs, Agriculture and Innovation that becomes due each year is recognised under other receivables.

Amounts * € 1000,-

24 LIQUID ASSETS

	31-12-2010	31-12-2009
Cash in hand	59	19
Bank (incl. balancing entries)	15,104	-5,560
Deposits	28,818	0
Total liquid assets	43,981	-5,541

Liquidity increased by €54.2 million, largely (€47.0 million) due to the legal merger.

Treasury banking

The DLO Foundation is under the obligation to participate in treasury banking pursuant to the *Eerste wijzigingsbesluit aanwijzingsbesluit rechtspersonen met een beperkte kasbeheerfunctie* ('First amendment order, designation order for legal entities with a limited cash management role') of 10 December 2007. This mandatory participation, which is applicable solely to public funds, came into force on 1 April 2010.

The balance of the liquid assets is freely available. The DLO Foundation has a credit facility of €1.1 million. Of the balance of liquid assets, €15.358 million is made up of deferred subsidies that must be remitted to the contract partners (remittance moneys).

25 INTERNAL CAPITAL

	General reserve	Total
Balance at 31-12-2009	269,377	269,377
Result appropriation	10,576	10,576
Balance at 31-12-2010	279,953	279,953

The entire positive net result of €10.6 million recorded for the financial year has been added to the general reserve.

Amounts * € 1000,-

26 PROVISIONS

	Balance at 31-12-2009	Merger	Addition	Withdrawal	Release	Balance at 31-12-2010
Unemployment insurance obligations	1,743	2,002	3,141	-275	1,429	5,732
Invalidity Insurance Act	3		400	-81	83	401
Other personnel provisions	4,742		558	607	0	4,693
Reorganisation costs	16,641		59	3,985	1,463	11,252
Product and contract risks	1,500	1,054	374	0	487	2,441
Other material provisions	0		72	-2	3	71
Total provisions	24,629	3,056	4,604	4,234	3,465	24,590

Specification of the term of the provisions

	31-12-2010	31-12-2009
Short term (expires by no later than within 1 year)	10,113	5,584
Long term (expires between 1 and 5 years)	6,796	9,546
Long term (expires after 1 years)	7,681	9,499
Total provisions	24,590	24,629

As of 2011 the DLO Foundation has born the risk for provision under the Resumption of Work (Partially Disabled Workers) Act (WGA). In 2010 a sum of €0.4 million was allocated for this provision.

The reorganisation item costs include the provision for the 'Focus 2006' restructuring plan. €3.6 million was withdrawn from this provision in 2010. The reorganisation costs item also recognises the practical research provision and Lelystad Biologicals provision. Amounts of €0.1 million and €0.4 million respectively were withdrawn from these provisions.

Amounts * € 1000,-

27 LONG-TERM DEBTS

	Balance at 31-12-2009	Increase in debt	Decrease in debt	Balance at 31-12-2010
Debt to the Ministry of Economic Affairs, Agriculture and Innovation	107,797	0	3,944	103,853
Long-term savings model	446	550	51	945
Other long-term debts	1,315	3,727	0	5,042
Subtotal of long-term debts	109,558	4,277	3,995	109,840
Financial lease obligations	0	0	0	0
Total long-term debts	109,558	4,277	3,995	109,840

The debt to the Ministry of Economic Affairs, Agriculture and Innovation is comprised of three items:

Description	Total	Interest	Cumulative repayments	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of DLO	135,408	4.50%	50,398	82,210	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,701	5.20%	9,805	17,939	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	1,735	3,704	188
Total	169,736		61,938	103,853	3,945

The annual linear repayment of these loans amounts to €3.9 million. This amount is recognised under other short-term debts. €15.8 million of the long-term constituent has a term of less than 5 years. A formal decision as to whether an additional repayment of the Ministry of Economic Affairs, Agriculture and Innovation loan amounting to €1.9 million per annum would be made had yet to be taken at year-end 2010. For this reason this annual extra repayment is recognised as long-term.

Supplementary information about the other long-term debt:

	Loan	Interest	Term in years	Cumulative repayments	Long-term	Short-term
Rabobank Vallei en Rijn	375	3.60%	10	187	151	37
Restaurant of the Future Foundation	1,871	10 year funding +0.2%	10	745	940	186
Other	5,268	6%	4	0	3,951	1,317
Total	7,514			932	5,042	1,540

€4.8 million of the long-term constituent has a term of less than 5 years.

Amounts * € 1000,-

28 SHORT-TERM DEBTS

	31-12-2010	31-12-2009
Advance payments from third parties	42,704	22,977
Advance payments from third parties – work in progress	26,482	-1,807
Debts to suppliers	11,146	2,424
Debts to suppliers of group companies	0	0
Debts to suppliers of affiliated parties	0	0
Taxation payable	13,331	5,413
Debts to group companies	2,790	8,739
Debts to affiliated parties	258	0
Ministry of Economic Affairs, Agriculture and Innovation research still to be carried out	5,047	818
Deferred liabilities	14,116	6,229
Other	24,130	19,109
Total short-term debts	140,004	63,902

The other debts item includes the holiday allowance due to the personnel at balance sheet date (€6.0 million) and leave yet to be taken (€5.1 million). The linear annual repayment of €3.9 million due to the Ministry of Economic Affairs, Agriculture and Innovation and the short-term constituent of the other long-term loans (€6.0 million) are also recognised under the other debts item.

The wage tax and social security charges due are recognised under the tax due item.

The breakdown of the debt to affiliated parties item is as follows:

<i>Description</i>	<i>Book value 31-12-2009</i>	<i>Change</i>	<i>Book value 31-12-2010</i>
Wageningen University	0	258	258
Total	0	258	258

The debts to Wageningen University item relates to short-term positions that are regularly settled against each other.

The short-term debts to group companies item relates to short-term positions in the current account that are regularly settled against each other.

Amounts * € 1000,-

• **Obligations and rights not included in the balance sheet (separated)**

No amounts were pledged at year-end 2010. The DLO Foundation has, via Wageningen University, issued a €2.3 million suretyship for its subsidiaries to the European Commission.

At year-end 2010 the DLO Foundation had entered into obligations relating to investment, renovation, rent, operational lease and similar amounting to €42.9 million. €12.4 million of these obligations fall due within one year and €16.9 million within one two five years. Consequently the instalments falling due after five years amount to €13.6 million.

<i>Description</i>	<i>Total amount of obligations</i>	<i>Of which due within 1 year</i>	<i>Of which due with 1 to 5 years</i>	<i>Of which due after 5 years</i>
Investment	1,960	1,960	0	0
Rental obligations	21,943	2,013	6,691	13,239
Lease obligations	1,102	455	647	0
Energy	3,733	1,248	2,485	0
Knowhouse BV loan	10,434	5,229	5,205	0
Cleaning / security / coffee vending machine	142	142	0	0
Other	1,831	763	663	405
Investment	1,791	621	1,170	0
Total	42,936	12,431	16,861	13,644

The DLO Foundation has received bank guarantees from third parties within the scope of the Strategic Plan for New Construction to a total of €1.5 million.

The patent and licence rights, pig manure production rights and milk quota have been acquired without charge or, pursuant to the accounting principles for valuation, valued at zero.

The DLO Foundation has terminated its cooperation in the Bioscience Park project. Agreement on the financial settlement has yet to be reached with the other partners in this project.

The DLO Foundation had a credit facility of €1.1 million on balance sheet date.

Other details

- **Allocation of the result**

The Articles of the DLO Foundation do not include any provisions relating to the allocation of the result. The Executive Board of the DLO Foundation proposes that the positive net result of €10.6 million be allocated to the general reserve.

- **Post balance sheet events**

There were no post balance sheet events that gave cause to the adjustment of or notification in the annual accounts.

- **Independent auditor's report**

Report on annual accounts

In this report we have audited the annual accounts for 2010 of the DLO Foundation, Wageningen. These annual accounts consist of the consolidated and single balance sheets as at 31 December 2010 and the profit and loss account for 2010 with the notes thereto, which contain a summary of the financial reporting principles applied and other notes.

Responsibility of the Executive Board

The Executive Board of the DLO Foundation is responsible for drawing up annual reports that accurately represents assets and results, as well as for drawing up the annual report, both in accordance with Title 9 Book 2 of the Netherlands Civil Code. The Executive Board is also finally responsible for carrying out such internal management as it deems necessary to enable the drawing up of the annual accounts and compliance with the relevant legislation and regulations without any significant discrepancies as a result of fraud or error.

Responsibility of the auditor

Our responsibility is to issue an opinion on the annual accounts based on our audit. We have carried out our audit in accordance with Dutch law, including Dutch auditing standards, and the Auditing Protocol DLO 2009, which require that we meet the ethical standards required of us and that we plan and carry out our audit in a way that we can have a reasonable degree of certainty that the annual accounts do not contain any materially significant discrepancies.

An audit involves the performance of tasks to obtain auditing information concerning the sums set out in, and notes to, the annual accounts. The selected tasks are dependent upon the form of opinion applied by the auditor, having regard to an assessment of the risks that the annual accounts may contain any materially significant discrepancies as a result of fraud or error.

In making this risk assessment, the auditor takes into account the internal management relevant to the drawing up of the annual accounts and to a reliable reflection thereof, as well as compliance with the relevant legislation and regulations focused on such auditing work as is appropriate in the circumstances. The purpose of this risk assessment is not, however, to be able to form an opinion on the effectiveness of the internal management of the entity. An audit also involves the evaluation of the suitability of the principles applied in respect of the financial reporting and the criteria for financial legitimacy and of the reasonableness of the estimates made by the board of the entity, as well as an evaluation of the overall picture of the annual accounts.

It is our view that the auditing data we obtained is adequate and suitable to substantiate our opinion.

Opinion

It is our opinion that the annual accounts reliably represent the amount and composition of the capital of the DLO Foundation as at 31 December 2010 and of the results for 2010 in accordance with Title 9 Book 2 of the Netherlands Civil Code.

We are also of the opinion that the income, expenditure and balance sheet movements for 2010 satisfy the requirement for financial legitimacy, i.e. these figures are in accordance with the provisions of the relevant legislation and regulations as referred to in the Auditing Protocol 2009.

Report pursuant to other statutory provisions and/or regulations of regulatory bodies

Pursuant to Book 2 Article 393 (5) (e) and (f) of the Netherlands Civil Code, as far as we have been able to establish, our audit has not revealed any breaches of the requirement for the annual report to be drawn up in accordance with Title 9 Book 2 of the Netherlands Civil Code or for the inclusion of the information as required by Book 2 Article 392 (1) (b) to (h) of the Netherlands Civil Code. We would further confirm that, as far as we have been able to establish, the annual report is in accordance with the annual accounts as required by Book 2 Article 391 (4) of the Netherlands Civil Code.

Arnhem, 23 May 2011



Ernst & Young Accountants LLP

Signed by F. de Bruijn RA

Amounts * € 1000,-

3.3.3 Appendices DLO Foundation

• Appendix 1 Summary of purchases and sales of real estate

<i>Land, sites and infrastructure</i>	<i>Area (ha)</i>	<i>Purchase</i>	<i>Sale</i>	<i>Ref. no letter</i>
Wageningen (Mansholtlaan)	5.27	6,955		DKI.2010/726
Westmaas (Stougjesdijk)	2.02	115		DKI.2010/1034
Randwijk (Knoppersweg)	21.20		481	DWK,2004/1872
Lelystad (Edelhertweg/Houtribweg)	0.20		5	DK.2007/1042
Wageningen (Binnenhaven/Marijkeweg/Nieuwe Kanaal)	2.58		1,340	DK.2007/2341
Wageningen (Mansholtlaan/Droevendaalsesteeg)	1.18		1,181	DK.2007/2628
Subtotal, Land, sites and infrastructure		7,070	3,007	
<i>Buildings</i>		<i>Purchase</i>	<i>Sale</i>	<i>Ref. no letter</i>
Randwijk (Knoppersweg)			3	DWK,2004/1872
Wageningen (Binnenhaven/Marijkeweg/Nieuwe Kanaal)			2,167	DK.2007/2341
Subtotal buildings		0	2,170	
Total		7,070	5,177	
<i>Breakdown of sales</i>		<i>Sales proceeds</i>	<i>Book value</i>	<i>Book profit</i>
Randwijk (Knoppersweg)		1,545	484	1,061
Wageningen (Binnenhaven/Marijkeweg/Nieuwe Kanaal)		5,428	3,507	1,921
Wageningen (Mansholtlaan/Droevendaalsesteeg)		1,695	1,181	514
Zegveld (Rondweg/Oude Meije)		7	0	7
Lelystad (Edelhertweg/Houtribweg)		11	5	6
Total		8,686	5,177	3,509

Amounts * € 1000,-

• **Appendix 2 Account for the 2010 Ministry of Economic Affairs, Agriculture and Innovation subsidy**

Subsidies paid to the DLO Foundation in 2010

Knowledge Base	32,401	
ICRA	230	
Phytophthora	1,204	
Potato Genome Sequencing Consortium	500	
ERA projects	49	
Policy support research	41,870	
NAP funds	568	
Minister's priority	7,400	
Knowledge for Policy	1,099	
Statutory Research Tasks	40,062	
Additional projects	29,862	
	155,245	
Ministry of Ec. Affairs, Agric. & Innov. funds		
- KB – Compensation redemption of loan	2,800	
- KB – Compensation redemption of PO loan	957	
- KB – Compensation redemption IAC/ILRI loan	188	
- Correction for loss in demand, waiver of loan	-56	
- VAT	28,698	
- PT lead rights	-1,000	
- Payment via laser/honey scheme	-162	
	186,670	
Total subsidies granted to DLO Foundation in 2010		Letter with ref. no. 171164 14 december 2010
EL&I subsidies recognised in balance		
Compensation, redemption DLO part of EL&I loan	2,800	Receivables, EL&I balance sheet item
Compensation, redemption PO part of EL&I loan	957	Receivables, EL&I balance sheet item
Compensation, redemption IAC/ILRI p. of EL&I loan	188	Receivables, EL&I balance sheet item
DLO VAT	28,698	Expiry via balance sheet
	32,643	
EL&I subsidies recognised in balance sheet		
	154,027	
EL&I income to be recognised		
Movement in EL&I research yet to be carried out	1,100	Research yet to be carried out balance sheet item
HCU funds - prepayments	309	Research yet to be carried out balance sheet item
Other recognised under EL&I income	0	
	155,436	
Income recognised in DLO Foundations Ann. Acc.		

EL&I = Ministry of Economic Affairs, Agriculture and Innovation

3.4 Remuneration

Remuneration summary

		2010			2009		
		Taxable salary ¹⁾	Provision for deferred salary	Total	Taxable salary	Provision for deferred salary	Total
Executive Board							
Dijkhuizen A.A.	Chair	276,779	74,323	351,102	278,296	73,138	351,434
Breukink I.J.J.H.	Member	188,155	75,741	263,896	187,968	74,480	262,448
Kropff, M.J.	Vice-Chancellor, Vice Chair	222,343	54,495	276,838	222,785	53,108	275,893
Other							
	Director	166,776	47,023	213,799	151,431	37,852	189,283
	Director	–	–	–	164,180	36,989	201,169
	Director	176,692	36,989	213,681	–	–	–
	Professor	154,735	39,303	194,038	153,319	38,769	192,088

¹⁾ The taxable salary column states the taxable salary increased by the payments within the scope of the individual pension schemes that are charged to the employee's salary. The provisions for deferred salary column state the other pension contributions and the contributions relating to the life-cycle savings scheme.

The amounts are translated to full-time positions. No severance pay payments were paid in 2009 or 2010 that result in notification in accordance with the Act governing the Disclosure of Top Income Earners in Publicly Funded Sectors. The members of the Executive Board receive, in analogy with other directors, part of their salary in the form of performance-linked pay that is related to targets and performance indicators that are set each year.

The charges for the remuneration are divided between Wageningen University, the Van Hall Larenstein Foundation and the DLO Foundation on the basis of the apportionment key 46.5%/7%/46.5%. Consequently, the breakdown of the charges for the remuneration of the Executive Board in 2010 is as follows:

	Wageningen University	Van Hall Larenstein Foundation	DLO Foundation	Total
Dijkhuizen A.A.	163,262	24,577	163,263	351,102
Breukink I.J.J.H.	122,712	18,473	122,711	263,896
Kropff M.J.	128,729	19,379	128,730	276,838

		2010	2009
Supervisory Board			
Boer M. de	Chair	18,560	19,403
Duijn J.J. van	Vice Chair	12,145	12,127
Depoele, L. Van	Member	12,145	20,213*
Heemskerk, H.	Member on 1 September 2009	nihil**	nihil**
Maij-Weggen J.R.H.	Member	11,754	12,127
Vink J.A.J.	Member until 1 September 2009	–	7,867

* the remuneration for 2008 was paid in 2009.

** the remuneration for 2009 and 2010 is paid in 2011.

The members of the Supervisory Board and Executive Board fulfil the same roles in the Supervisory Boards and Executive Boards of Wageningen University, the DLO Foundation and Van Hall Larenstein Foundation.

Annex 1A Education at Wageningen University

Table 1 List of bachelor's and master's programmes, 2009/ 2011

Bachelor's programmes

Master's programmes

Biology, Plants & Animals programmes

Biology (BBI)
Animal Sciences (BAS)
Plant Sciences (BPS)

Animal Sciences (MAS)
Aquaculture and Fisheries (MAF)
Biology (MBI)
Organic Agriculture (MOA)
Plant Biotechnology (MPB)
Plant Sciences (MPS)

Society & Economics programmes

Management, Economics and Consumer Studies (BME)
Economics and Policy (BEP)
Health and Society (BHS)
International Development Studies (BIN)
Applied Communication Science (BAC)

Applied Communication Science (MCS)
Development and Rural Innovation (MDR)
Food Quality Management (MFQ)
International Development Studies (MID)
Management, Economics and Consumer Studies (MME)

Environment & Landscape programmes

Soil, Water and Atmosphere (BSW)
Forest and Nature Management (BFN)
International Land and Water Management (BIL)
Landscape Architecture and Planning (BLP)
Environmental sciences (BMW)
Tourism (BTO)

Climate Studies (MCL)
Environmental Sciences (MES)
Forest and Nature Conservation (MFN)
Geo-information Science (MGI)
Hydrology and Water Quality (MHW)
International Land and Water Management (MIL)
Landscape Architecture and Planning (MLP)
Leisure, Tourism and Environment (MLE)
Meteorology and Air Quality (MMA)
Soil Science (MSS)
Urban Environmental Management (MUE)

Technology & Nutrition programmes

Agricultural Engineering (BAE)
Biotechnology (BBT)
Food Technology (BFT)
Molecular Life Sciences (BML)
Nutrition and Health (BNH)

Agricultural and Bioresource Engineering (MAB)
Bioinformatics (MBF)
Biotechnology (MBT)
Food Safety (MFS)
Food Technology (MFT)
Molecular Life Sciences (MML)
Nutrition and Health (MNH)

Table 2 Number of enrolled students at Wageningen University by type of enrolment: total number, number of first-year students, number of men and women, at 1 October 2010

<i>Type of enrolment</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>First-year Men</i>	<i>First-year Women</i>	<i>First-year Total</i>
Student	2,854	3,631	6,485	774	1,115	1,889
PhD student	248	279	527	30	14	44
Contract student	1	1	2	1	0	1
Second enrolment student	46	42	88	30	32	62
Non-examination student	1	1	2	1	1	2
Erasmus Mundus	11	6	17	11	6	17
Erasmus Double Degree	7	10	17	7	10	17
Erasmus Student	44	89	133	44	88	132
Exchange Student, other	15	12	27	15	11	26
Total number of enrolled students	3,227	4,071	7,298	913	1,277	2,190

Table 3 Number of students at Wageningen University by study phase: total number, number of first-year students, number of men and women, at 1 October 2010

<i>Inschrijvingsvormen</i>	<i>Man</i>	<i>Vrouw</i>	<i>Totaal</i>	<i>Eerstejaars Man</i>	<i>Eerstejaars Vrouw</i>	<i>Eerstejaars Totaal</i>
BSc	1,660	1,876	3,536	460	645	1,105
<i>Doctoraal</i> (old-style Master's degree)	11	5	16			
None	6	9	15			
MSc	1,177	1,741	2,918	314	470	784
Total number of enrolled students	2,854	3,631	6,485	774	1,115	1,889

Table 4 Number of bachelor's programme students at Wageningen University by programme: total number, number of first-year students, number of men and women, at 1 October 2010

<i>Training</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>First-year Men</i>	<i>First-year Women</i>	<i>First-year Total</i>
Agricultural Engineering (BAE)	78	5	83	28		28
Management, Economics and Consumer Studies (BME)	126	120	246	27	53	80
Biology (BBI)	247	216	463	63	61	124
Forest and Nature Management (BFN)	115	66	181	27	20	47
Biological Production Sciences (BPS)	2	1	3			
Biotechnology (BBT)	133	48	181	35	15	50
Soil, Water and Atmosphere (BSW)	133	72	205	43	27	70
Animal Sciences (BAS)	93	247	340	22	111	133
Economics and Policy (BEP)	45	22	67	9	6	15
Health and Society (BHS)	9	71	80	4	29	33
International Land and Water Management (BIL)	116	60	176	21	14	35
International Development Studies (BIN)	88	227	315	27	57	84
Landscape Architecture and Planning (BLP)	136	100	236	35	31	66
Food Technology (BFT)	80	128	208	27	40	67
Molecular Sciences (BMS)	77	62	139	33	20	53
Environmental sciences (BMW)	49	37	86	12	12	24
Plant Sciences (BPS)	61	39	100	16	13	29
Applied Communication Science (BAC)	11	33	44	4	17	21
Tourism (BTO)	13	14	27	13	14	27
Nutrition and Health (BNH)	48	308	356	14	105	119
Total number of enrolled students	1,660	1,876	3,536	460	645	1,105

Table 5 Number of master's programme students at Wageningen University by programme: total number, number of first-year students, number of men and women, at 1 October 2010

<i>Training</i>	<i>Men</i>	<i>Women</i>	<i>Total</i>	<i>First-year</i>		<i>First-year Total</i>
				<i>Men</i>	<i>Women</i>	
Agricultural and Bioresource Engineering (MAB)	26	1	27	5		5
Aquaculture and Fisheries (MAF)	34	22	56	10	7	17
Animal Sciences and Aquaculture (MAS)	91	170	261	24	41	65
Bioinformatics (MBF)	11	3	14	6	2	8
Biology (MBI)	48	59	107		2	2
Biotechnology (MBT)	81	58	139	29	16	45
Climate Studies (MCL)	19	16	35	6	5	11
Applied Communication Science (MCS)	9	24	33	1	4	5
Development and Rural Innovation (MDR)				8	12	20
Environmental Sciences (MES)	81	94	175	30	35	65
Forest and Nature Conservation (MFN)	77	89	166	14	22	36
Food Quality Management (MFQ)	20	35	55	8	16	24
Food Safety (MFS)	19	70	89	7	27	34
Food Technology (MFT)	62	131	193	20	46	66
Geo-information Science (MGI)	29	11	40	15	3	18
Hydrology and Water Quality (MHW)	36	25	61	10	1	11
International Development Studies (MID)	47	138	185	16	30	46
International Land and Water Management (MIL)	51	36	87	12	7	19
Leisure, Tourism and Environment (MLE)	36	51	87	7	20	27
Landscape Architecture and Planning (MLP)	53	81	134	6	21	27
Meteorology and Air Quality (MMA)	12	8	20	3		3
Management, Economics and Consumer Studies (MME)	90	146	236	14	27	41
Molecular Life Sciences (MML)	23	21	44	3	5	8
Nutrition and Health (MNH)	25	225	250	9	49	58
Organic Agriculture (MOA)	27	36	63	8	14	22
Plant Biotechnology (MPB)	20	29	49	5	9	14
Plant Sciences (MPS)	88	80	168	26	31	57
Soil Science (MSS)	9	9	18	2	1	3
Urban Environmental Management (MUE)	27	38	65	10	17	27
Total number of enrolled students	1,177	1,741	2,918	314	470	784

Table 6 Graduation efficiency of the master's programmes of the cohorts 2006/07 to 2008/09 inclusive (N in absolute numbers, after x years in %)

Training	N	Generation 2006			Generation 2007			Generation 2008	
		After 2 yr	After 3 yr	After 4 yr	N	After 2 yr	After 3 yr	N	After 2 yr
MAB	10	50	80	90	18	83	89	19	79
MAF	7	71	100	100	10	30	70	19	42
MAK/MDR	26	50	81	85	30	57	87	30	57
Agrarian Training Centre, Lower Secondary Vocational Education	82	41	78	83	89	57	87	106	72
MBF	1	0	0	0	6	33	83	12	83
MBI	38	87	100	100	34	71	94	49	76
MBT	47	70	85	91	59	78	93	70	80
MCS	8	25	88	88	12	67	83	10	50
MEA/ MCL	6	83	100	100	4	75	75	5	60
MES	90	60	86	89	69	72	90	50	70
MFN	66	59	91	97	58	60	88	58	59
MFQ	29	59	72	76	20	55	75	11	82
MFS	24	88	92	96	29	79	97	38	58
MFT	68	84	94	96	74	78	97	68	78
MGI	23	57	87	91	13	69	92	22	82
MHW	19	26	53	68	17	76	94	17	65
MID	49	51	78	88	38	55	82	84	55
MIL	30	50	90	90	27	59	96	39	59
MLE	22	55	82	82	33	42	76	38	42
MLP	41	56	85	93	33	48	85	36	50
MMA	10	60	90	90	10	40	90	12	67
MME	106	82	97	97	90	80	90	126	87
MMS	17	88	94	94	14	57	93	13	62
MNH	65	51	91	95	71	82	97	80	75
MOA	25	44	52	64	15	60	87	13	54
MPB	5	80	80	80	10	40	100	15	56
MPS	40	68	90	93	43	77	95	55	69
MSS	11	55	55	73	8	88	88	9	78
MUE	18	72	78	78	20	55	70	10	70
Total programmes	983	62	86	90	954	67	89	1,108	68
Total including changes of programme	983	63	87	92	954	68	90	1,108	69

Table 7 Graduation efficiency of the bachelor's programmes on the basis of re-enrolments in the second year (N t+1). Cohorts from 2005/06 to 2007/08 inclusive (N and N t+1 in absolute numbers, after x year in %)

Training	N	Generation 2005			Generation 2006				Generation 2007			
		N t+1	After 3 yr	After 4 yr	After 5 yr	N t+1	After 3 yr	After 4 yr	N t+1	After 3 yr		
BAE	6	6	0	33	33	16	14	0	29	10	8	0
BME	32	28	18	50	75	34	32	19	47	38	33	27
BBI	56	50	10	42	68	72	60	8	42	78	66	26
BFN	49	38	13	47	63	33	25	24	64	20	16	31
GDP	6	5	0	40	80	3	3	0	0			
BBT	18	17	24	65	88	25	19	21	37	39	31	19
BSW	38	31	10	61	71	33	28	29	50	36	27	30
BAS	68	56	30	48	71	68	57	28	56	75	61	28
BEP	6	6	0	33	67	6	4	0	25	19	14	7
BHS	12	11	73	82	91	21	17	41	59	19	14	43
BIL	19	15	7	40	80	26	20	15	55	42	38	13
FADN	49	33	27	58	70	44	36	25	67	73	60	15
BLP	42	30	3	33	50	40	35	9	31	51	47	15
BFT	26	18	33	50	67	41	33	27	70	46	40	33
BMS	20	14	21	43	64	14	13	23	46	23	19	0
BMW	9	7	29	57	71	13	11	36	64	13	9	44
BPS	17	14	7	36	64	14	12	0	33	18	16	38
BAC						4	4	0	50	8	3	33
BNH	63	48	27	69	81	70	61	31	74	101	83	47
Total programmes	536	427	19	51	70	577	484	21	53	709	585	26
Total including changes of programme	536	444	19	50	70	577	502	21	54	709	613	26

Annex 1B Education at Van Hall Larenstein University of Applied Sciences

Table 1 Programmes at Van Hall Larenstein University of Applied Sciences

Larenstein International University of Applied Agricultural Sciences Velp/Wageningen	Bachelor's programmes	<ul style="list-style-type: none"> – Business Administration and Agribusiness – Forest and Nature Conservation – Animal and Livestock Management – Laboratory Science ¹ – Land and Water Management – Rural development – Tropical Agriculture/ Agri-systems Management – Garden and Landscape Architecture – Horticulture and Arable Farming – Food Science and Technology
	Associate Degree programmes (AD)	<ul style="list-style-type: none"> – Garden & Landscape design
	Master's programmes	<ul style="list-style-type: none"> – Master's in Management of Development – Master's Agricultural Production Chain Management – Project and Process Management in the Domain of Land and Water
Van Hall Institute Leeuwarden	Bachelor's programmes	<ul style="list-style-type: none"> – Business Administration and Agribusiness – Biotechnology / Life Sciences² – Animal and Livestock Management – Animal management – International Business and Management Studies³ – Coastal and Sea Management – Environmental Sciences – Rural development – Horticulture and Arable Farming – Food Science and Technology
	Associate Degree programmes (AD)	<ul style="list-style-type: none"> – Dairy farming – Entrepreneurship – Integral Enforcement of Environmental Law – Sustainable soil management – Sustainable Water technology

¹ with HAN University of Applied Sciences, being phased out

² with NHL University

³ with NHL University and Stenden University

Table 2 Number and enrolment of funded students at Van Hall Larenstein University of Applied Sciences by location and programme, reference date 01-10-2010 (FT = Fulltime, PT = Part-time, DU = Dual)

<i>Van Hall Larenstein University of Applied Sciences</i>	2005	2006	2007	2008	2009	2010
Intake	1,209	1,113	1,039	1,046	1,115	1,204
– Leeuwarden	533	517	503	533	578	606
– Velp and Deventer/Wageningen ¹	676	596	536	513	537	598
Total number of students						
– Leeuwarden	1,699	1,844	1,874	1,885	1,973	2,057
– Velp and Wageningen	2,257	2,206	2,005	1,906	1,888	1,915
Total	3,956	4,050	3,879	3,791	3,861	3,972
<i>Leeuwarden</i>						
Business Administration and Agribusiness	158	168	179	184	180	159
Entrepreneurship (Associate Degree)				8	10	9
Biotechnology / Life Sciences	79	149	183	247	274	285
Animal management	666	717	738	680	708	742
Animal and Livestock Management	218	213	168	165	187	212
Dairy Farming (Associate degree)	0	31	29	28	29	32
IBMS (with CHN/NHL, 1/3 = VHL number)	17	32	34	25	22	10
Coastal and Sea Management	80	94	106	115	121	144
Environmental Sciences FT	184	145	144	136	146	149
Environmental Sciences PT	107	119	127	132	124	136
Integral Enforcement of Environmental Law (Associate degree)				8	20	26
Sustainable Soil management (Associate Degree)						1
Sustainable Water Technology (Associate Degree)						1
Rural development	39	31	25	17	6	3
Horticulture and Arable Farming	41	43	45	51	58	56
Food Technology FT	122	98	96	89	88	92
Food Technology PT	5	4	0	0	0	0
<i>Velp and Wageningen</i>						
International Agricultural Trade	4	2	0	0	0	0
Business Administration and Agribusiness	164	134	103	105	111	116
Forest and Nature Conservation FT	390	411	410	419	422	432
Forest and Nature Conservation PT	83	99	93	82	87	109
Dutch Agriculture	1	1	0	0	0	0
Animal and Livestock Management	301	305	277	257	244	244
Land and Water Management FT	272	256	252	251	236	230
Land and Water Management PT	64	79	68	60	63	60
Rural development	88	83	86	71	80	73
Tropical Agriculture	103	65	54	40	36	35
Horticulture and Arable Farming	106	92	41	21	7	4
Garden and Landscape Architecture FT	383	358	355	352	366	377
Garden and Landscape Architecture PT	188	193	193	193	187	182
Agro-product Studies	0	0	0	0	0	0
Food Science and Technology	55	53	57	51	48	53
Laboratory technology	55	25	14	4	1	0
Master's in Agriculture Production Chain Management	0	16	0	0	0	0
Master's in Management of Development	0	29	0	0	0	0
Livestock Husbandry, old (add to Animal & Livestock Husbandry)	0	5	2	0	0	0

Table 3 Number of graduates and average study programme duration by location and programme at Van Hall Larenstein University of Applied Sciences

	Number of graduates					Average study programme duration				
	'05/'06	'06/'07	'07/'08	'08/'09	'09/'10	'05/'06	'06/'07	'07/'08	'08/'09	'09/'10
<i>Leeuwarden</i>	323	303	333	312	319	4.4	4.5	4.5	4.4	4.5
Business Administration and Agribusiness	28	32	30	21	34	4.2	4.5	4.9	4.6	4.5
Biotechnology / Life Sciences	17	13	10	21	30	4.6	4.2	3.9	4.2	4.1
Animal management	106	107	143	121	126	4.6	4.7	4.7	4.3	4.5
Animal and Livestock Management	41	55	45	37	28	4.0	4.2	4.1	4.4	4.1
IBMS	–	1	2	6	11	–	3	3.5	3.5	4.9
Coastal and Sea Management	14	10	15	18	14	4.4	4.2	4.8	4.3	4.5
Environmental Sciences	64	58	34	52	41	4.7	4.8	4.5	4.9	4.9
Rural development	0	4	8	8	7	4.4	5.5	5.3	5.0	5.1
Horticulture and Arable Farming	7	5	14	9	7	4.0	4.4	4.3	4.4	4.3
Food Science and Technology	36	18	32	19	21	3.9	4.1	4	3.7	4.0
<i>Velp/Wageningen</i> ¹	368	415	369	370	366	4.5	4.2	4.4	4.4	4.5
Business Administration and Agribusiness	23	20	25	11	5	3.7	3.3	4.7	4.9	4.6
Forest and Nature Management (FT)	65	78	76	73	91	4.5	4.2	4.6	4.5	4.6
Forest and Nature Management (PT)	1	21	16	24	21	4.0	3.6	4.3	4.2	4.0
Animal and livestock husbandry	53	56	40	40	52	4.3	4.3	4.6	4.5	4.7
International Agricultural Trade		3	0	0	0		6.3	0		
Land and Water Management (FT)	54	64	43	61	57	4.1	3.8	4.3	4.1	4.1
Land and Water Management (PT)	1	25	18	12	18	5.0	4.0	3.6	3.9	4.2
Rural development	13	11	15	11	9	4.4	4.3	4.3	4.5	4.0
Tropical agriculture	2	5	21	15	10	4.0	4.8	4.0	4.7	5.1
Horticulture and Arable Farming	17	18	13	11		4.1	4.3	3.5	4.1	
Garden and Landscape Architecture (FT)	89	72	67	66	63	5.0	4.7	4.7	4.5	4.6
Garden and Landscape Architecture (PT)	23	27	18	30	26	4.6	4.8	4.7	4.7	4.5
Food Science and Technology	7	6	10	13	13	4.9	4.2	4.2	4.9	4.9
Laboratory Science	19	8	7	3	1	4.0	4.0	4.7	4.7	8

¹ The Deventer programmes moved to Wageningen at the beginning of the 2006/ 2007 academic year

Table 4 Education Demand Factor (EDF)*

* factor used in the past for funding, based on the study programme durations of graduates and dropouts

	EDF	Number of graduates	Study programme duration of graduates	Number of dropouts	Study programme duration of dropouts
<i>Leeuwarden</i>					
2002/2003	0.910	345	4.5	229	1.9
2003/2004	0.959	307	4.5	174	2.2
2004/2005	0.949	292	4.3	154	2.1
2005/2006	0.958	323	4.4	123	2.2
2006/2007	0.930	303	4.5	177	1.8
2007/2008	0.884	333	4.5	189	2.2
2008/2009	0.955	312	4.4	187	1.8
2009/2010	0.898	319	4.5	231	2.0
<i>Velp/Deventer²</i>					
2002/2003	0.921	424	4.5	341	1.7
2003/2004	0.964	415	4.3	215	2.0
2004/2005	0.999	454	4.2	200	2.1
2005/2006	0.898	368	4.5	224	2.1
2006/2007	0.968	415	4.2	247	2.04
2007/2008	0.928	369	4.4	253	2.2
2008/2009	0.910	370	4.4	218	2.1
2009/2010	0.880	366	4.5	232	2.2

² The Deventer programmes moved to Wageningen at the beginning of the 2006/ 2007 academic year

Table 5 Incoming and outgoing Erasmus exchange students per partner institute, 2009–2010

Country	Name institution	Subject ³	Velp-Wageningen		Leeuwarden	
			students to VHL	VHLstudents to	students to VHL	VHLstudents to
Austria	– Universität für Bodenkultur	01.6			2	
Belgium	– Haute Ecole Charlemagne	01.6	3			
Czech Republic	– Mendel University	02.5	1			
Denmark	– Royal Veterinary University KVL	02.5		3		
	– VIA University College	01.0		1		
Finland	– Hame Polytechnic, Hameenlinna	01.0			1	
	– University of Oulu	01.6	1			
	– Mikkeli University of Applied Sciences				1	

Country	Name institution	Subject ³	Velp-Wageningen		Leeuwarden	
			students to VHL	VHLstudents to	students to VHL	VHLstudents to
France	– ESA Angers	07.4			1	
Germany	– FH Rottenburg	01.6	2			
	– FH Weihenstephan	01.0	4			
	– University of Teubingen	01.6	2			
Hungary	– Szeged College faculty of Food Engineering	01.0			1	
	– Corvinus University	02.5		1		3
Ireland	– Galway Mayo Institute of Technology	01.0				1
Italy	– University of Genua	02.5	1			
Norway	– Hogskulen Sogn og Fjordane	01.6	2			4
	– Hedmark University	01.6		7		
Portugal	– University of Aveiro	01.0				2
	– Universidade do Porto	02.5	2			
Spain	– Universidad Autonoma de Barcelona	01.0			3	1
	– Universidad Politecnica de Madrid	01.0			2	
	– ETSIA / Universidad Politecnica de Valencia	07.4		1		
	– Universidad de Leon	01.0		1		
Sweden	– SLU; Swedish Agricultural University	01.6		15		
	– Halmstad University	01.0				1
Turkey	– Ege University	02.5	1			
United Kingdom	– University of Glamorgan	01.0				1
	– Birmingham City University	02.5	3	1		
TOTALS			22	30	11	13

³ 01.0 = Agricultural Sciences; 01.6 = Forestry; 01.7 = Animal Husbandry; 02.5 = Landscape Architecture; 07.4 = Soil and Water Sciences

Annex 2 Social report

The following graphs present information about Wageningen UR at year-end 2010 (in ier).

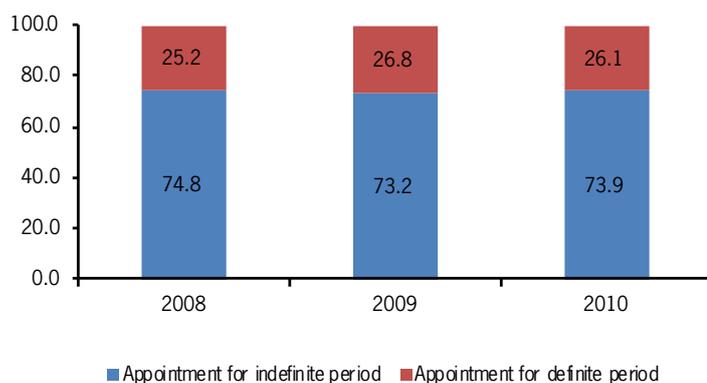
STAFF

	2008	2009	2010
Number of staff (ier) at 31-12	6,421	6,540	6,477
Number of FTE at 31-12	5,553	5,681	5,635

Note: the number of staff decreased by a total of one percentage point in 2010, almost entirely due to the reduction of staff at the DLO Foundation.

INDEFINITE PERIOD OF TIME/DEFINITE PERIOD OF TIME

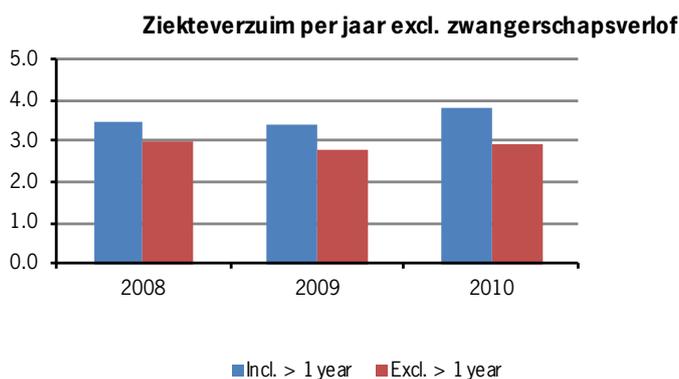
In % ier, including PhD students



Note: the trend towards gradually increasing number of temporary contracts of employment exhibited in the past few years did not continue in 2010. The number decreased by 0.7% as compared to 2009, although still 1% higher as compared to 2008.

ABSENCE DUE TO ILLNESS

	2008	2009	2010
Including absence > 1 year	3.5	3.4	3.8
Excluding absence > 1 year	3.0	2.8	2.9



Note: the rate of absenteeism increased by 0.4% to 3.8%. Although this rate of absenteeism for the entire Wageningen UR organisation is still below the target of a maximum of 4%, this is nevertheless an undesirable development. The rate increased at the DLO Foundation DLO (0.4%), Wageningen University (0.3%) and Van Hall Larenstein University of Applied Sciences (0.5%). Long-term absenteeism, in particular, exhibited an increase.

ABSENCE DUE TO ILLNESS, excluding maternity leave

	2008	2008	2010
Average duration of absence (calendar days)	11.23	13.03	13.98
Absence frequency (number of reports sick divided by the average number of staff)	1.10	1.10	1.01
Percentage of staff without absenteeism due to illness	45.97	45.38	49.42
Number of individual instances of sick leave	6761	6941	6407
Rate of absenteeism rate by age category			
< 25 years	1.40	1.30	1.40
25 - 34 years	2.74	2.23	2.75
35 - 44 years	3.58	3.31	3.49
45 - 54 years	3.50	3.48	3.78
55 years and older	4.14	4.61	5.01
Rate of absenteeism by job grade			
job grade 1 - 6	6.52	6.38	6.91
job grade 7 - 9	3.99	4.06	4.16
job grade 10 - 11	3.19	2.66	3.37
job grade 12	2.83	3.05	3.71
job grade 13 - 14	2.15	2.21	1.66
job grade 15 and above	0.78	2.08	1.91

Note: although long-term sick leave has increased, the percentage of staff who did not take sick leave has decreased by 4%.

All age categories exhibited an increase in (long-term) sick leave. The rate of absenteeism of age category is almost the same as in 2008, with the exception of the 55 years and older age category: the rate of absenteeism of this last category has increased by almost 1% in two years.

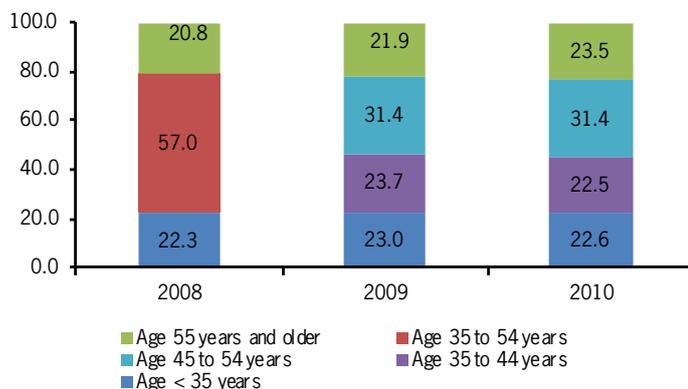
The rate of absenteeism of the job grade 1 – 6 category has once again increased, to almost 7%. The rate of absenteeism of staff in the job grade 10 – 11 category has also increased, by 0.6%.

DEVELOPMENT/TRAINING

	2008	2009	2010
Cost (x €1,000), excluding time invested	4,075	4,025	3,952
Percentage of the wage costs	Approx. 1.2%	Approx. 1.2%	Approx. 1.1%

Note: the expenditure standard for development/training has been set at 2% of the wage costs. Actual expenditure in 2010 was 1.1%. It should be noted that a continually increasing number of training programmes based on the train the trainer approach are provided within the organisation. Self-evidently, this results in a degree of cost reduction.

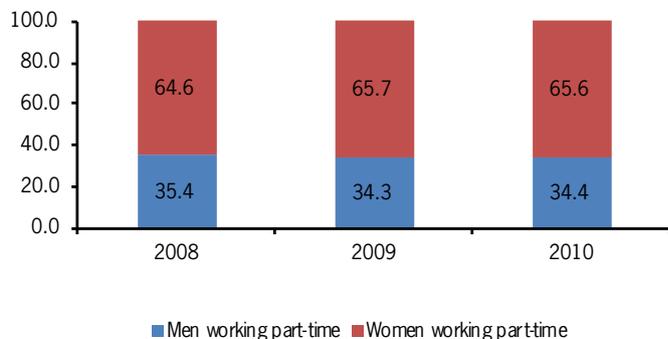
AGE DISTRIBUTION



Note: the ageing population phenomenon is also reflected by Wageningen UR's staff. The number in the > 55 years category increased once again in 2010, by 1.6%. The number in the 35-45 years category has decreased by 1.2%. The number in the under 35 years category has decreased slightly by 0.4%, in contrast to the previous year in which the number had increased slightly.

It should be noted that the age distribution of the staff at the DLO Foundation, Wageningen University and Van Hall Larenstein University of Applied Sciences vary greatly. At Wageningen University, the largest category is the under 35 years category (34%). At the DLO Foundation and Van Hall Larenstein University of Applied Sciences, the largest category is the 45 to 55 years category, 37% and 34% of the total number of staff respectively. The number of staff in the above 55 years category at Van Hall Larenstein University of Applied Sciences is also substantial, 31%.

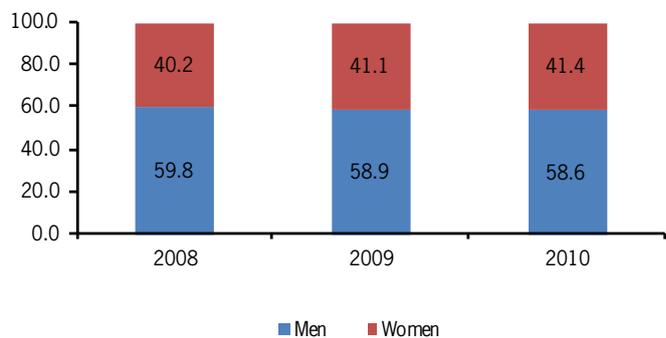
FULLTIME/PART-TIME, in % ier



Note: the ratio of staff with a fulltime contract of employment to staff with a part-time contract of unemployment remained virtually at the same level in 2010 as compared to 2009.

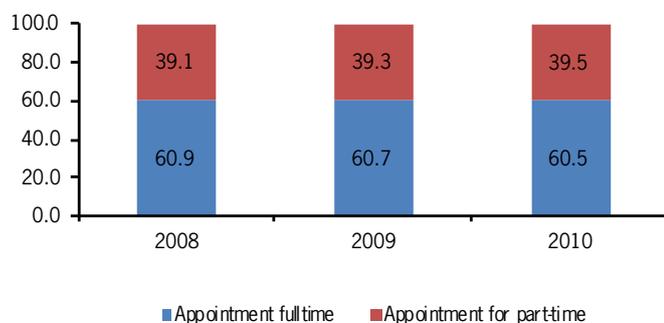
EMANCIPATION

MEN/WOMEN



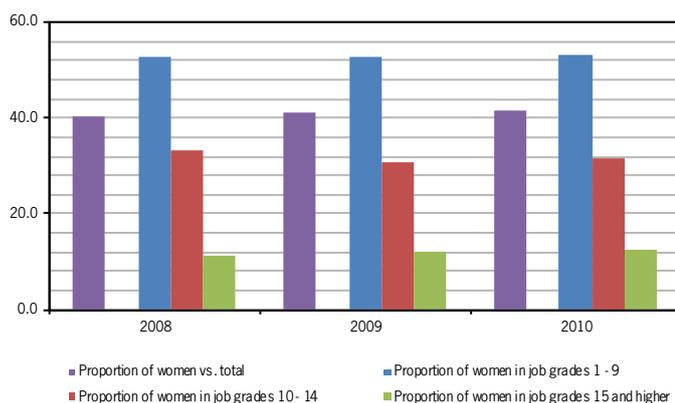
Note: the proportion of women employed by the organisation has once again increased slightly (0.3%), entirely due to the increase at Wageningen University.

FULLTIME/PART-TIME



Note: the percentages of women and men with a part-time contract of employment are virtually unchanged.

RATIO OF MEN/WOMEN IN THE VARIOUS JOB GRADES

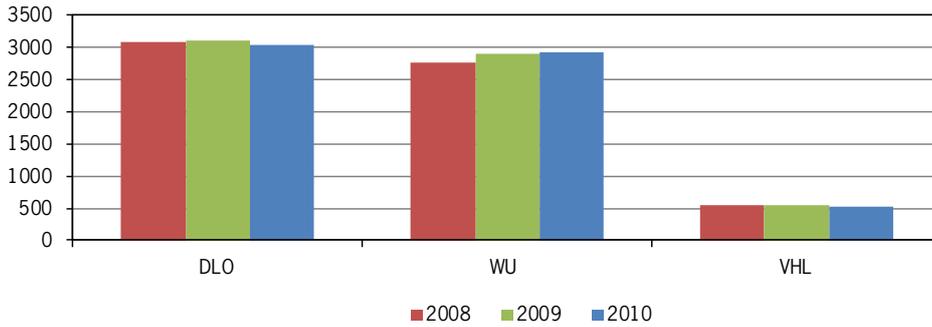


Note: the percentage of women employed by the organisation has, following a decrease in 2009, once again increased by 1.7%. The percentage of women classified in senior job grades still lags far behind the percentage of men in these grades. However, the percentage of women classified in senior job grades did once again increase slightly in 2010, to 12.3%.

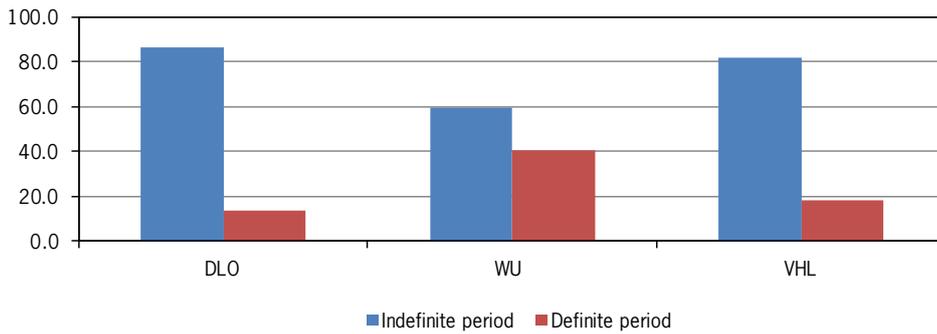
CHARTS BY WAGENINGEN UR DIVISION

The following charts present information (in ier) relating to the various Wageningen UR divisions. The first chart presents information expressed in absolute ier and the other charts in percentage ier.

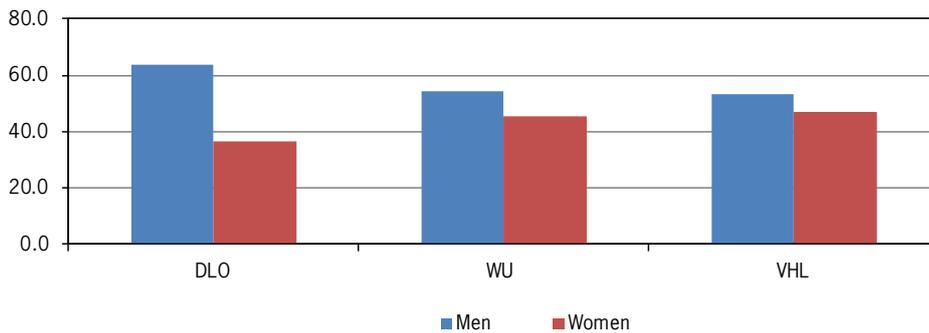
Numbers



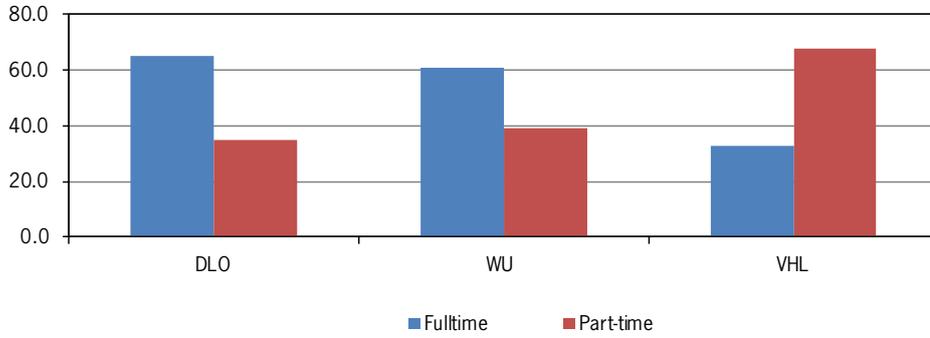
Indefinite period/definite period 2010



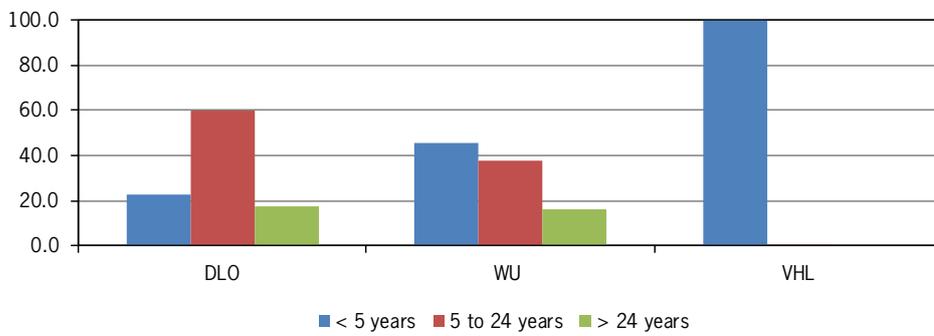
Men/women 2010



Fulltime/part-time 2010

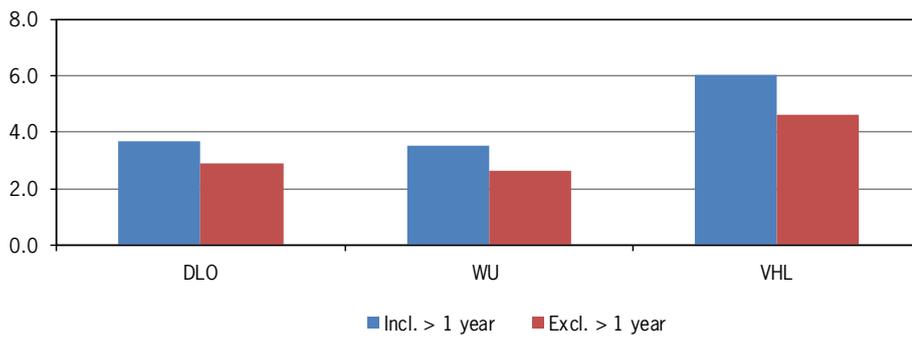


Years' service 2010

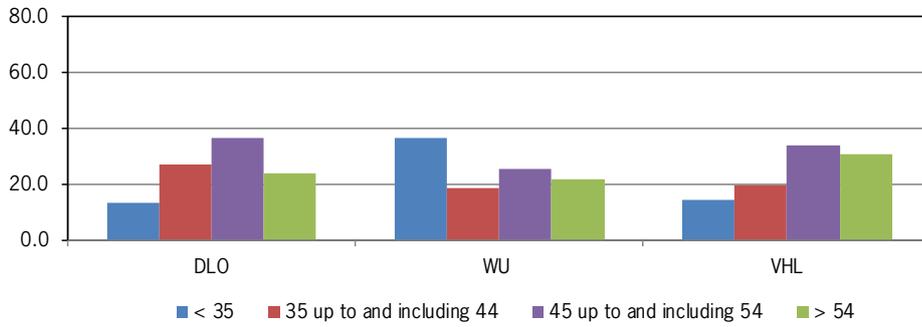


Comment: virtually no figures are available for years of service at Van Hall Larenstein: this element of the chart is incorrect.

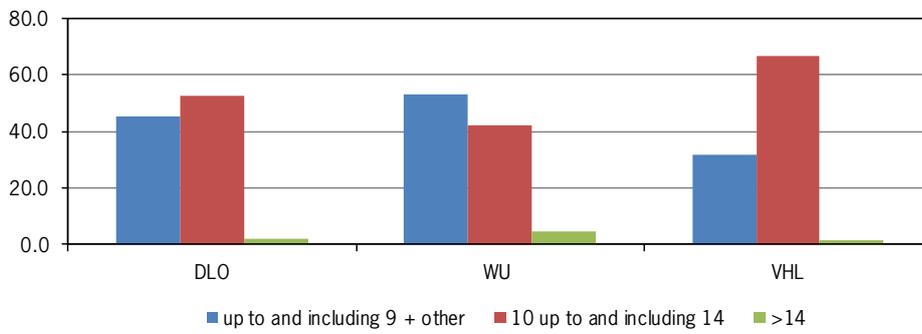
Rate of absenteeism 2010



Age distribution 2010



Job grade classification 2010



Colophon

publisher
Wageningen UR, June 2011
www.wur.nl

editors
Working Group Annual Report Wageningen UR

final editing
Wageningen UR, Communication Services

design and lay-out
Wageningen UR, Communication Services

photography
Bart de Gouw

print
MediaCenter, Rotterdam

