

annual report Wageningen UR 2009



WAGENINGEN UR
For quality of life



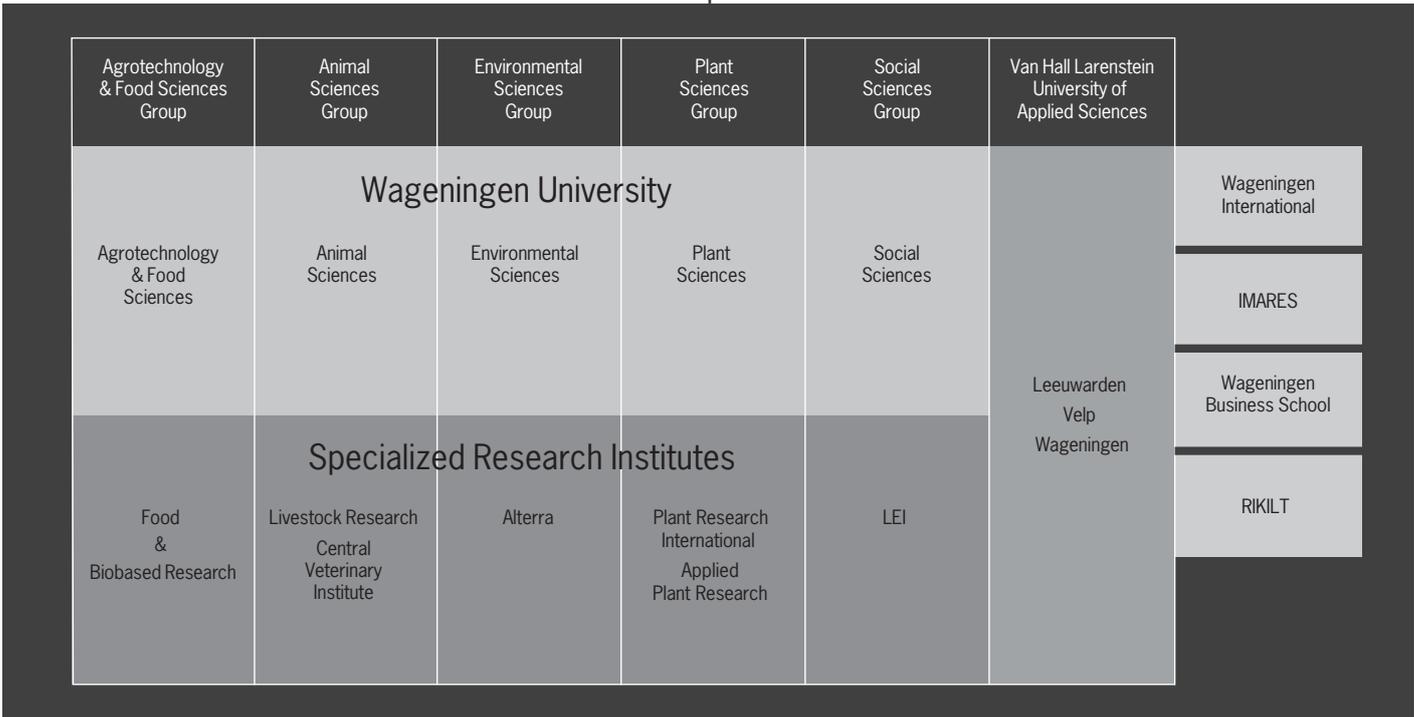
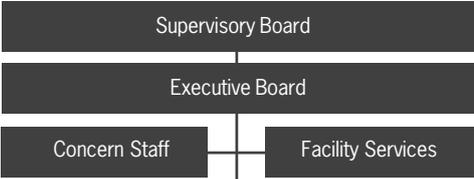


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Foreword

Wageningen UR came through the crisis year 2009 well. Fortunately, government and business in our domain continued to invest strongly in research and interest from new students in our programmes was undiminished. We have also had a good year in financial terms, which is important for the continuity of our teaching and research – the more so as we are facing tougher times, certainly as far as government funding is concerned. For example, the Ministry of Agriculture, Nature and Food Quality has announced that it will be cutting funding for policy-supporting research at our DLO institutes by 10% in 2010, and in the coming years government expenditure as a whole will have to come down by around 30 billion euros. This is no sinecure.

Every reason, then, for our DLO institutes to energetically pursue the course already taken towards winning more orders from the market and an extra argument for Van Hall Larenstein to strengthen itself both educationally and operationally with the project “VHL Vooruit” (VHL Moves Forward). For the third year running, Wageningen University enjoyed a substantial growth in student numbers and for the fifth time in a row it came top in the Dutch Guide to Higher Education – a superb result and the best weapon against tougher times. Against the background of these positive developments, we can also finally fulfil the aspiration of accelerating the move to Wageningen Campus of the remaining chair groups of the university which are currently still housed in different parts of Wageningen. That does mean that, as far as the university is concerned, there will be little or no room for additional impetuses or large-scale new activities in the coming years.

In the course of 2009, Wageningen UR and the other the parties involved have together worked out a challenging and ambitious vision for the future development of Food Valley. The concept is rock solid and is generating a lot of interest, activity and new research projects. In 2009 we transferred our shareholdership in Biopartner, catalyst and incubator of the Food Valley, to a private company, which means that the incubator can now truly stand on its own two feet. We have every confidence that this will allow it to further expand its role in the Food Valley.

We are looking to extend collaboration with foreign organisations in order to continue to play a central role in global issues in our domain and gain better access to international funding sources. To this end, we have concluded joint venture agreements with our French sister organisation INRA and with our partners in Brazil (Embrapa) and Chile (INIA). The importance of this move was underlined by the visit to Wageningen UR of President Bachelet of Chile, in the presence of HM Queen Beatrix and HRH Princess Máxima.

Within the European Union, Wageningen UR is involved in new instruments such as Joint Programming and Knowledge and Innovation Communities (KICs).

Finally, 2009 was another good year in terms of awards and recognition of our quality. Professor Daan Kromhout was named Academy Professor and Professor Marten Scheffer won our third Spinoza Prize in a row. In addition, the research schools came through a quality audit with flying colours. However, we will not be resting on our laurels. The tenure track system introduced in 2009 is designed to guarantee that talented young scientists can continue to develop themselves here and help secure our global leadership.

Finally a heartfelt word of thanks to all our staff who have made the year a success and to all our external stakeholders and customers – it has been a pleasure working with you!

Dr Aalt Dijkhuizen
Chairman of the Executive Board

Executive Board and Supervisory Board

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

Executive Board

Dr A.A. Dijkhuizen (chair)

Prof. 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 (from 1 September 2009)

Ms J.R.H. Maij-Weggen

Dr J.A.J. Vink (until 1 September 2009)

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.

1 Wageningen UR Annual Report

1.1 Introduction

Wageningen UR publishes an integrated annual report which consists of the following parts: the Annual Report of Wageningen UR (with information on the organisation, the primary process and facilities, where relevant broken down by legal entity);

- The financial reports of Wageningen University, DLO Foundation and Van Hall Larenstein Foundation;
- The social report of Wageningen UR.

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

- Netherlands Civil Code Book 2 Title 9 and the *Richtlijnen voor de Jaarverslaglegging* (Accounting Standards);
- Works Councils Act (information provision);
- Agreements with trade unions and participational structures.

Wageningen UR complies with the information obligations under the Environmental Management Act and the Working Conditions Act by providing information to the executive bodies that are authorised in accordance with these laws to certify or issue licences.

1.2 Report of the Supervisory Board

The Supervisory Board held six regular meetings in 2009. The chair regularly holds informal consultations with the chair of the Executive Board. The Board also twice held consultations with the participational structure and convened several times without the presence of the Executive Board. Topics discussed by the Board with the Minister of Agriculture, Nature and Food Quality in 2009 included the consequences of the economic crisis for Wageningen UR, the growth in the student intake and possible strategic alliances for Wageningen UR.

At its meetings, the Board approved the 2008 annual report of Wageningen UR, including the annual accounts of Wageningen University, DLO Foundation and Van Hall Larenstein Foundation based on the positive recommendation of the audit committee. The Supervisory Board has asked the Executive Board to accept the auditor's recommendations.

The Supervisory Board was kept up to date on the financial situation with periodic management reports. The Board was also informed of a number of decisions by the Executive Board such as the plan for positioning the research institutes in the national and international research market. In line with this plan, the focus in the years to come will primarily be on a number of market sectors identified for targeted acquisitions. The Board approved various decisions put forward by the Executive Board. In 2008, the Board approved the proposed decision to invest in new construction for the Agrotechnology & Food Sciences Group at Wageningen Campus. In 2009 it was considered whether this investment, which also involves Wageningen University selling off the De Dreijen complex, is prudent in view of the economic situation. Based on this reappraisal, the Supervisory Board approved the decision to implement the construction plans. This will mean that a significant proportion of the teaching and research of Wageningen UR will be based at or close to Wageningen Campus within several years.

The Board also approved the change to the DLO Foundation's legal structure. This completes a simplification of the legal structure, along with important related efficiency benefits in the operations. Moreover, this change of structure assures the continuation existing fiscal regime, which means that resources will remain available to the organisation for research purposes.

The Board has spoken to the Executive Board about the level of ambition relating to sustainability of Wageningen UR. The ambition level decided on is "trend-setting", which means that sustainability will be tackled in an integrated manner within the organisation. When making decisions, sustainability effects must be taken into consideration and

alternatives will be actively sought which contribute to achieving that level of ambition. In doing so, use will be made of “proven technology”, in order to limit the risk to operational management. The Board wholeheartedly endorses the choice of ambition level.

Although student housing is not the university's responsibility, the acute shortage of accommodation has prompted the Executive Board to invest in temporary accommodation for foreign students. The Supervisory Board has agreed to this move, in view of the exceptional state of the Wageningen accommodation market, particularly for students.

The Supervisory Board has been informed of progress on strategy and in the priority areas in 2009. The priority areas represent the elaboration of the Wageningen UR Strategic Plan 2007-2010. Priority areas, some of them new, have again been identified for 2010, the final year of the current plan period.

Based on the positive recommendation of the audit committee, the Supervisory Board approved the 2010 budgets of Wageningen University, the DLO Foundation and the Van Hall Larenstein Foundation.

In 2009, the Supervisory Board evaluated the performance of the Executive Board as a whole, along with that of its individual members. The Supervisory Board reappointed Mr Breukink as member of the Executive Board and Mr Kropff as vice chair of the Executive Board and also vice-chancellor.

On 1 September, Mr Vink's second term on the Board ended. In accordance with the regulations, Mr Vink was not eligible for reappointment. Over a period of eight years, Mr Vink has put his expertise at the service of Wageningen UR in a truly cooperative spirit, for which the Board owes him a debt of gratitude. The Board is pleased that the Minister of Agriculture, Nature and Food Quality has appointed Mr Heemskerk to the Supervisory Board from 1 September in view of his general and financial experience. The chair of the Board was reappointed by the Minister of Agriculture, Nature and Food Quality for a second four-year term in 2009.

• **Audit committee**

The audit committee met in regular session three times in 2009. Topics discussed at these meetings included the 2008 annual report including the findings of the auditor, risk management relating to treasury and the periodic management information.

In the auditor's report, the auditor indicated that the organisation is moving from financial control to management control. The auditor's recommendations were adopted by the committee. The audit committee recommended that the Supervisory Board approve the 2008 annual report, including the 2008 annual accounts for Wageningen University, the DLO Foundation and the Van Hall Larenstein Foundation. The 2010 budgets of Wageningen University, the DLO Foundation and the Van Hall Larenstein Foundation were discussed by the audit committee, which submitted a positive recommendation to the Supervisory Board.

• **Appointments and remuneration committee**

Partly in view of the reappointment of two members of the Executive Board, the performance of the Executive Board as a whole, but also that of its individual members was evaluated separately. In 2009, following consultations which included the participational structure, the committee submitted a positive recommendation to the Supervisory Board regarding the reappointment of Mr Breukink to the Executive Board. A positive recommendation was also submitted to the Supervisory Board regarding the reappointment of Mr Kropff as vice chair of the Executive Board and vice-chancellor, following consultations with the participational structure and the Doctorate Board, among others.

Regarding the succession to Mr Vink, the committee recommended putting forward Mr Heemskerk to the Minister of Agriculture, Nature and Food Quality for appointment the Supervisory Board following consultations with the Agriculture Ministry, the participational structure and the Executive Board. A remuneration report was drawn up for 2009 detailing the remuneration and pension arrangements for members of the Executive Board. The details are included in chapter 2 of the annual report.

- **Independence**

In its supervisory role, the Supervisory Board ensures that the members are able to operate independently and critically with respect to each other, the Executive Board and any special interests. In the Board's opinion, the Supervisory Board is independent in its composition, in accordance with the corporate governance code of Wageningen UR.

- **Composition of the Supervisory Board**

In 2009, the composition of the Board was as follows:

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. At that point, she will not be eligible for reappointment based on the provisions of the resignation rotation scheme. Ms De Boer has held various public 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. At that point, he will not be eligible for reappointment based on the provisions of the resignation rotation scheme. Dr Van Duijn is a former member of the Executive Board of the Robeco Groep.

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. At that point, he will not be eligible for reappointment based on the provisions of the resignation rotation scheme. Dr Van Depoele is the former director of Rural Development at the European Commission's Directorate-General of Agriculture and Rural Development.

Mr H. Heemskerk (1943)

Member of the Board since 1 September 2009; chair of the audit committee. Mr Heemskerk's term of office ends on 1 September 2013. At that point, he will not be eligible for reappointment based on the provisions of the resignation rotation scheme. Mr Heemskerk is the former chair of the Executive Board of Rabobank Nederland.

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

Member of the Board since September 2004; chair of the appointments and remuneration committee. Ms Maij-Weggen's term of office ends on 1 September 2012. At that point, she will not be eligible for reappointment based on the provisions of the resignation rotation scheme. Until 1 October 2009, Ms Maij-Weggen was Queen's Commissioner for the province of Noord-Brabant.

Dr J.A.J. Vink (1947)

Member of the Board since November 2001; chair of the audit committee. Dr Vink's term of office ended on 1 September 2009. At that point, he was not eligible for reappointment based on the provisions of the resignation rotation scheme. Mr Vink is the former chair of the Executive Board of CSM N.V.

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

	2009	2008	2007	2006
Students (total on 01-10)	6,427	5,617	5,202	4,945
Intake first year (BSc + MSc)	1,667	1,409	1,241	1,106
Total number of regular students	5,735	5,128	4,664	4,461
<i>Extranei</i>	0	0	1	0
Other enrolled students	682	489	537	484
Number of graduates ¹	1,495	1,313	1,308	1,417
Average number of Wageningen University staff (total in FTE)	2,475	2,335	2,269	2,233
Net result (€ x 1,000)	10,516	14,749	11,360	5,552
Assets WU ² (€ x million)				
Capital in fixed assets	190.9	189.6	199.5	196.4
Equity capital	140.3	129.8	115.0	106.1
Total capital	329.1	295.1	269.0	243.5
Solvency ratio	42.6%	44.0%	42.8%	43.6%
Liquidity WU (€ x million)				
Cash at bank and in hand	83.7	48.1	25.5	21.4
Current ratio	0.9	0.8	0.6	0.5

¹ Number of graduates 2006: These are graduates of the unified study programmes (255), the 3-year BSc programmes (371) and the 2-year MSc programmes (791).

² In 2009, the starting balance sheet was adjusted as a result of the reclassification of work in progress. Both the short-term receivables and short-term debts liabilities were increased by €23.8 million. As a result, the balance sheet total for 2008 and the solvency ratio and the current ratio differ from the annual accounts for 2008.

Amounts * € million

1.3.2 Key figures for Van Hall Larenstein University of Applied Sciences

	2009	2008	2007	2006
Students (total on 01-10)	3,861	3,791	3,879	4,050
Intake	1,115	1,046	1,038	1,113
Graduates with Bachelor's degrees	682	702	718	691
Graduates with Associate degrees	7	17	13	-
Graduates with Master's degrees	75	55	34	-
Average number of VHL staff (total in FTE)	384	388	407	417
Net result (€ x 1,000)	-257	834	264	3,615
Assets VHL (€ x million)				
Capital in fixed assets	35.6	34.1	35.8	34.6
Equity capital	6.0	6.3	5.4	1.3
Total capital	54.6	52.4	55.9	49.3
Solvency ratio	11.0%	11.9%	9.7%	2.6%
Liquidity VHL (€ x million)				
Cash at bank and in hand	12.8	11.2	11.5	9.0
Current ratio	0.7	0.8	0.9	1.0

Amounts * € million

1.3.3 Key figures for DLO Foundation

	2009	2008	2007	2006
Turnover	351.4	348.2	341.2	316.2
Share of Ministry of Agriculture, Nature and Food Quality in turnover ³	48%	48%	52%	53%
Investment in corporate buildings and grounds	29.9	47.9	36.5	52.0
Investments in other tangible fixed assets	8.6	8.9	7.7	5.5
Average number of DLO staff (total in FTE)	2,827	2,801	2,781	2,845
Net result (€ x 1,000)	10,780	14,364	25,417	12,989
Assets DLO				
Capital in fixed assets	423.5	415.9	401.6	402.9
Equity capital ⁴	269.4	258.6	232.9	207.5
Total capital ⁵	576.6	572.6	536.1	559.1
Solvency ratio ⁶	46.7%	45.2%	43.4%	37.1%
Liquidity DLO (€ x million)				
Cash at bank and in hand	44.1	36.8	55.9	76.3
Current ratio ⁶	1.1	1.1	1.3	1.2

1.4 Wageningen UR general

Wageningen UR is the framework of cooperation between Wageningen University, DLO Foundation and Van Hall Larenstein University of Applied Sciences (see organisational chart on inside cover). This cooperation is given shape in six units, including five Sciences Groups; by joining forces, these units become the organisational, substantive and administrative instruments to achieve greater decisiveness and quality in research and teaching. 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. Interdisciplinarity and a demand-based approach are assured, among other ways, by the matrix of the Sciences Groups with the Educational Institute, the graduate schools and programme leaders that operate Wageningen UR-wide.

The sixth unit, the higher professional education institutes of Van Hall Larenstein University of Applied Sciences (VHL), operates as an autonomous component within Wageningen UR, within the frameworks established by the

³ Ministry of Agriculture, Nature and Food Quality turnover consists of turnover from the Ministry of Agriculture, Nature and Food Quality in accordance with the funding scheme plus additional project funding classified under contract research. The total of the Ministry of Agriculture, Nature and Food Quality turnover is related to the total turnover.

⁴ Equity capital over 2008 has been adjusted to the structural adjustment for major maintenance implemented in 2009 for €11.3 million. The recalculated equity capital amounts to €247.3 million plus €11.3 million equals €258.6 million.

⁵ Total capital over 2008 is calculated on the basis of the modified calculation for work in progress. Since 2008, projects with a negative balance have been listed as deferred income under current liabilities. In the starting balance sheet, this item has been reclassified by an amount of €32.5 million. The recalculated equity capital totals €540.0 million plus €32.5 million (rounded off) equals €572.6 million.

⁶ As a result of the structural changes referred to above, the solvency ratio for 2008 has been adjusted from 45.8% to 45.2% and the current ratio from 1.2 to 1.1.

Executive Board. In addition, a number of components are not linked to a Sciences Group. RIKILT Institute for Food Safety conducts independent research in the area of safe and healthy food. Wageningen Business School provides post-graduate programmes and courses within the domain of Wageningen UR. Wageningen IMARES focuses on strategic and applied marine ecological research and Wageningen International is the central contact point for all international activities of Wageningen UR.

Wageningen University, DLO Foundation and Van Hall Larenstein Foundation are independent legal entities, where the Van Hall Larenstein Foundation is the executive body for the Van Hall Institute in Leeuwarden and for the Internationale Agrarische Hogeschool Larenstein in Velp and Wageningen.

Within the Wageningen UR framework of cooperation, the objectives and activities of the separate legal entities are substantively coordinated at the strategic and tactical levels. Cooperation takes place at the level of operational management between several of the components. However, there is no policy governance relationship between them. Moreover, the Executive Board is not authorised to utilise the resources of the separate organisations other than for the achievement of the objectives and the execution of the primary tasks of those organisations. The separate legal entities therefore publish consolidated annual accounts for their respective groups. Wageningen UR as a whole does not publish consolidated annual accounts.

1.4.1 Mission and aims

Wageningen UR is an international expertise centre with the mission “to explore the potential of nature to improve the quality of life”. The aim of Wageningen UR is to distinguish ourselves at both a national and international level by the excellent quality of our teaching and research within the Wageningen domain. Outside Europe, where Wageningen has been a leading name for decades, Wageningen UR continues to extend and develop its activities. Within Europe, there is still scope for further development to become the top European university and research institute within the domain of healthy food and living environment. This is a development that will strengthen the roots of Wageningen UR in Dutch society and the important role of the Dutch public interest.

The objective of exemplary quality and a top international position require clarity about the boundaries within which that objective is to be pursued. Those boundaries are delineated by the domain of Wageningen UR: healthy food and living environment.

1.4.2 Core areas

The domain of Wageningen UR is “healthy food and living environment” and comprises three related core areas:

- **Food and food production**

The production and supply side of the food chain: sustainable agriculture and horticulture and fisheries/aquaculture, international food chains and networks, animal health, food safety, nutrition and the use of biomass in the context of a biobased economy.

- **Living environment**

Nature, landscape, land development, water and ocean management and the various competing claims on space. This also includes biodiversity, climate effects and sustainability of management and production.

- **Health, lifestyle and living conditions**

The impact of the choices people make on health, food and living environment. Behaviour as consumer, citizen or recreational participant, the attitude to risk and uncertainty, the perception of quality and safety, agricultural policy and food security in relation to poverty, particularly in the less developed countries.

1.4.3 Progress in Strategic Plan 2007-2010

Wageningen UR is well on course towards achieving the Strategic Plan for 2007-2010. The core areas of Wageningen UR – food and food production, living environment, and health, lifestyle and living conditions – receive a

great deal of attention in the media and attract many students and research assignments. We have also made good progress on our performance indicators. All performance indicators in the Strategic Plan are monitored annually and a number of them are addressed monthly in the management discussions between the Executive Board and the management councils of the Sciences Groups.

In order to realise the Strategic Plan, a number of major development steps need to be taken during the period of the plan. This demands a temporary increase in investment in terms of time and money. To this end, priority areas are established annually. As in 2007 and 2008, the priority areas for 2009 have been chosen and enacted by the Executive Board and the Board of Directors.

When it comes to the priority areas, the motto is “we cannot do everything at once and what we do, we do well”. When setting the priority areas, the Board looks at whether the current priority areas need to be extended and whether new priority areas need to be added. If they have not been extended, priority areas either become part of the regular operational management, or are definitively concluded. The priority areas for 2009 were divided into three groups:

1. Expertise development and assurance.
2. Market orientation and entrepreneurship.
3. Strengthening the internal organisation.

The section below shows the status of the most important performance indicators from the Strategic Plan 2007-2010 in qualitative terms:

– Teaching:

- Number of new students at Wageningen University: there has been a large increase in students coming from pre-university education (VWO). Based on the initial situation in 2006 (1,100 students), the goal for 2010 was 1,200 students. In 2009, the intake in this category of students was 1,667.
- The recruitment of European students for Wageningen University is going well. The integration of recruitment into the various marketing and recruitment activities of Corporate Communication is now well underway. The aim for 2010 (125 students) was achieved in 2009.
- The number of new VHL students rose in 2009/2010 compared to 2008/2009. The 2009 intake was slightly lower than in 2006. The objective has not yet been achieved.

– Research:

- Scientific top quality: in 2009, Wageningen University was able to congratulate its third Spinoza laureate in a row. The objective was set at one (the first) in this plan period.
- The research themes’ innovation incentive is on schedule. The objectives set for 2010 are within reach.
- The financial objective of generating €17 million in Europe outside the Brussels programmes by 2010 had already been achieved in 2008.

– Organisation / other:

- The percentage of performance and development interviews held: has grown in line with the objective.
- The target ratio of permanent / temporary staff at DLO was set at 85% / 15% for 2010. In 2009 the figures were 85.3% / 14.7%.
- The implementation of the tenure track or “Career Programme for Academic Staff” began in 2009.
- Average overall yield DLO: growing in line with the objective.
- Solvency improvement for DLO: objective for the end of the plan period was achieved in 2008.

1.4.4 Expertise circulation and valorisation

In 2009, Wageningen UR actively pushed for the circulation and utilisation of expertise in several ways:

- Making available research results via the library, *Kennis Online*, METIS and other online databases. Wageningen UR is also making research results available via a large number of websites which generally focus on specific target groups. Efforts were also made in 2009 to make theme-based files available online.
- The presentation of research results through theme-based events, business cafés, professional networks and lectures.

- Working together with potential users on joint projects. Examples include public/private co-innovation projects and voucher projects for innovation in small and medium-sized business. Another example is 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 “Growing with a Future” (*Telen met toekomst*).
- Involvement in “Food Valley”, focused on the development of a cluster of research, teaching and innovative businesses in the region around Wageningen UR.
- Protecting research results by establishing intellectual property rights, so that these discoveries continue to hold their commercial value in the process of commercial development with business partners.
- Encouraging and supporting researchers who want to start their own firms, based on their expertise, in which Wageningen UR would like to participate (spin-outs).
- Teaching, training and courses. In 2009, the framework of cooperation of the former agricultural education institutes known as the Groene Kennis Coöperatie was given further form. The joint programmes bring lecturers and researchers together to share knowledge and develop new teaching materials. The programmes also actively seek to establish links with external parties (the labour market). Examples of joint programmes are the programmes Nature & Landscape and Nutrition & Health.

Wageningen Business School (WBS) delivers knowledge, skill and expertise based on the Wageningen themes in the context of lifelong learning. In 2009, it held over 40 courses, training programmes, projects and workshops for government, business and institutes in which approximately 800 professionals participated. The predominant themes were management & entrepreneurship, professional competences, space, water, green space, plant breeding and animal sciences. Special activities included an international training programme on the Common Agricultural Policy of the European Union, executive courses in Food Service Management and a module in the Netherlands for a New Zealand MBA. New courses were set up through cooperation with other parties, for example a Programme Management course together with Twynstra Gudde.

The demand for Wageningen expertise delivered through WBS is growing, as is the appetite for in-company training among firms. WBS has taken the initiative to work together more extensively within Wageningen UR in offering lifelong learning, both in terms of content and support.

1.4.5 Student recruitment

National recruitment

In 2009, the search process and the issues that young people consider in their choice of studies were investigated. The insights thus obtained laid the foundations for a new recruitment campaign for VHL and the university that will be launched around summer 2010. This will give prospective students a better opportunity to compare courses with those of other universities and institutes of higher education. There will be national and international versions of the new recruitment campaign.

The personal “tone-of-voice” approach to providing information was worked out further in the “study choice coaching” pilot project. Current students act as choice coaches to help those trying to choose a study to select the appropriate programme. By taking this step, VHL and the university are meeting a request from the Ministry of Education, Culture and Science to optimise “qualitative and individual selection at the door”. “Study choice coaching” has been part of our information activities since 2010. These are increasingly moving towards “tailored information”.

The popularity of the information days and Prospective Students’ Days at Wageningen University in 2008 increased slightly further in 2009. Particularly striking was the increase in the number of visitors to the 1-to-1 Prospective Students’ Days and interest in the MSc information activities. The number of visitors to open days and Prospective Students’ Days at VHL increased substantially. The Leeuwarden and Velp sites in particular received significantly more visitors than ever before.

Spring 2009 saw the launch of VHL's digital experience world: www.enteryourworld.nl. This website is a spin-off from www.wereldvanwageningen.nl and currently contains more than 350 accounts from practice by alumni and students. The websites of VHL and the university have been given a facelift, with a fresher look & feel, optimised search function, programme guide and better accessibility using everyday search terms. In addition, we have applied the principles of "search engine marketing" to make VHL and the university more visible in searches, more quickly and in a more targeted way.

International recruitment

• **Europe**

Action plans have been formulated, implemented and evaluated for each focus country in order to achieve further student growth. The success of recruitment in Germany has been carried forward with German-language websites, professionalisation of the German student team and joint open days in Wageningen. Recruitment activities with our German-language recruitment partner Educon have been extended with newsletters for counsellors and prospective students, online contact with our students, regional counsellors' fairs and a combined presence on www.studiereninolland.de. Participation in education fairs in Berlin, Hamburg and Munich has resulted in a substantial increase in the level of interest from Germany, both for the university and VHL. We have worked together with agents and taken part in education fairs in other European countries, too. This has resulted in a growing intake from Bulgaria. In countries such as Poland and France, it has proved difficult to reach our target group. In 2010, a decision will be made on whether to keep them on our list of focus countries. In Greece, Wageningen University has established new contacts in student towns such as Thessaloniki. Last year, we invested in our prospects databases in order to gain a better picture of the prospective international student, the way in which choices are made and the impact of information activities.

• **Outside Europe**

Outside Europe, we are looking to further link in with the activities of Netherlands Education Support Offices (NESO) aimed at the recruitment of *free movers*. With regard to scholarship students (*subsidised movers*), efforts are primarily focused on South America, Indonesia and Saudi Arabia. With an eye to the *institutional movers* target group, alliances have been formed with foreign universities in Thailand, Vietnam, Indonesia and other countries. Due to the increasing competition from Asian countries, particularly for non-European students, the recruitment activities of the Wageningen initiative Holland Education Consortium have been expanded and intensified.

1.4.6 Internationalisation

The international ambition of Wageningen UR is reflected in our cooperation with international partners and the fact that we also recruit international students for programmes in "international Wageningen".

The international activities of Wageningen UR (either the institute as a whole or its various organisational components) cover more than 70 countries worldwide, in partnership with public and private teaching and expertise institutes and companies. Activities include:

- joint research with international partners, focused on scientific output,
- joint PhD projects with international partners,
- activities focused on capacity building,
- joint teaching activities with international partners,
- exchange of staff and lecturers,
- student recruitment and exchange.

In 2009 – in the run up to the new Strategic Plan – Wageningen UR named a number of priority countries. These are countries on all continents in which Wageningen UR sees scientific or business opportunities, but also countries in which Wageningen UR hopes to make a substantial contribution towards sustainable development. In this, Wageningen UR is supporting the international policies of the ministries of Agriculture and Foreign Affairs.

Wageningen UR has the following short and medium-term aims in these priority countries – supported by a system of frameworks, guidelines and tools:

- to forge links with important strategic partners for cooperation in teaching⁷ and research⁸, and to exchange staff and lecturers,
- with regard to developing countries, to concentrate on capacity-building activities,
- to further stimulate the recruitment of students to Wageningen and the exchange of students.⁹

In Europe, Wageningen UR in 2009 strengthened (and confirmed in MoUs) its cooperation with INRA (France) and INRA's partners in the "Agreenium" Consortium, with the Faculty of Life Sciences of Copenhagen University and with the partners in the ELLS (European League for Life Sciences) network. Cooperation within various Erasmus Mundus projects (joint teaching programmes) was also continued. Outside Europe, new partnerships were concluded with among others BECAS and INIA in Chile and various Chinese institutes, and preparations started for an MoU with Massey University (New Zealand).

Wageningen University

On the reference date of 1 October 2009, the percentage of non-Dutch BSc students was 5% of the total number of BSc students. Of the total number of MSc students, approximately 45% have non-Dutch nationality (1,105 students). The most important countries of origin for foreign students are China (160), Indonesia (67) and Germany (61). Germany is also the most important country of origin for foreign bachelor's students (95). All Master of Science programmes are taught in the English language to non-Dutch and Dutch students together.

Nationality of foreign students at Wageningen University (excluding exchange students)

Reference date 1 October 2009

EEA countries (European Economic Area)	482
Europe other	36
Africa	209
Asia	430
North and South America	107
Total	1264

In late 2009, we 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 among Dutch BSc, MSc and PhD students. The results are expected in spring 2010.

In order to improve the international climate for students and staff in Wageningen, the Intercultural Dialogue Team has issued a recommendation regarding the vision and ambition of a truly international and multicultural Wageningen. Concrete proposals are being worked out in the policy plan *Kies Kleur in Groen Wageningen University* (Choose Colour in Green Wageningen University) which is being drawn up in 2010. The Agriculture Ministry has made funds available for the purpose.

Van Hall Larenstein University of Applied Sciences

Van Hall Larenstein presents itself as an international university with an international orientation in its teaching and contract activities. VHL trains people to work in an international context. The Wageningen site in particular has an international flavour. The basic conditions for internationalisation are satisfied by using the European Credit Transfer System (ECTS), a simple diploma supplement and by offering many English-language programmes and facilities. We

⁷ Renowned institutes with high scores in international rankings.

⁸ In line with the substantive focus themes from the institutional plan.

⁹ The emphasis in the coming years is on expanding institutional agreements and on the Profile Fund.

are now cooperating intensively in the internationalisation programme of the *Groene Kennis Coöperatie* (the framework of cooperation of the former agricultural education institutes).

VHL is well represented in Africa and in part of Asia. Each programme can be delineated in terms of geography and content. Expansion of the network (including alumni) and student recruitment are expressly taken into account when initiating new projects.

Recruitment and preparation

The recruitment of foreign students takes place via existing markets and contacts. There is a specific recruitment programme focused on Germany, while other recruitment takes place via partner institutes, particularly in China. Large numbers of Asian students engage in preparatory study in China in what are referred to as 2+2 programmes. This involves their studying in China at a Chinese university with which we have a partnership agreement for the first two years. In the third year, they are enrolled at VHL.

Mobility

VHL participates in Erasmus scholarship programmes to encourage European mobility. In 2009, this resulted in a flow of 48 outgoing students and 23 incoming scholarship students, involving a total of 49 partner institutes in 21 European countries.

In a number of majors, focused on working in the tropics, a study or work placement period abroad is compulsory. Usually that will be outside Europe, so no scholarships are available. For that reason, actual mobility is much greater than the number of EU scholarships would suggest. Mobility of lecturers is almost always linked to contract activities in the European programmes Tempus and NPT. In 2009, five lecturers received a reimbursement with Erasmus Lecturers mobility funding.

Wageningen International (WI)

Wageningen International provides a single access point for the integrated and multidisciplinary approach to Wageningen UR's international activities.

In 2009, activities were realised with partners in Africa, Asia and Latin America:

- Development of a four-year partnership programme on research and capacity development with six expertise institutes in Ethiopia on the themes of horticulture, seed supply systems, oilseeds, natural resources management, soil fertility and policy support.
- Appointment of an Ethiopian liaison officer (Wageningen University PhD alumnus).
- Implementation of a capacity development project together with the Regional University Forum for Eastern and Southern Africa (RUFORUM).
- Implementation of the ESFIM project Phase II (Empowering Smallholder Farmers in Markets), together with European partners of the AGRINATURA Consortium.
- Publication of "Youth Engagement in Agricultural Research: A focus on Sub-Sahara Africa" (F. Kruijssen).
- Development of the JIPSA Skills Development Initiative South Africa together with VU Amsterdam and TU Delft. This involves 75 scholarships for short courses at Wageningen University, VU and TUD.
- In partnership with Wageningen UR China Office: EU training course "writing project proposals" at China Agricultural University, four joint PhD proposals with Nanjing Agricultural University and a visit by the Chinese Academy for Agricultural Sciences to Wageningen UR.
- Cooperation with Fujian Province in China: an agreement on the Sustainable Tea project, completion of the project on waterweed control, with a follow-up in a PhD project.
- The appointment of Dr Shin Hakki, representative of RDA (Rural Development Administration – South Korea). Plus growth towards five joint projects.
- The launch of activities by VHL in Afghanistan aimed at building up the agrarian teaching system, including fifteen Afghan students starting master's programmes at the university.

- Start of a major NUFFIC programme by Wageningen University, DLO, Wageningen UR Centre for Development Innovation and VHL in Indonesia, focused on strengthening universities in eastern Indonesia (management, content).
- The start of a double degree pilot project between University of Sao Paulo Esalq (Brazil) and Wageningen UR.
- Various animal welfare projects in Argentina and Brazil.
- A project to promote the partnership between Chile and Wageningen in the field of biotechnology.
- The delivery of a project database for Wageningen UR projects in Africa, Asia and Latin America. This database will be made available on the Wageningen UR intranet in 2010 and subsequently on the websites of Wageningen UR.

In 2009, Wageningen International prepared visits by:

- The Dutch Prime Minister, Mr Balkenende, to the Wageningen UR Latin America Office (with VNO/NCW Chair Wientjes and a delegation from Dutch government and business). Speech by the Prime Minister about the sustainable production of biofuel.
- The President of Chile, Ms Bachelet, to Wageningen UR to sign agreements with Chile (in the presence of HM Queen Beatrix and HRH Princess Máxima, the Chilean ministers of Education and Agriculture and Ms Gerda Verburg, Minister of Agriculture, Nature and Food Quality).

In Europe, Wageningen UR was again very successful in 2009, particularly with projects within themes 2 (Food, Agriculture, Fisheries and Biotechnology) and 6 (Environment) of the seventh framework programme FP7. Projects within other FP7 themes such as Health, Energy and Nanotechnology and within the scholarship programme PEOPLE also met with success. As of 1 January 2010, Wageningen UR is coordinating 32 FP7 projects and Wageningen UR is working as a partner on a further 170 projects. The International Helpdesk of Wageningen International supports components of Wageningen UR in submitting project proposals and in implementing current projects, in close cooperation with the various advisers at the Science Groups.

In the field of development cooperation, projects have been realised via various programmes (CDI, DGIS, INREF, NUFFIC):

• **Centre for Development Innovation (CDI)**

In October 2009, CD&IC of Wageningen International was integrated into the newly founded Wageningen UR Centre for Development Innovation, part of the Social Sciences Group. Some examples of CDI projects and publications in 2009 are:

- An evaluation for Plan Nederland: Child-Centred Community Development.
- The development of a potato production manual for Bayer Crop Science.
- A Public Private Partnership with the sowing seed sector in Ethiopia.
- An assessment for SNV; Evaluation of Dutch Support to Capacity Development.
- For the World Water Forum: “stakeholder engagement” and “Learning Evaluation”.
- Institutional support for NEPAD (New Partnership for Africa's Development).
- Publication on responsible forestry management: “Multi-stakeholder design of forest governance and accountability arrangements in Equator province, Democratic Republic of Congo.”
- Green Knowledge Exchange between Turkey and the Netherlands: priorities defined for cooperation in the area of biodiversity and nature management.

• **DGIS-Wageningen UR partnership programme “Globalisation and Sustainable Rural development”**

- Start of two new projects within the theme of “Pro-Poor Agro-supply Chains” (Niger and Burkina Faso).
- Four new projects within the theme of “Sustainable Use of Agro-biodiversity” (community empowerment for conservation of plant genetic resources, community climate response, valorisation of dye-sorghum cultivars and inclusion of agro-biodiversity conservation into value chains and markets) in various developing countries.

- **Wageningen UR - NUFFIC programme for Capacity Building in Higher Education**

In 2009, the NPT and Netherlands Fellowship Programmes (NFP) Capacity Development programmes ended. The Directorate-General for International Cooperation (Ministry of Foreign Affairs) established new policy frameworks for the period 2009-2012 (NICHE and renewed NFP). As budget holder for 31 NPT projects and a turnover of €51 million, Wageningen UR was the biggest partner in this NUFFIC programme. Wageningen UR was the most important player in the NFP, too. The number of fellowships again grew substantially in 2009: an increase of 15% for CDI short courses and an increase of 82% for Wageningen University master's programmes. As far as the allocation of PhD-fellowships is concerned, Wageningen University scored highest of all institutes in the Netherlands.

In 2009, the financial frameworks for both NICHE and the renewed NFP were improved. Fees for the supply of expertise in NICHE have been increased by 19.1%. The tuition fees for NFP have been raised to market levels.

In 2009, the Platform International Education (PIE, chaired by Wageningen International) initiated a partnership process between VSNU, the HBO Board and the SAIL group to work out a new vision of the relationship between international cooperation and higher education. Through PIE, Wageningen International also contributed to the WRR report on development cooperation.

- **Group for Food Security and Sustainable Development**

In 2009, this group of Wageningen professors concluded its activities related to action on poverty through the special teaching and research remit of associate professor Hans Eenhoorn. The results of the study were presented and a follow-up process initiated together with Wageningen Ambassadors. In June 2009, the Global Science Forum on food production and food security was held in Wageningen together with international partners, with more than 300 participants and leading keynote speakers. In October 2009, a meeting was held with Schuttelaar & Partners within the framework of World Food Day (FAO) at the request of the Ministry of Agriculture, Nature and Food Quality.

1.4.7 Governance

The corporate governance code of Wageningen UR was compiled from the most suitable principles from the *Branchecode Governance HBO*, the *Code Goed Bestuur Universiteiten 2007* and the Netherlands Corporate Governance Code (*Code Tabaksblat*). Where there was a choice between them, the strictest principle was chosen. In 2009, the governance structure was placed on the website, as were a number of governance regulations including the "whistle-blower" regulations and the grievance regulations on Undesired Social Contacts or Relations. In 2009, the Wageningen UR integrity code was enacted and placed on the website.

This paragraph contains the main aspects of the Wageningen UR corporate governance code and the "in control statement" of the Executive Board.

- **Corporate governance structure of Wageningen UR**

I Compliance with and enforcement of the code

The main aspects of the corporate governance structure of Wageningen UR, based partly on the principles referred to in this corporate governance code, are explained in the annual reports from 2008. The up-to-date governance structure may be viewed on the website of Wageningen UR.

II Executive Board

Remit and working procedure

The Executive Board is entrusted with the governance of Wageningen UR. Among other things, this means that the Executive Board is responsible for achieving the aims of the organisation and for its strategy, funding and policy, as well as for the corresponding results. In this, the Executive Board is accountable to the Supervisory Board. In fulfilling its remit, the Executive Board is guided by the interests of the organisation, taking into consideration the relevant interests of the individuals involved in the organisation. The Executive Board promptly provides the Supervisory Board with all the information required to perform its tasks. The Executive Board is responsible for compliance with all relevant legislation and regulations and for managing the risks related to institutional activities.

The Executive Board reports on this to the Supervisory Board and discusses the internal risk management and monitoring systems with the Supervisory Board and its audit committee.

Remuneration

The Supervisory Board sets the remuneration of the individual members of the Executive Board, based on the recommendation of the remuneration committee, where the remuneration is in compliance with the established remuneration policy and the relevant legislative frameworks, such as the regulations concerning the legal position of the members of the executive boards of schools of higher professional education (AMVB, 26 June 2001), the resolution on the legal position of the members of the executive boards of public universities (Stb 1998, 518), the policy framework for remuneration of members of executive boards (CvB 2000) and the letter from the Minister of the Interior and Kingdom Relations to the Second Chamber of Parliament dated 22 December 2005 and the letter from the Minister of Agriculture, Nature and Food Quality to the Supervisory Board dated 1 October 2007. Details on the remuneration of individual members of the Executive Board are included in the "Remuneration" chapter of this annual report.

Conflicts of interest

Any form or appearance of conflicts of interest between Wageningen UR and members of the Executive Board is to be avoided. Decisions to enter into transactions which involve conflicts of interest of members of the Executive Board require the approval of the Supervisory Board if they are of material significance for the organisation and/or for the relevant members of the Executive Board.

III Supervisory Board

Remit and working procedure

The remit of the Supervisory Board is to monitor the Executive Board and the general course of affairs concerning Wageningen UR and its related institutes and to advise the Executive Board. In fulfilling this remit, the Supervisory Board is guided by the interests of the organisation, taking into consideration the relevant interests of the individuals involved in the organisation. The Supervisory Board is responsible for the quality of its own activities.

The members of the Supervisory Board are appointed by the Minister of Agriculture, Nature and Food Quality after nomination by the Supervisory Board. Members of the Supervisory Board are appointed for a maximum of four years, with the option of reappointment for a further term of four years.

Independence

The Supervisory Board is chosen in such a way that the members can operate independently and critically with respect to each other, the Executive Board and any special interest.

Expertise and composition of the Board

Every member of the Supervisory Board must be able to assess the overall policy in general terms. Every member of the Supervisory Board has specific expertise that is required for the performance of his/her task, within the roles set out in the Board profile. The composition of the Supervisory Board must be such that it is capable of performing its task effectively. Members of the Supervisory Board are reappointed only after careful consideration. The profile referred to above is also taken into consideration for reappointments.

Composition and role of the core committees of the Supervisory Board.

The Supervisory Board can appoint an audit committee and an appointments and remuneration committee from its ranks. The task of the committees is to prepare the decisions of the Supervisory Board.

Audit committee

The audit committee focuses on monitoring the Executive Board with respect to the following:

- a) the operation of the internal risk management and monitoring systems, including compliance with the relevant legislation and regulations and the operation of integrity codes;

- b) the provision of financial information by the organisation (funding regulations, choice of accounting policies, application and evaluation of effects of new regulations, insight into the treatment of “estimated items” in the annual accounts, prognoses, work of internal and external auditors on relevant aspects, etc.);
- c) compliance with recommendations by internal and external auditors and following up on their comments.

Appointments and remuneration committee

The appointments and remuneration committee has the following responsibilities:

- a) preparing selection criteria and appointment procedures for the members of the Supervisory Board and Executive Board;
- b) preparing a profile of the Supervisory Board following consultation with both the Supervisory Board and the Executive Board of Wageningen UR;
- c) making a proposal to the Supervisory Board regarding the remuneration policy to be implemented;
- d) making a proposal regarding the remuneration of the individual members of the Executive Board, to be approved by the Supervisory Board;
- e) preparing the remuneration report.

Remuneration

The Minister sets the level of remuneration for the members of the Supervisory Board for Wageningen University and the DLO Foundation. The level of remuneration for the Supervisory Board of the Van Hall Larenstein Foundation is determined by the Executive Board of the Foundation after the response of the Minister of Agriculture, Nature and Food Quality to the Executive Board’s proposal has been considered.

IV The audit of the financial reports and the position of the internal audit function and the external auditor
The Executive Board is responsible for the quality and completeness of the financial reports published. The Supervisory Board ensures that the Executive Board fulfils this responsibility.

V Horizontal dialogue

The Executive Board bases its policy on its vision of the position of Wageningen UR within society. It translates that vision into a mission and policy objectives. The Executive Board provides information on the achievement of the policy objectives and communicates with relevant stakeholders.

• In control statement Wageningen UR

Introduction

The Executive Board is responsible for the strategy and operational management of Wageningen UR. This relates to all processes required to achieve, manage and govern the policy objectives. In this section, the Executive Board accounts for the internal governance of Wageningen UR, focusing on the risks with regard to strategic objectives and operational management.

Risks related to strategic objectives

In the Strategic Plan 2007-2010, the institutional plan and the business plan, Wageningen UR has established its strategic objectives for a period of four years. Each year, based on these strategic objectives, strategic priority areas are determined, targets are set and project teams appointed for each priority area and implementation is monitored. The risks related to this process are managed by making periodic progress reports to the Executive Board. Important developments are addressed in the monthly discussions between the management councils of the units and the Executive Board. At the end of the strategic period, an evaluation is held; based on this evaluation, the new strategy is determined.

Risks related to operational management

In order to implement the planned policy, Wageningen UR has taken administrative measures in the areas of task separation, process design, procedures and the monitoring of their correct operation. In this context, the planning

and control cycle represents an important administrative instrument for management and the management councils. The planning and control cycle of Wageningen UR comprises the following:

- Preparing an annual framework letter (multiyear framework, setting tasks for the budget year);
- Preparing an annual budget for each unit;
- Making quarterly reports on developments relating to the balance sheet and result, along with the associated risks;
- Monthly monitoring of developments relating to results and liquidity at the level of units and departments (early warning system). The reports are an integral part of the monthly discussions between the Executive Board and the management councils;
- The Budget Allocation System (BAS) has been implemented for the project budgets of the Ministry of Agriculture, Nature and Food Quality. This system is used to inform cluster leaders and financial departments about the depletion of the Ministry's project budgets;
- In 2008, the subsequent costing for the 2007 financial year was carried out. An important part of this subsequent costing is the analysis of cost prices for each part of the organisation. Changes compared to the previous year are explained or notes provided. The subsequent costing is certified by the auditor.

Wageningen UR has an interest rates committee that meets quarterly. This committee, which operates under the supervision of the Executive Board, monitors the liquidity management over the previous quarter. It also sets the policy for depositing temporary liquidity surpluses for the next quarter. The treasury charter is used as a framework for this policy.

In 2009, great efforts were made to improve the quality of the internal management of financial operations. Based on internal control, the organisation-wide process descriptions were coordinated and laid down in the "Corporate Standard Frameworks". In 2009, the risk control matrix (RCM) was also initiated. The goal of this system of risk management and internal monitoring is to identify significant risks to which the organisation is exposed and to effectively use the checks established. In this way, reliable financial reporting is assured and the applicable legislation and regulations are complied with.

Based on internal control, audits were carried out in the areas of credit management and time registration. The action points identified were discussed with the organisation and the processes in question have been improved.

A look ahead to 2010

In 2010, the system of risk management will be implemented further. The Corporate Standard Frameworks will be expanded to include the financial/administrative processes of Van Hall Larenstein. Every six months, the results of internal control will be reported to the Executive Board.

All in all, the Executive Board feels that the system of internal governance of Wageningen UR and the internal risk management and monitoring systems performed adequately in 2009. The work processes were managed in such a way that the organisation operated in a sufficiently effective and efficient manner. We believe that the annual accounting is reliable and complies with the applicable legislation and regulations.

1.4.8 Participational structure

The participational structure is an important partner for the Executive Board and the management councils of the organisational components, and a link in the chain for creating policy, making choices and setting priorities.

Each Sciences Group has a single joint works council for Wageningen University and DLO Foundation staff who are employed at that Sciences Group. In addition, Wageningen UR has separate works councils for the Corporate Staff, General and Technical Support Services, IMARES, Wageningen International and RIKILT. Above these works council there is a single Central Employees Council (COR) for Wageningen UR; its members are chosen from the individual works councils. The Student Council (SC) and the Joint Student Staff Council (SSC) are the joint representative

advisory bodies for Wageningen University. The SSC is composed of Wageningen University members of the works councils and members of the Student Council.

Van Hall Larenstein University of Applied Sciences has joint representative bodies, each of which is made up equally of students and staff representatives. Both the Van Hall Institute and Internationale Agrarische Hogeschool Larenstein have their own Participational Councils (MR). The members of the Joint Participational Council (GMR) are chosen by and from the local participational councils. The Joint Participational Council consults with the management council of Van Hall Larenstein University of Applied Sciences and, as the occasion arises, also with the Executive Board. The participational councils hold consultations with the management council.

On 1 January 2009, the Central Participational Consultative Body (CMO) of COR, SSC, GMR and SC got underway. This consultation is formed of the members of the Central Employees Council plus a delegation of student and staff members of the Joint Participational Council and a delegation from the SC. The COR, SSC, GMR and SR together drew up a covenant containing the agreements between them. The CMO is not a formal body with its own competencies; the existing rights of the individual participational bodies remain as they were before 1 January 2009. Formal requests for advice and consent are therefore always directed towards the separate bodies and if a subject is discussed in the Central Participational Consultative Body, a formal response from the separate bodies is still required.

In addition to the internal participational structure described above, Wageningen UR also has a system of external joint representation. For each entity (Wageningen University, DLO Foundation and Van Hall Larenstein Foundation), discussions are conducted in these bodies between the trade unions and the executive – based on the collective labour agreement – about the conditions of employment and legal position of staff. In this process, Wageningen University and Van Hall Larenstein Foundation participate in the collective labour agreement for Dutch Universities (CAO NU) and the collective labour agreement for Higher Professional Education (CAO HBO), respectively. The DLO Foundation has an individual collective labour agreement. In 2007, the negotiations led to new collective labour agreements for Wageningen University and Van Hall Larenstein Foundation. For DLO Foundation, the negotiations led to a new collective labour agreement in 2009.

1.4.9 Grievance regulations and Appeal & Objection

• Wageningen University

- In 2009, the *Complaints Committee for Legal Status Disputes* (AWB chapters 6 and 7, CAO-NU) was presented with four new cases, of which two objections were withdrawn, one objection procedure was completed and one objection is still pending in connection with a possible settlement. Also in 2009, three objection procedures initiated in 2008 were completed, of which two were dismissed and one objection was withdrawn as the result of a settlement.
- In addition, due to the dismissal of previous objections, there were still three ongoing appeals cases at the end of 2009 (of which one has since been withdrawn and two are still pending), along with two requests to review appeal cases.
- In 2009, the National Complaints Board for Job Ranking (CAO-NU) did not handle any complaints for Wageningen University.
- In 2009, the *Appeals Advisory Committee* (CAB) of Wageningen University received twelve notices of appeal, all of which concerned decisions of the Executive Board. Three objections related to decisions based on the provisions of the Student Financial Support Regulations, three concerned decisions based on the Travel Funding Regulations, two concerned decisions based on the WU Student Finance Regulations, one concerned a decision relating to the refund of tuition fees and one concerned a decision regarding the level of tuition fees. The other two objections concerned the move of part of the Leeuwenborch Library and the closure of the Wageningen University vaccination service. In two cases, the CAB advised the Executive Board to declare the objections inadmissible, and in one case to dismiss the objection. In these cases, the parties concerned were not given a hearing. In one case, the Executive Board completely accepted the objection, which is expected to be withdrawn. In seven cases,

the CAB took evidence from the parties concerned and representatives of the Executive Board. In one case, the CAB advised the Executive Board to declare the objection inadmissible, in one case to declare the objection valid and in four cases to dismiss the objections. At the time that this annual report was compiled, two cases were still under consideration.

- In 2009, two notices of appeal were submitted to the *Examinations Appeals Board* (CBE) of Wageningen University, one relating to the term for which interim examination results are valid and one relating to the rounding off of a grade which had been awarded. In both cases, the parties reached an amicable settlement and the CBE did not consider the detail of the cases.
- In 2009, no cases were brought before the student ombudsman.

• **DLO Foundation**

- In 2009, the *Grievance Committee for Individual Right of Complaint* (CAO-DLO) handled three complaints, of which one was withdrawn as the result of a settlement and two were declared inadmissible.
- The *Complaints Committee for Job Ranking DLO* did not handle any complaints in 2009.

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

Van Hall Larenstein University of Applied Sciences has various regulations relating to objections, appeals and complaints from staff and students.

- In 2009, the *Examination Appeals Board* in 2009 received twenty-three notices of appeal, of which nineteen in Velp/Wageningen and four in Leeuwarden. Of these, twenty-one concerned appeals against binding study recommendations. Fourteen notices of appeal were withdrawn following amicable settlements, while three were withdrawn without amicable settlements being reached. Of the four remaining notices of appeal, the Appeals Board declared one appeal inadmissible, dismissed two appeals and declared one appeal valid. Of the remaining two appeals, one was declared valid and the other was dismissed.
- Appeals Board for VHL students / Objection Advisory Board
- In 2009, the Appeals Board received one notice of appeal and recommended that this be declared valid.
- *Reconsideration Board*
In 2009, the Board issued one recommendation regarding a request from a staff member to reconsider a decision by the employer. In this case, the Board recommended meeting the staff member's request.
- *Van Hall Larenstein Objection Advisory Board – Leeuwarden site*
The Objection Advisory Board handled two objections to decisions of the Executive Board relating to Student Financial Support Regulation (FOS) requests, and issued a recommendation to the management council.
- *Objection Evaluation Board*
In 2009, two objections were received. One was declared valid by the employer, the other was withdrawn.
- *Appeals Board HBO*
One appeal was submitted and was declared valid.
- *Ombudsman*
Staff or students (individuals or groups) who feel they have been disadvantaged by an action or failure to act on the part of an institute or official can approach the ombudsman. The ombudsman may make a referral, advise, mediate or launch a formal investigation. In 2009, there were a total of twenty-five complaints, of which nine were from students and sixteen from staff members. Twenty-three complaints were resolved through mediation and two official complaints reports were issued.

• **Wageningen UR**

- In 2009, one formal complaint was submitted based on the provisions of the *Complaints Procedure on Undesired Social Contacts or Relations Wageningen UR*, which was dismissed by the external Complaints Committee on Undesired Social Contacts or Relations.
- The available information relating to the Confidential Counsellors for Undesired Social Contacts or Relations (WU, DLO and VHL) shows that the confidential counsellors received 49 informal reports of undesirable forms of behaviour, of which 35 from members of staff and 14 from students. A little over half the students reporting such behaviour were women (of which half were foreign), while the ratio among reports from staff members was

exactly the reverse. This resulted in one formal complaint being submitted. In addition, the WU confidential counsellor was contacted seven times in relation to work conflicts.

1.4.10 Sustainability

According to its mission, Wageningen UR has sustainable development as a fundamental scientific philosophy. Besides operationalising sustainable development in its teaching and research, Wageningen UR also regards sustainability as an important principle in its operational management. This involves achieving a balance in the complex relationships between today's social, environmental and economic needs, without endangering future needs.

In 2009, Wageningen UR formulated a new sustainability ambition for its operational management across the entire organisation. Promoting and achieving more sustainable operational management within Wageningen UR is more of an on-going process than a project.

The new ambition level, (called "Voorlopen" – "Trend-setting")¹⁰ will demand a major effort from the organisation in the years to come – an effort that must translate itself into the attitude of all staff and students. That attitude involves searching for a more sustainable approach to everything connected with operational management. This requires the motivation to work towards sustainability from all parties. At the same time, the "Trend-setting" ambition requires opportunities to translate this motivation into action. In this way, we can bring about an organisation that takes up the challenge of sustainability in an integrated way and communicates it to the outside world; an organisation in which sustainability is a natural part of decision-making – this is the heart of the new ambition level.

This in turn requires that decision-makers can and want to be accountable when they take decisions which they know do not contribute to the sustainability objective. It does not mean that sustainability considerations trump all others in decision-making; that would imply an even higher ambition level. Finally, "Trend-setting" will mean using *proven technology*. This choice is primarily informed by the desire not to unnecessarily endanger on-going processes in research, teaching and operational management. It does not mean there is no room for innovative pilot projects and trials.

After determining the ambition level, the sustainability project group received the follow-up assignment of formulating a plan of approach and engaging in a broad debate with staff and students about possible dilemmas that the sustainability ambition might entail. This broad debate also offered staff and students of Wageningen UR an opportunity to contribute their ideas and thoughts about sustainable operational management. Working groups were set up to formulate plans of approach for branches within operational management. These plans were delivered to the "Sustainability" project group in December. In 2010, the project group will present a single overall plan of approach to sustainability to Wageningen UR. In this process, we will aim to work together with local government and with the Idealis housing organisation wherever possible.

In 2010, the plan of approach will be worked out in detail for Wageningen UR. In 2009, the following concrete actions relating to sustainability were implemented:

- Within the framework of the Multi-Year Agreement 3 (MJA3), Wageningen UR will energetically take up the goal of energy efficiency with the Association of Universities in the Netherlands (VSNU) and the Ministry of Housing, Spatial Planning and the Environment. On the basis of the MJA3, Wageningen UR commits itself to improving energy efficiency by 30% over the period 2005-2020. A supplementary target for an additional efficiency improvement of 20% has been set for 2030. Wageningen UR looks to be on course to comfortably achieve the agreed energy efficiency.
- The sustainability project group held a number of meetings in 2009 for staff and students to debate the new sustainability ambition and give their input for the subsidiary plans of approach. Various working groups have

¹⁰ This relates to trend-setting in comparison with comparable institutes, in particular universities, universities of applied sciences and research institutes.

drawn up action plans for the subsidiary areas Construction and Energy, Catering, Purchasing, Waste, Mobility, Teaching and Research and the Sustainable Employee. These plans will be presented to the Executive Board with a plan of approach in 2010.

– Notable new sustainable initiatives in 2009 included:

- The procurement of 100% sustainable electrical energy for the whole of Wageningen UR from 1 January 2011.
- Preparations for the introduction of an electronic ordering system whose objectives include paper savings.
- Together with Wageningen municipality, we are looking to introduce more energy-efficient lighting on Wageningen Campus.
- In September, De Marke test farm became the first dairy farm to supply green gas to the public gas network. By delivering the gas direct, no energy is lost (except in the upgrading process).
- The wind turbines of Wageningen UR beside the A6 motorway in Lelystad will supply green electricity to future residents of the adjacent residential and golf complex. The 26 wind turbines deliver 77 million kWh per year; more than enough to supply 22,000 households with electricity. With the wind farm, Wageningen UR delivers more energy than it uses.

Other eye-catching sustainability initiatives include:

- Wageningen UR is encouraging the use of videoconferencing; with the help of 21 sets, staff and students all over the world are able to communicate with each other remotely.
- Each year, the coffee machines of Wageningen UR serve four million cups of sustainably produced (Utz-Certified) coffee.
- Wageningen Campus uses seasonal thermal store technology.
- Applied research centre Nij Bosma Zathe (Goutum) uses the biogas it produces for district heating in Leeuwarden municipality.
- The Shared Service Center Purchasing has for several years been adhering to the sustainability criteria drawn up by Senter Novem.

1.5 Wageningen University

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

Interest in the programmes of Wageningen University increased further in 2009. The enrolment of undergraduates for the BSc programmes (first-year higher education) increased by 13% compared to 2008.

In 2009, Wageningen University took first place in the annual rankings of the Dutch Guide to Higher Education for the fifth successive year. Nearly all programmes scored above average. The main reason for this is the small-scale and intensive tuition. In 2009, a distinction was made between BSc and MSc programmes for the first time. In both cases, Wageningen University took first place.

In 2009, Professor Daan Kromhout was named Academy Professor by the Royal Netherlands Academy of Arts and Sciences. His appointment recognises his pioneering work in the field of nutritional epidemiology and in particular the relationship between diet and the risk of cardiovascular disease. In 2009, Professor Marten Scheffer was awarded the prestigious Spinoza Prize for his ground-breaking contributions to the understanding of critical turning points in complex systems, ranging from transitions in shallow lakes to climate change and the collapse of ancient cultures. It was the third year in a row that a Wageningen academic was awarded the Spinoza Prize. In 2009, three Spinoza Prizes were awarded in total. The Spinoza Prize is the most important Dutch award in science.

In 2009, the Teacher of the Year award of the Wageningen University Fund Foundation (WUF) was awarded to Jan den Ouden of the chair group Forest Ecology and Forest Management.

The title of Foundation Day 2009 was “Darwin’s Legacy: Biodiversity as natural capital?” The speakers were Professor Stephen C. Stearns, professor of Ecology and Evolutionary Biology (Edward P. Bass professorship at Yale University), Professor Martin Kropff, Vice-Chancellor of Wageningen University and Professor Marcel Dicke, professor of Entomology at Wageningen University.

In 2009, the theme of the Education Day of the Educational Institute and the Wageningen Student Organisation (WSO) was “Design your future”, addressing study development and career. The opening of the 2009/2010 academic year was themed on “Innovation in economically difficult times”.

1.5.1 Teaching and students

1.5.1.1 Teaching and study programmes at Wageningen University

In 2009/2010, the teaching offered to the almost 6,500 students comprised 18 Dutch-language bachelor’s programmes and 29 English-language master’s programmes in the fields of Biology, Plants & Animals, Society & Economics, Environment & Landscape and Technology & Nutrition (see Appendix IA, table 1).

The teaching is problem-focused. Teaching and research are highly internationally oriented.

Innovations in 2009 included:

- BSc minor in Education, BSc minor in Sustainable Food Production and Consumption and BSc minor in Climate Change: mitigation and adaptation strategies.
- Specialisation in Sensory Science (together with the LIFE-faculty of the University of Copenhagen).
- Launch of MSc in Climate Studies as a widening of the existing Earth System Science programme.

The Strategic Plan 2007-2010 provides for a substantial redesign of the programmes at Wageningen. Discussions in 2008 resulted in a decision in 2009 to remodel the bachelor’s programmes according to the major-minor system. Among other things, this means that the free elective component for every student is now timetabled in a continuous semester. This offers students the opportunity to study elsewhere for that semester, for example abroad. Moreover, minors are being developed that fit within the semesters and that may be attractive to international and other students from outside the university as well as our own. The major-minor system offers students greater choice and more opportunities to prepare for an MSc of their choice.

1.5.1.2 Internal and external quality assurance

• Internal quality assurance

The results of the fourth BSc first-year evaluation in 2009 were very positive. The first-year students rated their programmes highly and 96% (the same proportion as last year) would recommend their programme at Wageningen University to secondary school students. The evaluation among BSc and MSc graduates also paints a positive picture. Of bachelor’s graduates, 78% would choose the same programme again; 77% of master’s graduates would recommend potential students to take their master’s degree.

The evaluation of non-programme teaching (theses, work placements) yielded highly positive results. Of all the respondents, 70% gave an overall mark of 8 out of 10 or higher for their theses or work placement. The response to the electronic questionnaires was generally good. The evaluations produced sufficient, up-to-date feedback for programme directors, lecturers and chair holders.

In early 2008, the fourteen Dutch universities officially signed the Basic Qualification for Education (BKO) agreement. All staff members appointed after 1 January 2008 with teaching duties of more than 10% are required to achieve the BKO. This requirement also applies to staff members who were appointed previously and for whom the performance and development interview indicated that achieving the BKO was desirable or essential to improve the

quality of teaching. In 2009, a start was made on revising the list of lecturer competences and working out a system of testing.

• **Quality assurance external**

In 2009, the Accreditation Organisation of the Netherlands and Flanders (NVAO) awarded accreditation to the bachelor's programme in Environmental Sciences and the master's programme in Environmental Sciences and Urban Environmental Management. This completed the accreditation of all bachelor's and master's programmes at Wageningen University by the NVAO during the first cycle.

In 2009, a review of the bachelor's programme in Economics and Policy by QANU (Quality Assurance Netherlands Universities) led to the publication of a positive evaluation, and the extension of accreditation was requested for this programme from the NVAO. The bachelor's programme in Biology and the master's programme in Biology were also reviewed by QANU in 2009. In his verbal presentation at the end of the review visit, the chair of the review committee was positive about both programmes. The written assessment report will be delivered in 2010.

1.5.1.3 Study progress and success

Tables 6 and 7 of appendix 1A show the yields for master's students (generation 2005 through 2007) and bachelor's students (generation 2004 through 2006).

Whereas the master's yields are high, the bachelor's yields are below expectations. In part this is due to the "soft cut-off" which allows bachelor's students to begin their master's before they have completed their bachelor's degree, but that is by no means the only cause. Policy is focused on allowing bachelor's ratios to increase substantially in the coming years. This is in line with agreements made between the Association of Dutch Universities and the Ministry of Education, Culture and Science. The aim is for 70% of re-enrolled students in the second year to achieve their bachelor's diploma within four years (currently 48%). Although more than 85% of "second year re-enrolled students" achieve their bachelor's diplomas, the number of students that do so within four years is too low (48%).

1.5.1.4 Support for students

Support for and service to students is largely delivered through the Student Service Centre. Since mid-2008, the Student Service Centre has consisted of three teams and the student desk:

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

Students can go to the student information desk in the lobby of the Forum building with all kinds of questions and to obtain their WURcard.

In 2009, the publication "Studying in Wageningen" was revised, and over the summer months the popular Infopoint was set up for the tenth time. Senior international students help new students to quickly find their way in Wageningen. The International Office also has staff on hand to support Exchange Students (including Erasmus students).

The number of first-year BSc students from Germany again rose substantially in 2009. As well as evaluating their admission, the Student Administration team assisted German students in registering with *Studielink*, with their participation in the six-week Dutch course and in finding accommodation.

The number of requests for admission to a master's programme at Wageningen University rose further in 2009 to 5123. A project focusing on enabling digital delivery and processing of the required documents for the admission and acceptance process is underway and will be completed in the course of 2010.

In 2009, the decision was made to start using Trinicom's T5 software from spring 2010: being "always e-vailable" will allow us to deal even better with requests for information via internet, e-mail, telephone and face-to-face contact at the desk.

1.5.1.5 Facilities for students

Students of Wageningen University have access to teaching, interim examinations and examinations along with the institutes and collections of the university. The university also provides student counselling and study counselling.

In order to ensure good studying and living conditions, the university and a range of student-run and other organisations also offer activities such as student social clubs, sports clubs, theatre groups, choir and orchestras, student political parties, students unions and everything in between. Wageningen University attaches great importance to a strong, effective range and therefore supports many of these groups.

• Study supervision

The university again saw increased student numbers in 2009. The demand for study supervision increased further. Students say that freedom of choice is a strong point of Wageningen University. In 2009, the decision was made to change the BSc programmes to increase this freedom of choice further. There has already been a slight increase in the number of BSc students going abroad to complete the elective portion of their programme. This number is expected to increase further from 2010 due to the fact that six months have been reserved in the timetable for the free elective component. Study advisers play an important role in supporting students in making the relevant choices.

• Student counselling

In 2009, the Student Counselling Service (DSB) consisted of four student deans (3.5 FTE), three student psychologists (1.5 FTE), one student doctor (1.0 FTE) and two assistant nurses (0.8 FTE).

In order to further improve counselling for students, a number of meetings were held in 2009: for student counsellors (facilities offered by the student counselling team, feedback about their interaction with students) and for students (information meeting about studying with a physical disability or psychological problem). In addition, active use was made of information markets, the Education Day and Annual Introduction Days (AID) to provide information and lower the threshold of the DSB.

• Student dean's office

In 2009, a total of 1073 students visited the student dean's office: 913 discussions were held with a total of 660 Dutch students and 574 discussions were held with a total of 413 international students. Due to the increase in student numbers, there was also an increase in the number of students visiting the dean's office. This particularly applied to Dutch students.

In 2009, a number of students had to interrupt their studies for a longer period of time or return to their home countries due to serious family or personal circumstances. One Wageningen University student died. At the initiative of the dean's office, contact with next of kin and fellow students was provided by a team consisting of a student dean, the study adviser, a student chaplain and a delegation of members of the student association and friends.

In August, the student dean's office participated in an intercultural workshop as part of the AID; in October, the first English-language "study skills" training was given in partnership with Purple Monkey.

• Student psychologists

In 2009, 407 students had an appointment with a student psychologist, of whom 315 for the first time. In 45% of cases, this concerned study-related problems, in 55% the problems were of a more personal nature (often resulting in falling behind in their studies). 18% of the students were from abroad and 39 students had come for a psychological examination in connection with their choice of studies/profession.

- **Student doctor and vaccination centre**

679 students registered with the student doctor for the first time with problems including study delay due to illness/stress. The number of consultations was 910 (937 in 2008). The number of consultations for international students (including PhD students) rose slightly to 106 (93 in 2007 and 102 in 2008).

In connection with planned visits to the tropics, 237 students were given tropical medical examinations and 1925 tropical vaccines were administered. In addition, drop-in malaria information clinics were given for an average of four students per clinic and 183 malaria medication and other prescriptions were issued. More than 80 interviews were held with students returning from the tropics. For 21 individuals, these related to post-travel screening in partnership with Leiden University Medical Centre (LUMC).

- **Other facilities**

For accommodation, students can turn to the private market for student rooms, the Wageningen Student Organisation room rental service and the housing organisation Idealis. Idealis rents out approximately 4,500 rooms in fourteen complexes located all around Wageningen. In 2009, Wageningen UR had nearly 1,200 rooms especially for international students. Due to the growth in the number of students, in autumn 2009 some international students were temporarily housed in a holiday park. By mid-December, all had rooms in Wageningen.

In order to meet the strong demand for rooms from international students, a decision was taken in the spring that Wageningen University should itself invest in the construction of approximately 250 extra rooms. This relates to temporary accommodation for a duration of five years. The rooms were delivered in stages from early September to mid-December 2009.

The University Sports Centre De Bongerd (USB) is a multifunctional sports centre with extensive indoor and outdoor facilities. The sports programme offers more than 40 different sports (from Athletics to Zumba), along with approximately fifteen sports events. The SUB held onto its first place for “university sports facilities” in the Guide to Higher Education for the fourth year in a row in 2009. Following an upward correction over the past two years in the prices charged for using the sports facilities, prices will only rise in line with inflation in the coming years. That means a high-quality sports programme at an affordable price. The sports foundation Wageningen University Thymos (SWU Thymos) promotes sport and physical fitness for students, promotes the general interests of students who participate in sport and the specific interests of the nineteen student sports clubs.

In order to promote integration between students of Wageningen University and Van Hall Larenstein University of Applied Sciences in Wageningen, an agreement was made in 2007 that the Student Financial Support Regulation (FOS) will also apply to VHL students involved in certain organisations traditionally linked to the university and vice versa. In 2009, students took advantage of this opportunity: students of the university and VHL are increasingly taking part in activities together.

In autumn 2009, the International Student Barometer survey was distributed to all students of Wageningen University. The results and any subsequent measures will be announced in spring 2010. One important outcome is that students indicated that their expectations of studying and living in Wageningen are being met.

1.5.1.6 International mobility and exchange of staff and students

In 2009, two of the four current Erasmus Mundus Programmes in which Wageningen University participates were approved for Erasmus Mundus funding for a second five-year period. They are “European Forestry” and “International Master in Rural Development”. In order to further stimulate participation in Erasmus Mundus, in 2009 a number of priority themes were designated, related to the priority areas in the Strategic Plan, and allocated incentive grants.

2009 was the first year in which it was also possible to put forward Joint Doctorate Programmes for Erasmus Mundus grant. Unfortunately, none of the three joint doctorate programmes which had been submitted by Wageningen University (solely or jointly) were accepted.

In order to achieve a better balance between the numbers of incoming and outgoing students in the student exchange process, the focus has been shifted to outgoing students through better promotion of the opportunities open to them. The numbers of incoming students have been reduced slightly to approximately 300 students. As a result of a revision of agreements with partner universities, the incoming students are of a higher level (in terms of quality and programme match). The number of outgoing students increased to 109 (85 bound for educational institutes within the EU and 24 for educational institutes outside the EU).

Social support for incoming students has been improved further thanks to the buddy system, introductory meetings and guidance from Erasmus coordinators. In all of these activities, we work together closely with the Wageningen branch of the Erasmus Student Network (I x ESN). The incoming students are very positive about the curricula we offer and are transferring to regular Wageningen study programmes in increasing numbers. At the same time, the difficulty of finding accommodation represents an ever increasing barrier to choosing Wageningen.

In addition to student exchange, there is frequent international exchange of academic staff. Academics use the option of sabbatical leave to work at a university abroad temporarily. In the other direction, a large number of foreign staff (guest staff) are employed at Wageningen UR. On average, they represent over 70 different nationalities.

1.5.2 Alumni and fundraising

Wageningen University has a network of approximately 35,000 graduates and recipients of doctorates across approximately 100 countries. Alumni can use the online platform of Wageningen University and Wageningen Alumni Network KLV to find each other, meet and receive and exchange information. Since the launch of this alumni portal in September 2009, more than 6000 alumni have visited it.

In the Netherlands, alumni meetings were held jointly with existing regional alumni groups in 2009. Outside the Netherlands, alumni meetings were held in countries including Belgium, Brazil, Indonesia and the United States (Washington and San Francisco). Alumni meetings were also held abroad in partnership with other Dutch universities, including one such meeting in Barcelona.

Activities held in Wageningen included reunions for former students who started their studies 25 and 50 years ago. A new development was the involvement of alumni in the annual Veluwe-loop run. The three fastest alumni received a prize. The Wageningen Ambassadors platform has grown to 39 members and has met twice. In addition, a start was made on restyling Wageningen Update, the quarterly for associates and alumni.

In 2009, the intensive partnership with KLV in coordinating, setting up and implementing alumni activities was evaluated. The partnership is being extended, with KLV taking on some of the university's alumni activities.

In 2009, fundraising campaigns were held for the Anne van de Ban Fund and Wageningen University Fund (WUF) among others. The Anne van den Ban Fund received over €180,000 in donations, much the same as in the previous year. With its activities, the WUF raised approximately €30,000 in donations, again virtually the same as in 2008. The telephone campaign at the end of 2009 was successful, boosting the number of regular donors to over 200.

In 2009, the WUF raised nearly €4,900,000 for the various named funds. This was significantly more than in the previous year, thanks to a grant of over four million euros for research into a new tuberculosis vaccine. Wageningen UR intends to further intensify fundraising focused on friends of the university in 2010.

1.5.3 Research

1.5.3.1 Research policy

The domain of Wageningen UR is described as "healthy food and living environment" and comprises three related core areas:

- Nutrition and food production;
- Living environment;
- Health, lifestyle and living conditions.

In the 2007-2010 plan period, extra investments were made in three socially relevant themes that lie at the heart of Wageningen UR's mission:

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

In addition, investments have been made in three areas of expertise and technologies:

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

Within its domain, Wageningen University wishes to establish a profile in a number of scientific fields. These fields will be designated as chairs. The idea is that a group of staff forms around the chair who then map out that scientific field together with the professor. Within Wageningen University, research is conducted in 92 chair groups within five departments.

1.5.3.2 Graduate schools

Wageningen University chairs six graduate school consortia and accommodates an auxiliary branch of a seventh graduate school. The graduate schools at Wageningen University operate under the auspices of an umbrella organisation: Wageningen Graduate Schools.

Graduate schools chaired by Wageningen University:

- Experimental Plant Sciences (EPS);
- Mansholt Graduate School of Social Sciences (MG3S);
- 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 graduate school SENSE.

Participation in graduate schools chaired by other universities:

- 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 assure the scientific quality of the research at Wageningen University. The research of Wageningen University and its PhD programmes are conducted under the auspices of these graduate schools. Each graduate school has its own mission. Other Dutch universities and research institutes can also be linked with a graduate school.

The graduate schools have three main tasks:

- To coordinate a coherent research programme for the university within the mission of the graduate school.
- To assure, monitor and promote the quality and progress of academic research (PhD students, post-doctoral researchers and other researchers).
- To develop, facilitate and coordinate post-degree education.

All researchers, post-doctoral researchers and PhD students are members of one of the graduate schools. The graduate schools of Wageningen University are accredited by the Royal Netherlands Academy of Arts and Sciences which subjects them to quality monitoring.

1.5.3.3 Quantitative information

• Quantity of research and research productivity

Direct government funding for teaching and research amounted to €176 million in 2009. Research funding from government agencies, much of it from the Netherlands Organisation for Scientific Research (NWO), amounted to €17.9 million. This includes the staff of research projects recruited through the NOW *Vernieuwingsimpuls* (Innovation Impetus) programme. The award of three *Veni* and two *Vidi* grants in 2009 brought the total number of laureates to twenty-nine *Venis*, seventeen *Vidis* and four *Vicis*. The third source of funding, contract research, came to €71.5 million. The number of scientific publications was 3568.

• PhD students

As in 2008, in 2009 the graduate schools focused a lot of attention on the career orientation and career perspectives of PhD students by means of what are referred to as career assessments, exit courses and careers guidance for outstanding young researchers. This guidance also helps to prepare PhD students for a possible career outside science. In 2009, there was also an explicit focus on the supervision of PhD students. The course “Professional in Supervision” was developed at the initiative of Wageningen Graduate Schools for doctoral thesis supervisors and second supervisors with the aim of professionalising the supervision of PhD students. There was a great deal of interest in this course.

The current distribution among the graduate schools of PhD students to whom Second Phase Education Funding has been allocated is shown in the table below.

As in the previous year, participation in Second Phase Education (TFO) for PhD students increased in 2009. In 2009, the number of PhD students was 1062.

The intake of international and Dutch PhD students increased compared to last year. The intake during 2009 was almost 300 PhD students.

Table Number of PhD students to whom Second Phase Education Funding has been allocated, per graduate school in 2005-2009

Year	CERES	EPS	MG3S	PE&RC	VLAG	WIAS	WIMEK	Total
2005	70	101.5	100	134	170	74	79.5	729
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

- **Internal research incentive**

In 2009, the graduate schools had access to a budget of more than €3.1 million for appointing PhD candidates and post-doctoral researchers for future-oriented research themes. Some of this funding was reserved for providing additional PhD candidates or post-doctoral researchers under the leadership of *Veni* or *Vidi* laureates.

- **Quantitative information**

The number of PhDs fell from 210 in 2008 to 196 in 2009, of which 66 were awarded to women. The previous education (*doctoraal*, MSc) of 70 of those PhD students took place outside the Netherlands. In 83 cases, PhDs were awarded to non-Dutch nationals.

As previously noted, the number of PhD students with a Training and Supervision Plan (TSP) increased again. This development may also be expected to have a positive effect on the PhD candidate yield. The number of PhD students is now approximately 1,450 (of which 1,062 with a TSP).

1.5.3.4 Quality assurance

The evaluations by external review committees at Wageningen University are part of a national system, in which each university is obliged to have an external review conducted once every six years. In addition, there are what are referred to as midterm evaluations. All of these reviews take place in accordance with a Standard Evaluation Protocol (SEP) developed and approved by the Royal Netherlands Academy of Arts and Sciences, the Netherlands Organisation for Scientific Research (NOW) and the Association of Universities in the Netherlands (VSNU). These organisations, in cooperation with the Ministry of Education, Culture and Science, also supervise the implementation of the SEP by means of the Meta Evaluation Committee (MEC) which issues an annual report and recommendation. This committee, incidentally, wound itself up in 2009 after two complete evaluation rounds.

Wageningen University conducts its external evaluations with the graduate school as the leading entity. The WIMEK graduate school was externally reviewed in 2007. The other graduate schools EPS, MG3S (including the chair groups of CERES), PE&RC, VLAG and WIAS were all reviewed in mid 2009 by an international peer review committee (PRC) of prominent scientists in the domain of the graduate school. These reviews took place at the level of the graduate school and at the level of the chair groups.

The conclusion of the PRC was that the graduate schools offer a very good and professional training programme for PhD students and that the quality of Wageningen research was good or very good / excellent. This is supported by an extensive citation analysis of the scientific output of the WU chair groups, of which the relative impact in general is well above or considerably above the global average. Although the PRC is enthusiastic about the quality of research, leadership, staff and facilities, it does see scope for improvement. For example, there are opportunities to further increase critical mass and synergy, to improve the post-doctoral researcher policy, to sharpen the succession planning for key positions and to increase awareness of the societal relevance of research alongside bibliometrics in monitoring research quality. Finally, some recommendations were made specifically at the level of the chair groups. The individual review reports for the graduate schools may be found on the websites of the relevant graduate schools.

The Executive Board endorses the committee's recommendations. A plan for improvement has been formulated at the level of the Executive Board, of the graduate schools and of the individual chair groups which is evaluated annually with the relevant management. The reviews look back over an extended period and are used to adjust future strategy. The regular consultations of the Sciences Groups (monthly) and the graduate schools (annually) with the Executive Board and the Vice-Chancellor, respectively, also form part of the quality assurance cycle. Finally, since 2008 the organisation has been working to extend quality assurance by implementing a separate monitoring system.

1.6 Van Hall Larenstein University of Applied Sciences

The focus of Van Hall Larenstein University of Applied Sciences is on training practice-oriented professionals and on applying scientific knowledge to practical solutions. Together with Wageningen University, Van Hall Larenstein provides a broad spectrum of academic and professional study programmes, which allow students plenty of opportunity to switch between them. Van Hall Larenstein programmes are taught at three separate sites: Leeuwarden, Velp and Wageningen.

Based on their interests, knowledge and experience, Van Hall Larenstein supports its students on their way to becoming learning professionals with higher professional qualifications. VHL achieves this not only by offering professional bachelor's and master's programmes, but also by providing post-degree training and education.

Teaching is competence-oriented and there is a strong focus on learning in the vocational context. Students become acquainted with professional practice as quickly and as thoroughly as possible by means of teaching methods such as learning-working placements, work placements and thesis assignments. The teaching staff not only support students, they are also involved in applied research. This research takes place in the expertise networks around the lecturers or through contract activities. These activities support innovation in teaching, increase the expertise of teaching staff and strengthen the links between VHL and professional field. Van Hall Larenstein is open to other cultures and welcomes students and programme participants from all over the world.

Monthly consultations take place between the VHL Board of Directors and the Executive Board about ongoing matters. In addition, the quarterly management meetings focus more closely on the financial results and strategic choices. The budget, quarterly figures, annual accounts and monitoring (quality and student numbers) are the main themes at these meetings.

At the start of the academic year, ecologist Wouter Helmer was named honorary associate professor of Van Hall Larenstein University of Applied Sciences. Following Gerrit Braks, he becomes the institute's second honorary associate professor. Wouter Helmer is the director of the Ark foundation and won the Edgar Doncker Natuurprijs in 2007. As the director of the Ark foundation, he devotes himself to innovative projects to develop robust nature with space for humans and wildlife.

• New strategy

In the autumn of 2008, the Board of Directors began the process of arriving at a new strategic vision for the years to come, known as "*VHL Vooruit*" (VHL Moves Forwards). The aim of this strategy is to take the institute to a higher quality level and increase student numbers by approximately 6,000 by 2015. The strategic pillars are Positioning (marketing of educational concepts), Operational Excellence (coherence in work processes, people and systems), Teaching (from portfolio to teaching concepts and formats) and HRM (entrepreneurship, professional collaboration and core values).

In spring 2009, project groups started work to shape the new strategy. The project groups issued their proposals in mid-2009; these are now being worked out by follow-up project groups. Commitment across the institute is assured via the regular communication media and by means of staff meetings and work conferences with participational structures and student bodies. Further decisions about this new strategy are planned for spring 2010.

• Core values

The new strategy and associated ambition demand particular behaviour within the institute at team/departmental level and organisational level. This behaviour, or rather the desired behaviour, is enshrined in six core values: Customer-focus, Professionalism, Pleasure in one's work, Cooperation, Room for talent and growth, and Entrepreneurialism.

At the start of the 2009 calendar year, these core values were introduced and attention is constantly focused on them by means of targeted activities. The intention of assigning these core values a fixed place in the process of job performance interviews and review discussions will be worked out in 2010.

In the review of financial prospects for the coming years, it became clear that choices will need to be made to improve the design of the organisation. On the one hand this means not only that responsibility for contract activities must be brought closer to the teaching side but also that the amount of FTE in this area will need to be reduced. On the other hand, it means taking a critical look at the size and positioning of the staff departments. The formal decision about the staff departments will be taken in spring 2010, and is expected to involve an eventual reduction in FTEs.

The new Higher Education and Research Funding Decree is expected to come into force in autumn 2010. Various working groups were set up within Wageningen UR in 2008 in order to bring into focus specific consequences of this new law compared to existing legislation. These working groups will issue their findings in early 2010, which will then be adopted and worked out further within VHL.

1.6.1 Teaching and students

1.6.1.1 Programmes

The study programmes offered by Van Hall Larenstein University of Applied Sciences (see Appendix I B, table 1) comprises twenty professional bachelor's programmes, three professional master's programmes and three associate degree (AD) programmes.

The range of programmes consists of 46 majors and 69 minors. Wherever possible, the minors are offered institute-wide and are designed to add to the breadth or depth of knowledge, or to assist students in making the transition to the university. The master's and bachelor's programmes in Wageningen are taught entirely in English. In the Dutch-language bachelor's programmes, the aim is to offer at least one English-language major.

VHL cooperates with other institutes of higher education on various study programmes. At the Leeuwarden site, Van Hall Larenstein offers a number of technology programmes together with NHL University within the Life Sciences unit. The laboratory courses of the Friesland College (secondary level vocational education) have also been included in the above joint programme.

Van Hall Larenstein aims to improve the transition from junior and secondary vocational education to shortened and full-length higher vocational education. At the Leeuwarden site, for example, this has been achieved in the Life Sciences unit and with the new Associate Degree programmes. In addition, VHL takes part in various consultation bodies with other educational institutes, including the LICA (national information centre for linking secondary education with universities of applied science), VOHO (the platform consultation on secondary/higher education) in Velp and Leeuwarden, AOC consultation in Leeuwarden and AOC Oost. Continuous learning routes have also been developed with Helicon in Velp. Bridging courses and summer courses are intended to ease the transition to VHL.

In 2009, the institute virtually completed the development and implementation of competence-based learning. With the exception of the chapter on exams, this has led to a single joint set of examination regulations for the whole of Van Hall Larenstein University of Applied Sciences. In the first quarter of 2009, an overall evaluation of the new teaching model was carried out by the research agency Hobeon. This resulted in the report "Implementation of educational innovation Van Hall Larenstein 2004-2008". The results of this evaluation were subsequently incorporated into discussions on the strategy "VHL Moves Forward".

1.6.1.2 Internal and external quality assurance

• Internal quality assurance

The main component of internal quality assurance for the educational directorates is the evaluation of teaching of the various programmes for each term (the student survey). This evaluation leads directly to action for improvement within the relevant teaching programme.

Student satisfaction at institutional level is measured externally in the National Student Survey (NSE); for the first time in 2009, all current students were questioned. There was a response of over 40%. The average score across all programmes and items measured for the whole of VHL was 6.7, which was 0.1 better than in 2008. Two Wageningen programmes (Safe Microbiological Techniques and Tropical Agriculture) were among the national top 20 best-rated higher vocational education programmes on this list. Across the institution, VHL scores well on atmosphere, content, breadth, expertise of teaching staff and engagement but less well on communication. These NSE satisfaction scores are also used for the Guide to Higher Education assessment.

In 2010, VHL will again be participating in the (revamped) NSE, and the intention is to streamline the teaching evaluations per term to allow the results to be combined and compared VHL-wide.

The annual alumni survey (*HBO monitor*) has been worked out at the institutional and cluster levels; it is also available at the programme level for major study programmes. The survey did not yield any surprising findings. It did confirm the improvement in labour market transition for graduates of Animal Management. VHL scores poorly on the subject of "selection", in line with the national picture.

The staff satisfaction survey (Staff Monitor 2008) was concluded at the end of 2009 with a final report. Work pressure, management, enhanced response, internal communication and focus on core values are areas which have received additional attention in response to this survey.

The activities of the daily quality working group have led to the establishment of service norms for students of the educational organisation. Management discussions were held 2009 to assure these plans. 2010 will see continued work on the assurance of these plans and quality management.

• External quality assurance/reviews and accreditation

In 2009, Certiked conducted external reviews of the programmes Animal Husbandry, Horticulture and Agriculture and Animal Management. The results were positive and these reports were used to apply for renewed accreditation. All of VHL's study programmes have now been evaluated once under this system.

The introduction of the new accreditation system has been delayed, which means that the bachelor's programme Tropical Agriculture and the master's programme "Process and Project management in the domain of Land and water" will be evaluated using the existing accreditation template in 2010. The programmes of the Life Science unit will also be subject to external review in 2010.

The new external quality assurance system for practical research and lectureships came into force on 1 January 2009. Work was started on a plan for VHL, but this will not be worked out until 2010. The external review for Van Hall Larenstein will take place in early 2013.

1.6.1.3 Study progress and success

In 2009, the average time taken for graduates to complete their study programmes at Van Hall Larenstein was 4.4 years (see also table 4 of Appendix I B; in table 3 of this appendix, the average study duration is broken down by programme and site).

VHL issues binding recommendations to terminate the study programmes of students who have not achieved sufficient credits after their first year and for students who have not completed their foundation programme within

the first two years. At the end of the 2008/2009, the institute issued 117 such negative binding recommendations. Twenty-one students appealed against these decisions to the Examination Appeals Board.

In the 2008/2009 academic year, 405 students ended their studies at Van Hall Larenstein prematurely following an average study duration of 1.95 years.

1.6.1.4 Support services for students

The Education Office has six work processes at the three sites:

- The administration of Dutch students;
- The administration and supervision of international students;
- The administration of work placements;
- Timetabling;
- The front office function;
- The collection and processing of management information.

The International Office assists international students in accommodation matters, applications for residence documents etc. Support for international students in Velp and Wageningen is an ongoing point of attention. Finding accommodation in Wageningen has proved particularly difficult. In Velp, the study programmes and Education Office were again in discussion in 2009 about how best to provide social support for international students.

In order to intensify cooperation between the three sites, the process of enrolment of international students (EU and non-EU) has been specified schematically and the tasks and responsibilities of the various parties set out in more detail. Cooperation between the Customer Contact Centre and the Education Office in Wageningen has been intensified to ensure that international students get the same answers and get them more quickly.

Stricter timetabling is a permanent point of attention for the study programme and the Education Office; this naturally involves an ongoing investment in tighter procedures, staff training and intensive communication with lecturers, team leaders and programme directors.

1.6.1.5 Study counselling, including career development counselling

Career development counselling and a digital student portfolio are essential elements in the competence-based learning of Van Hall Larenstein University of Applied Sciences. As their studies progress, the emphasis shifts from managing students to self-management. The digital portfolio allows students to establish and demonstrate their own competence development.

1.6.1.6 Student counselling

The student dean's office at VHL consists of 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. In the 2008/2009 academic year, 924 students contacted the student dean's office. In total, 2,245 consultations were held with them. In 2008/2009, the deans focused on the following topics:

• Consultations with students

These related to study problems, personal and psychological problems, questions about 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 autistic disorders is increasing. The dean's office submitted an autism memo to the Board of Directors. In Leeuwarden, a low stimulus room has been created for students with functional disabilities. Evaluation of the memo "studying with a functional disability" has been completed. The indication is that policy has been integrated at all sites and is being implemented satisfactorily. In 2009 the deans again organised staff training

in the field of autism spectrum disorders (ASD) for study programme teams (Leeuwarden and Velp sites). Specific software has been purchased by VHL for students with dyslexia.

- **Organisation/policy**

The dean's office has written proposals on joint regulations with Wageningen University covering world-class sports. The deans have submitted amendments and additions for the revision of the Teaching and Examination Regulations.

- **Training**

In Leeuwarden, the dean's office was involved in setting up and delivering the training programme "escape behaviour and procrastination". This is a cooperative venture between the three universities of applied sciences in Leeuwarden (NHL University of Applied Sciences, Stenden University and VHL) and the local mental health services (GGZ).

1.6.1.7 Student facilities

Van Hall Larenstein University of Applied Sciences believes that a properly functioning range of facilities is very important, and where necessary it provides assistance to support this aim. At each site, VHL provides a wide range of facilities for its students in the form of students' associations, work or study groups for individual study programmes, organisations that support them in looking for accommodation or access to sports facilities at attractive prices.

In Velp, there are two student associations. Student associations organise subject-related and social activities, and offer students the opportunity to gain experience in administrative and committee work. Alongside its regular activities, the student association Quercus in 2009 celebrated its 55th birthday. Arboricultura is the second student association in Velp, and also provides all kinds of activities. The student association Osiris is active in Leeuwarden. From its premises in the city, it organises numerous parties, cultural and sporting activities and activities designed to enrich the student experience. In Wageningen, there are five student associations: WSV Ceres, KSV St. Franciscus Xaverius, Nji-Sri, SSR-W and JV Unitas. The best introduction to Wageningen in all its facets is to take part in the General Introduction Days (AID) organised by the AID committee, which for the past two years has also involved VHL students.

Student Sport Arnhem offers sports facilities to students who study in Velp. The Larenstein Student Housing Office helps students in Velp to find rooms. Students based in Leeuwarden can use VHL Leeuwarden Student City for accommodation and sports services. Leeuwarden Student City runs various activities and each year organises the introduction days in Leeuwarden. In Wageningen, students can make use of Sports Centre De Bongerd. Student accommodation in Wageningen is arranged by Idealis.

In 2009, new multimedia libraries opened in both Velp and Leeuwarden. VHL students were closely involved in working out the design and equipment of these multimedia libraries. At the new multimedia libraries, students can not only find information, there is also ample opportunity to work in groups, make use of the many computers available and even to relax in a lounge setting. Visitor numbers increased dramatically after the opening of the new multimedia libraries.

1.6.1.8 International mobility and exchange

- **International Education**

The English-language bachelor's and master's programmes, particularly in Wageningen, traditionally attract many foreign 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 provide up-to-date expertise.

At the Wageningen site, programmes are taught entirely in English. At the other VHL sites, at least one Major subject is taught in English in every study programme. On 1 October 2009, students of 61 nationalities were enrolled at Van Hall Larenstein, among them large numbers of German (280) and Chinese (89) students (see table).

<i>Nationality of international students at VHL</i>	<i>Leeuwarden site</i>	<i>Velp/Wageningen site</i>	<i>Total Van Hall Larenstein</i>
Europe	138	185	323
Africa	8	72	80
Asia	16	115	131
North and South America	3	6	9
Total	165	378	543

1.6.2 Alumni and fundraising

VHL is working on a redefinition of alumni policy, partly within the framework of “lifelong learning”. The aim is to make greater use of alumni for the recruitment and guidance of VHL students and to keep alumni informed about developments in training and consultancy. The development of the alumni policy is given shape in cooperation with the alumni associations. Consultation with the Alumni Centre of Wageningen University has resulted in the decision to join forces.

1.6.3 Research

Applied research at VHL takes place in the lectureships, in KIGO projects (Expertise Dissemination and Innovation in Green Education) and in contract activities. This research is largely project-based. It addresses real problems from professional practice, placed in a sustainable network wherever possible. The applied research of VHL is subject to the Branch Protocol Research Quality Assurance of the Higher Vocational Education Council. This quality assurance system became operational on 1 January 2009. VHL has since started implementing it within the institute. Validation by VKO (Research Quality Assurance Validation Committee) is planned for 2013.

• Lectureships

The lectureships contribute to the mission of VHL to develop from an educational institute into an expertise institute. In socially-relevant areas, they make the link between education, professional practice and society 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 have been approved by the HBO Knowledge Development Foundation (SKO-HBO) and are financed by an earmarked supplement to government funding, while three of the lectureships are endowed (externally funded). In addition, in November 2009, the Ministry of Agriculture, Nature and Food Quality awarded the green plus lectureships “Dairy farming” and “The landscape manager of the future”.

In the second half of 2008, VHL began recalibrating its policy framework for lectureships. This resulted in the memo “Lectureship policy Van Hall Larenstein 2009-2011”, which was approved by the Executive Board in September 2009.

• KIGO (formerly RIGO)

Van Hall Larenstein University of Applied Sciences makes extensive use of the incentive funding within the Expertise Dissemination Scheme and the Innovation in Green Education Scheme. The benefits to the institute are two-fold. The first lies in the experience that teaching staff/students gain from working in projects and building up networks in professional practice and with fellow expertise institutes. Secondly, the projects form an educational element with a major practical component, focused on finding concrete solutions for problems from daily practice. Starting in 2007, this incentive scheme will be administered by *Groene Kennis Coöperatie* (GKC) within 15 programme themes.

VHL has taken a leading role in the design of the programmes and has responsibility for four programmes. VHL is represented in almost all the programme teams. The following changes took place in 2009:

- At the end of 2009, there were still nineteen RIGO/KIGO projects ongoing from the 2006, 2007 and 2008 funding cycles;
- In the 2009 cycle, all thirteen new applications were approved;
- At the end of 2009, preparations were made to submit projects for the 2010 cycle. This ultimately resulted in thirteen project applications and three programme applications/extensions.
- Each cycle involves a sum of over €1 million in grants for work carried out by VHL staff.

As at the end of 2009, VHL is still chairing two projects within the RAAK programme (Regional Focus and Action on Knowledge Circulation – Ministry of Education, Culture and Science). A third project was completed in 2009.

• **Impetus**

At the end of 2009, a final statement and project overview were drawn up for the incentive funding (earmarked target funding from the Ministry of Agriculture, Nature and Food Quality) that was received in late 2007. In an earlier phase, these projects were coordinated with the GKC programmes.

Incentive funding was also received from the Ministry of Agriculture, Nature and Food Quality at the end of 2008 and 2009. The first of this 2008 incentive funding was spent in 2009. Coordination with GKC programmes has yet to take place.

1.7 DLO Foundation

1.7.1 Research

1.7.1.1 Research policy

The research conducted at the DLO Foundation consists partly of the following programmes funded by the Ministry of Agriculture, Nature and Food Quality: Knowledge Base Research (KB), Policy Support Research (BO) and Statutory Research Tasks (WOT). Knowledge Base Research focuses on the medium-term knowledge needs of the Ministry, the business community, non-governmental organisations (NGOs), other government agencies and Wageningen UR itself. The budget for Knowledge Base Research is also used for the extra investments listed in paragraph 1.5.3.1. Policy Support Research and Statutory Research Tasks focus on current policy questions and/or support the Ministry in the area of legislation and regulations. Within KB, BO and WOT, DLO Foundation works with thematic clusters/themes. For all three types of programmes, there is a specific programming and accountability cycle with the Ministry of Agriculture, Nature and Food Quality. The results are communicated through media including 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
- Biobased economy

Policy Support Research is divided into ten themes:

- A vital rural area
- National Ecological Network
- Agro-chains with good economic prospects
- Organic farming

- Minerals and environmental quality
- Plant health
- Improving the sustainability of production and transition
- Food quality, food safety and animal health
- Knowledge
- International cooperation

The implementation of the statutory research tasks is assigned to two institutes and four programme units:
two 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)

2009 saw a greater focus on expertise questions related to the Minister's political agenda. This has had an effect on the programming in 2009 and beyond. In 2009, steps were also taken to reduce the number of clusters in policy support research to four expertise domains. This makes it possible to programme more integrated research and achieve a greater synthesis of expertise. Agreements about the communication of results financed or co-financed by the Ministry have also been set down in a "Communication Protocol". The agreements in this protocol primarily concern the identification of opportunities to make research results more visible in policy, and towards politicians and the public by acting in a coordinated manner (Ministry and DLO). DLO retains its own responsibility for communicating research results.

An increasing share of DLO research is funded by other parties, such as the private market, the European Union, product boards and other government agencies and public bodies. In terms of content, this research 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 institutes within DLO Foundation are a compulsory component of the agreements between the Ministry of Agriculture, Nature and Food Quality and the DLO Foundation, and as such have been incorporated into the DLO Foundation Funding Regulations. External reviews are based on an evaluation protocol derived from the Standard Evaluation Protocol for universities (SEP). The institutes or their business units are evaluated based on their scientific impact, socio-economic impact, research management and viability. In addition, the WOT institutes are also assessed on the implementation of their statutory tasks. The review reports, together with a plan of action based on the recommendations of the peer committees, are sent to the Minister of Agriculture, Nature and Food Quality.

In 2009, the external review of the research institute IMARES (Institute for Marine Resources and Ecology Studies) took place. Despite the fact that the institute was only founded in 2006, the committee was full of praise for what has been achieved. IMARES is already playing a key role within marine research in the Netherlands. The scientific output is of a high standard, although the committee makes the qualification that some of the scientific staff are making too small a contribution to the scientific output. The committee considers the strategic relevance of IMARES research to be very high for a wide range of stakeholders. For example, it features prominently in the setting of fisheries quotas, in the protection of the marine environment and in innovations in fisheries and aquaculture, resulting in high customer satisfaction. An extensive review report, together with a plan of approach on the recommendations of the peer committee, has been sent to the Minister of Agriculture, Nature and Food Quality.

In addition, at our own initiative, three mini-evaluations were conducted on knowledge-based (KB) research themes. The evaluation reports will be completed in early 2010 and will be communicated to the Ministry.

Finally, in 2009 the Ministry of Agriculture, Nature and Food Quality continued the evaluation of the implementation of the WOT programmes. Most of these programmes result from the expiration of the current voluntary implementation agreements (*uitvoeringsconvenanten*) and the necessity to make new agreements. This process will be completed in 2010.

1.8 Facilities

1.8.1 Accommodation

The first phase of the Strategic Plan for New Construction at Wageningen Campus was virtually completed in 2009. Work on the plan involved the following projects in 2009:

- Site infrastructure and equipment: building roads and car parking, installing lighting and creating green space;
- Plan preparation for the refurbishment of the office/laboratory building of the Animal Sciences Group (ASG);
- Plan preparation for construction of new research accommodation for ASG.

Thanks to the achievement of the Strategic Plan for New Construction, the following buildings and sites have become surplus and been sold:

- Kortenoord Complex;
- The Soil Science and Geology building at Duivendaal;
- The Hucht building, which formerly housed the Environmental Sciences Group (ESG);
- The Botanical Centre at De Dreijen.

In addition, studies have been carried out for the redevelopment of the Van Larenstein complex in Velp, the redevelopment of the De Dreijen complex, the redevelopment of the Born-Oost and the sale of the southernmost strip of building land on the Wageningen Campus.

In view of the rapid growth in the number of students and the desire to accommodate all teaching facilities and Sciences Groups at Wageningen Campus, a decision was taken to develop a “unilocation” for teaching facilities and the Agrotechnology and Food Sciences Group (AFSG). This decision marked the start of preparations for the second phase of the Strategic Plan for New Construction. This means that, after further efficiency measures have been taken, Wageningen University can continue to grow towards a total of 7,500 students. It was now time to turn to the following projects from the second phase of the Strategic Plan for New Construction:

- Completion of teaching facilities in the reception building of the Plant Sciences Group (PSG), in the ESG building and at De Dreijen;
- Plan preparation for second “Orion” teaching building and the Technotron;
- Plan implementation for teaching facilities in De Leeuwenborch;
- Plan preparation for new construction and rebuilding projects for AFSG;
- Plan preparation for second phase infrastructure.

The following building projects were developed and executed in 2009, in addition to those for the Strategic Plan for New Construction:

- The renovation and new construction for RIKILT;
- Rebuilding building 130 of the BioScience Centre in Lelystad;
- Renovation of De Schoutenhoeve;
- Creation of student accommodation in the former building of the Human and Animal Physiology Group.
- Construction of 190 new student flats at the Haarweg site in Wageningen;
- Plan preparation for new construction and rebuilding projects for ASG in Lelystad.

In addition, the following accommodation-related actions were taken in 2009:

- Various fire safety measures as part of the occupancy permit process;

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- Continuing the consolidation of contract maintenance services, focusing on optimum contracting procedures while maintaining quality and increasing satisfaction;
 - Systematic maintenance, taking account of the status of the buildings (retention, sale or demolition).

1.8.2 Information and communication technology in teaching

Much energy has been put into the construction of the revamped EDUweb to make it more suitable for mixed use by students and tutors of both VHL and WU. The revamped EDUweb 3.0 will go into production in September 2010. In 2009, an effort was made to professionalise the way in which different educational processes (from enrolling students to digital examination) are facilitated by custom IT solutions. The number of PCs for educational purposes has increased, partly due to the growth in the number of students. This development has also intensified the need for EDUsupport: there is a growing need to provide support for lecturers in delivering their teaching with the help of the various EDUservices.

In close consultation with the customers at both teaching buildings (VHL and Wageningen University), research was carried out into the future of the Student Information Systems (SIS): what do we want to be able to do in the future and what will the expectations of tomorrow's end users be?

1.8.3 General and Technical Support Services

General and Technical Support Services again contributed to cost reductions and efficiency in 2009. Where relevant, the savings have already been passed on in the rates for 2010 or will be passed on in the rates for 2011.

For the fifth year running, the sports facilities of Wageningen UR achieved the highest scores in the rankings for university sports centres. The first Wageningen UR-wide customer satisfaction measurement at the end of 2008 revealed that staff rated the facilities and services of Wageningen UR at an average of 6.8. In 2009, various actions were undertaken in relation to the lowest-rated products and services. The effects of these actions will be investigated in 2010.

1.8.4 Safety and environment

• Environment

Activities related to the environment were focused mainly on contributing to the sustainability trajectory (see paragraph 1.4.10). In addition, a project to update the environmental permits across Wageningen UR was concluded with the granting of a new permit for Wageningen Campus.

• Safety

Wageningen UR was commissioned by VSNU to help formulate part of a Health & Safety catalogue for hazardous substances. In addition, a licence covering the whole of Wageningen UR was obtained for the use of the RI&E Manager. This digital instrument for conducting risk inventory and evaluations (RI&E) will enable the assurance of working conditions to be taken to a higher level.

2 Financial report

2.1 Wageningen University annual accounts

2.1.1 Financial report

• Development of result

Wageningen University recorded a positive result of €10.5 million in 2009, an improvement of €7.4 million in comparison with the budgeted result of €3.1 million, of which €4.0 million originated from the departments and €3.4 million from the central staff departments.

The results of all departments were improved by the price and salary compensation received from the Ministry of Agriculture, Nature and Food Quality that had not been included in the budget due to the uncertain nature of this compensation, the increased turnover from the third flow of funds flow of funds and a non-recurrent release of funds from the contract risks provision.

The central staff departments' cumulative operating result amounted to €7.2 million, €4.7 million above budget. This improvement was primarily due to the lower costs incurred by Facilities and Services (€1.1 million) and the corporate staff (€0.8 million), increased direct government funding (€1.6 million), lower depreciation charges (€0.6 million), lower expenditure on strategic projects (€0.6 million) and lower interest expenses (€0.9 million).

The non-recurrent result amounted to €-0.1 million, €1.3 million below budget. The non-recurrent result is the balance of the result gained from the sale of Biopartner (book profit of €3.3 million), book profit on the sale of property (€0.8 million), allocation of funds to the provisions (€0.8 million) and the exceptional write-down on the value of De Dreijen and Agronomie (€-3.3 million).

Income increased in 2009. Direct government funding from the Ministry of Agriculture, Nature and Food Quality increased by €6.0 million in comparison with 2008, to €161.2 million. This movement was due to the increased allocation of funds shown on the balance sheet to accommodation and earmarked projects (€0.7 million), additional accommodation funds (€0.7 million), compensation for salary measures and price increases (€6.0 million) and a €1.4 million decrease in the basic amount. Income from the secondary flow of funds increased by 23% from €14.6 million to €17.9 million. Turnover from the third flow of funds increased by €7.7 million, 12%, to €71.5 million. Turnover generated by all departments increased and, with the exception of the collection-box funds, from all client groups.

Personnel costs increased by €12.3 million in comparison with 2008, to €165.0 million, due to the higher staffing level (4.5%) caused by the increased number of third-flow funding projects and salary increases (2.3%). In addition, an extra €1.4 million was added to the personnel reserve.

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

	2009	2008
Operating profit in accordance with the Ministry of Education, Culture and Science guidelines	€10.5 million	€14.7 million
Withdrawal from/addition to the appropriated reserve for project costs in later years	€0.8 million	€-0.5 million
Operating result based on the income and expenditure system	€11.3 million	€14.2 million
Book profit, exceptional write-down and other exceptional items	€0.1 million	€-0.2 million
Regular result	€11.4 million	€14.0 million

Note:

Pursuant to the regulations, Wageningen University recognises cash revenues from direct government funding as income. Income that relates to project costs to be incurred in later years leads to a positive result in the year under review and a negative result in later years. The ensuing distortion of the result is neutralised via the appropriated reserve. Pursuant to this approach, €0.8 million of the result was withdrawn from this appropriated result in 2009, which was offset by additions in previous years.

• Movement in the balance sheet

Wageningen University's liquidity increased from €48.1 million to €83.7 million in 2009, an improvement of €58.0 million in comparison with the budget. The factors which explain this improvement in the liquidity position are:

Improved opening balance sheet position at 1-1-2009	€1.5 million
Result recorded in excess of budget	€7.4 million
Increased depreciation (including exceptional write-downs)	€2.8 million
Improvement in short-term receivables and debts	€34.3 million
Lower investments	€12.0 million

Total	€58.0 million
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At 31-12-2009, Wageningen University's solvency ratio amounted to 42.6%, in comparison with 44.0% in 2008. This deterioration was due to the greatly increased short-term debts resulting from prepaid grants and advance project payments. A large part of these prepayments relates to funds to be passed on to partners that Wageningen University receives in its role as the lead of a number of consortia. These funds will be passed on to the partners in 2010. These extra prepayments have resulted in an improved liquidity position and are not detrimental to the organisation's financial strength, since the availability of the prepayments obviates the need to raise additional financing.

A change of system was implemented in 2009, which relates to the presentation of the work in progress on the provision of services. Pursuant to the new RJ 221 regulation work in progress on the provision of services shall be divided into a receivables position and a debt position. This reclassification has resulted in a €23.8 million extension of the balance sheet total that has in turn resulted in a deterioration of the opening balance sheet solvency ratio from 47.8% to 44.0%.

• Prospects for 2010

Movement in the result

Wageningen University has budgeted a result of €0.6 million for 2010, comprised of an operating loss of €0.3 million and non-recurrent profit of €0.9 million. The deterioration in the operating result is due to the higher costs that will be incurred in 2010 on the increase in student numbers, costs that will be financed by direct government funding only after a delay of two years. In addition, the budget does not anticipate the normal compensation to be received to cover increases in collective labour agreement salary increases and the price indexation of other expenses. The non-recurrent profit is comprised of book profit on the sale of property. In 2010, in analogy with the past two years, €2.0 million will be allocated to themes in the Strategic Plan.

Strategic Plan for New Construction

In 2009, it was decided to invest approximately €100 million in the Wageningen Campus in the period to 2013 inclusive for teaching rooms and the unilocation for the Agrotechnology & Food Sciences Group. The budget for 2010 provides for investments of €44.4 million, of which €28.9 million within the scope of the Strategic Plan for New Construction.

Amounts * €1,000

2.1.2 Annual accounts

Consolidated balance sheet

After the allocation of the net result

ASSETS		31-12-2009	Budget for 2009	31-12-2008
FIXED ASSETS				
1	Tangible fixed assets	190,643	206,841	188,242
2	Financial fixed assets	300	628	1,399
Total fixed assets		190,943	207,469	189,641
CURRENT ASSETS				
3	Stocks	121	120	165
4	Receivables and prepayments	54,309	30,220	57,252
5	Liquid assets	83,729	25,703	48,077
Total current assets		138,159	56,043	105,494
TOTAL ASSETS		329,102	263,512	295,135
LIABILITIES				
EQUITY CAPITAL				
	General reserve	132,156	118,384	120,887
	Appropriated results	8,145	7,700	8,899
6	EQUITY CAPITAL	140,301	126,084	129,786
7	PROVISIONS	20,676	22,729	21,693
8	LONG-TERM DEBTS	17,381	16,163	18,197
9	SHORT-TERM DEBTS	150,744	98,536	125,459
TOTAL LIABILITIES		329,102	263,512	295,135

Amounts * €1,000

Consolidated profit and loss statement

	<i>Result for 2009</i>	<i>Budget for 2009</i>	<i>Result for 2008</i>
10 INCOME			
Direct government funding, Ministry of Agriculture, Nature and Food Quality	161,182	157,977	155,188
Other contributions and grants	75	0	14
Tuition, course and examination fees	14,771	14,410	12,577
Income from work for third parties	89,466	74,241	78,390
Other income	20,270	18,215	17,555
TOTAL INCOME	285,764	264,843	263,724
EXPENDITURE			
11 Personnel costs	164,953	158,550	152,617
12 Depreciation	16,761	13,913	14,159
13 Accommodation costs	21,465	23,886	16,696
14 General costs	34,627	25,384	32,122
15 Specific costs	40,939	39,068	33,437
TOTAL EXPENDITURE	278,745	260,801	249,031
OPERATING RESULT	7,019	4,042	14,693
16 Financial income and expenditure	136	-986	73
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	7,155	3,056	14,766
Taxation on ordinary activities	0	0	0
17 Result from participating interests	3,361	7	-17
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	10,516	3,063	14,749
Third-party share	0	0	0
Extraordinary income and expenditure	0	0	0
NET RESULT	10,516	3,063	14,749

Amounts * €1,000

Consolidated cash flow statement

	<i>Result for 2009</i>	<i>Budget for 2009</i>	<i>Result for 2008</i>
OPERATIONAL ACTIVITIES			
Net result	10,516	3,063	14,749
Depreciation	16,761	13,913	14,159
	<u>27,277</u>	<u>16,976</u>	<u>28,908</u>
Movement in provisions	-1,017	-831	-2,458
Movement in working capital	28,271	-5,945	919
Result from non-consolidated participating interests	-125	-7	17
	<u>27,129</u>	<u>-6,783</u>	<u>-1,522</u>
Cash flow from operational activities	<u>54,406</u>	<u>10,193</u>	<u>27,386</u>
INVESTMENT ACTIVITIES			
Investments in buildings and sites	-9,979	-27,096	-1,773
Investments in other tangible assets	-13,848	-7,508	-7,141
Investments in participating interests and members' capital	583	0	-323
Divestments in fixed assets	4,665	3,998	4,867
Cash flow from investment activities	<u>-18,579</u>	<u>-30,606</u>	<u>-4,370</u>
FINANCING ACTIVITIES			
Movement in long-term receivable, Ministry of Agriculture, Nature and Food Quality	0	0	6
Movements in other long-term debts	-175	-524	-472
Movement in equity capital	0	0	0
Cash flow from financing activities	<u>-175</u>	<u>-524</u>	<u>-466</u>
CASH FLOW	<u>35,652</u>	<u>-20,937</u>	<u>22,550</u>
MOVEMENT IN LIQUID ASSETS			
Balance of liquid assets at 1 January	48,077	46,640	25,527
Balance of liquid assets at 31 December	83,729	25,703	48,077
Movement in liquid assets	<u>35,652</u>	<u>-20,937</u>	<u>22,550</u>

2.1.3 Principles of valuation

- **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 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 pursuant to the transition to the new *Richtlijn voor het onderwijs* (Education Regulation, RJ 660) that are recognised in the balance sheet. 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 of the Future 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* (Accounting Standards, RJ).

- **Changes in system**

Pursuant to the annual account regulations, as from the 2009 annual accounts the work in progress items relating to the provision of services to third parties are recognised under short-term receivables and short-term debts. Projects with a negative balance are then, after setting off the prepayments that have been received, recognised under receivables. Projects with a positive balance are recognised under the prepayments item of short-term debt. To this end, a reclassification of €23,799,000 was implemented in the opening balance sheet.

- **Consolidation**

The consolidation incorporates the financial statements of the institute, its group companies and other organisations in which the institute exercises dominant control (pursuant to the actual situation) or conducts the central management. The group companies are legal entities over which the institute can exercise either direct or indirect dominant control since the institute 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 financial statements of group companies and other legal entities over which the institute can exercise dominant control or conducts the central management are fully included in the consolidation. The share of third parties in the group equity capital and the group result is reported separately.

- **Consolidation circle**

These annual accounts incorporate the single annual accounts of Wageningen University, WU Holding BV, the ISRIC Foundation and the Restaurant of the Future Foundation.

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

	<i>Registered office</i>	<i>% in 2009</i>	<i>% in 2008</i>
Wageningen University 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
Biqualy BV	Wageningen	33	33
Biopartner BV	Wageningen	68	68
Green Dino BV	Wageningen	11	11
ISRIC Foundation	Wageningen		
Restaurant of the Future Foundation	Wageningen		

Pursuant to a shareholder agreement, Wageningen University cannot independently determine the policy of Biopartner and for this reason the annual accounts of Biopartner BV are not incorporated in the consolidation. The shares in Biopartner BV have been sold on the effective date of 1-1-2010. The annual accounts of Nexus Holding BV, Can-iT BV, Ceradis BV and Bio Product BV have not been incorporated in the consolidation in view of their immaterial importance in 2009.

• 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 and based on 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 €2,500 are charged directly to the profit and loss statement.

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

<i>Constituent</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
– Office furniture purchased before 1/1/2005	5 years, linear
– Laboratory equipment / audiovisual equipment / vehicles / PR and information material	5 years, linear
– Automation equipment including software (hardware for networks)	5 years, linear
– Automation equipment including software (other hardware)	3 years, linear

Investment grants acquired and amounts from externally financed projects are deducted from the capitalised amount in the year of purchase. Grants 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 institute 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 at 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 institute 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 institute 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 comprises 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.

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.

Receivables and prepayments

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

Securities

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

Equity 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 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.

Invalidity Insurance Act obligations

The provision for Invalidity Insurance Act obligations is formed to cover the anticipated Invalidity Insurance Act obligations at balance sheet date arising from the own risk borne by the organisation.

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 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 used to settle pension contributions due in the future.

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

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.

Revenues 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 is received. 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 to be allocated to the accounts of the year are recognised as tuition fees. The institutional tuition fees and payments for postgraduate courses are recognised as 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 * €1,000

2.1.4 Notes to the balance sheet

1 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Equipment, inventory and other assets</i>	<i>Work in progress</i>	<i>Assets not used for the primary process</i>	<i>Total</i>
Book value at 31-12-2008	11,202	138,063	20,693	3,440	14,844	188,242
Investments	74	2,150	13,848	7,755	0	23,827
Divestments *	152	1	393	0	4,119	4,665
Depreciation	75	5,670	7,577	0	69	13,391
Exceptional write-downs	0	1,942	0	0	1,428	3,370
Book value at 31-12-2009	11,049	132,600	26,571	11,195	9,228	190,643
Acquisition value at 31-12-2008	16,066	232,376	88,766	3,440	46,751	387,399
Acquisitions 2009	74	2,150	13,848	7,755	0	23,827
Acquisition value of divestments 2009	227	0	1,829	0	11,466	13,522
Acquisition value 31-12-2009	15,913	234,526	100,785	11,195	35,285	397,704
Accumulated depreciation	4,864	90,099	74,214	0	24,629	193,806
Accumulated write-downs	0	11,827	0	0	1,428	13,255
Book value at 31-12-2009	11,049	132,600	26,571	11,195	9,228	190,643
* Disinvestments, of which:						
- Acquisition price	227	1	1,829	0	11,466	13,523
- Depreciation	75	0	1,436	0	7,347	8,858
Total divestments	152	1	393	0	4,119	4,665

Wageningen University is carrying out an extensive new construction programme. The University invested in educational facilities at the De Dreijen and Leeuwenborch in 2009. 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.

€5.8 million of the total depreciation of €13.4 million related to the regular depreciation of buildings and infrastructure and €7.6 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 €19.0 million (including interest) is recognised under short-term debt.

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

Amounts * €1,000

Wageningen University's property is insured for €335.9 million (reference date 1-2-2010). The value for the purposes of the Valuation of Immovable Property Act has been set at €176.5 million (reference date 1-2-2009).

Wageningen University invested €9.4 million in buildings in 2009, of which €6.8 million was for the Strategic Plan for New Construction.

2 FINANCIAL FIXED ASSETS

	31-12-2009	31-12-2008
Participating interests in group companies	192	273
Other participating interests	24	455
Members' capital	84	30
Other receivables	0	641
Total financial fixed assets	300	1,399

Breakdown of the participating interests in group companies item

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Investment/ divestment</i>	<i>Other movement s</i>	<i>Book value 31-12-2009</i>
Nexus Holding BV	12		-6	6
CAN-iT BV ¹⁾	139		-86	53
Bio Product BV ¹⁾	122		11	133
Total group companies	273		-81	192

¹⁾ Other movements relate to the write-downs on participating interests in 2009.

Wageningen Universiteit Holding BV, a fully-owned subsidiary of Wageningen University, acquired participating interests in Nexus Holding BV and CAN-iT BV in 2007. A majority interest in Bio Product BV (51%) was acquired in 2008.

Breakdown of the other participating interests item

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Investment/ divestment</i>	<i>Other movements ²⁾</i>	<i>Book value 31-12-2009</i>
Biopartner Center BV ¹⁾	431	-610	179	0
Green Dino BV	0			0
KLV Professional Match BV	0	-6	6	0
ICG	20			20
Ceradis BV	0			0
Biqualyis BV	0			0
Other participating interests	4			4
Total, other participating interests	455	-616	185	24

¹⁾ The movement in Biopartner Center BV comprises Wageningen University's share in the 2008 result.

²⁾ Other movements relate to the write-downs on participating interests in 2009.

Amounts * €1,000

Wageningen University has a 68% interest in Biopartner Center Wageningen BV (€0.4 million). A contract for the sale of the shares in Biopartner was signed in December. The shares in Biopartner were delivered on 5 January 2010 with the effective date of 1 January 2010. Pursuant to an agreement signed on 18 December 2009, all risks and results have been transferred to the buyers. The amount still to be received is recognised under short-term receivables.

Wageningen Universiteit Holding BV was incorporated in 2002. This fully-owned subsidiary of Wageningen University has participating interests in Green Dino BV, KLV Professional Match BV, CAN-iT BV, ICG, Ceradis BV and Biquals BV.

Specification of members' capital

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Increase</i>	<i>Decrease</i>	<i>Book value 31-12-2009</i>
Members' capital, Friesland Foods	30	54	0	84
Total members' capital	30	54	0	84

Specification of other long-term receivables

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Increase</i>	<i>Decrease</i>	<i>Book value 31-12-2009</i>
Theater 't Hemeltje	6		-6	0
KDG	635		-635	0
Total other long-term receivables	641	0	-641	0

3 STOCKS

	<u>31-12-2009</u>	<u>31-12-2008</u>
STOCKS		
Trading stock	11	15
Livestock	110	110
Stock of semi-finished goods	0	40
	<u>121</u>	<u>165</u>
Less: Provision for unmarketability	0	0
TOTAL STOCKS	<u>121</u>	<u>165</u>

Amounts * €1,000

4 RECEIVABLES AND PREPAYMENTS

	31-12-2009	31-12-2008
Accounts receivable	15,681	17,276
Accounts receivable from affiliated parties	1	0
Less: Provision for possible uncollectible receivables	-1,140	-1,053
Total accounts receivable	14,542	16,223
Projects in progress		
Cost of work carried out for third parties	239,273	174,487
Less: Invoiced instalments	242,078	171,576
Third-party orders	-2,805	2,911
Less: anticipated losses	-2,508	-2,431
Recognised under short-term debt	25,720	23,799
Total of third-party orders	20,407	24,279
Advances	1,433	3,777
VAT to be received	2,550	1,249
Receivables from other affiliated parties	1,302	3,612
Receivables from students	1,793	1,058
Prepayments	11,330	6,400
Other	952	654
Total advances and prepayments	19,360	16,750
Total receivables and accruals	54,309	57,252

The receivables from affiliated parties of €1,302 million (2009) and €3,612 million (2008) relate to the DLO Foundation.

5 LIQUID ASSETS

	31-12-2009	31-12-2008
Cash in hand	24	25
Bank (incl. cross booking)	14,916	47,254
Deposits	68,789	798
Total liquid assets	83,729	48,077

Amounts * €1,000

All liquid assets are freely available. Liquidity increased to €83.7 million in 2009, while the budget provided for a liquidity position of €25.7 million. This improvement in comparison with the budget can be explained as follows (amounts * €1.0 million):

	Budget	Actual	Change from budget
Result	3.1	10.5	7.4
Depreciation	13.9	16.7	2.8
Decrease in provisions	-0.8	-1.0	-0.2
Movement in working capital	-6.0	28.3	34.3
Result from participating interests	0.0	-0.1	-0.1
Cash flow from operational activities	10.2	54.4	44.2
Cash flow from investment activities	-30.6	-18.6	12.0
Cash flow from financing activities	-0.5	-0.2	0.3
Cash flow 2009	-20.9	35.6	56.5
Liquid assets at 01.01.09	46.6	48.1	1.5
Liquid assets at 31 December 2009	25.7	83.7	58.0

Operational activities

- The opening balance of the liquid assets at 1 January 2009 was €1.5 million higher than foreseen in the budget.
- The result for 2009 was €7.4 million above budget.
- Depreciation was €2.8 million above budget, primarily due to the exceptional write-downs (€3.4 million).
- Working capital increased, in particular due to the €25.7 million increase in short-term debt that resulted in a positive cash flow. This increased short-term debt was largely due to the increased project prepayments (€10.6 million), debts to other affiliated parties, in particular to DLO (€3.8 million), tax still due (€2.3 million), grants from the Ministry of Agriculture, Nature and Food Quality still to be expended (€4.9 million, including grants such as the *Bouwimpuls* construction impetus) and costs still to be paid (€3.4 million).

Investment activities

- Investments fell €12.0 short of budget, in particular due to the lower than budgeted actual investments in the Strategic Plan for New Construction caused by the longer lead times of the projects.

6 EQUITY CAPITAL

	General reserve	Appropriated reserve	Total
Balance at 31-12-2008	120,887	8,899	129,786
Result appropriation	11,269	-754	10,515
Addition to the reserve			
Withdrawal from the reserve			
Balance at 31-12-2009	132,156	8,145	140,301

Amounts * €1,000

The appropriated reserve relates to the innovation fund, €3.9 million, and the reserve for projects to be carried out in the future, €4.2 million. €0.8 million was withdrawn from the latter reserve in 2009. €11.3 million of the net result from the financial year was credited to the general reserve and €0.8 million was charged to the appropriated reserve.

7 PROVISIONS

	<i>Balance at 31-12-2008</i>	<i>Addition</i>	<i>Withdrawal</i>	<i>Release</i>	<i>Balance at 31-12-2009</i>
Unemployment insurance obligations	6,454	1,950	1,149	262	6,993
Invalidity Insurance Act obligations	130	724	101	7	746
Other personnel provisions	2,574	239	269		2,544
Reorganisation costs	10,074	1,721	2,097	705	8,993
Product and contract risks	1,061		811	250	0
Provisions, other	1,400				1,400
Total provisions	21,693	4,634	4,427	1,224	20,676
			<i>31-12-2009</i>		<i>31-12-2008</i>
Specification of the term of the provisions					
Short term (expires by no later than 31-12-2010)			9,796		19,761
Long term (expires between 31-12-2010 and 31-12-2014)			6,589		1,809
Long term (expires after 31-12-2014)			4,291		123
Total provisions			20,676		21,693

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. €1,950,000 was added to the provision in 2009, and €262,000 was released.

Invalidity Insurance Act obligations

The provision for Invalidity Insurance Act obligations is formed to cover anticipated future Invalidity Insurance Act and Partially Disabled Workers Resumption of Work Act (WGA) benefits. In 2009, Wageningen University decided to bear the risk associated with the WGA. A provision of €724,000 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 2009, additions were made to the provision for reorganisations implemented earlier in view of the expenditure that is continuing for longer than had been expected earlier and a provision has been formed for the winding down of the Hortus section.

Other provisions

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

Amounts * €1,000

8 LONG-TERM DEBTS

	Balance at 31-12-2008	Increase in debt	Decrease in debt	Balance at 31-12-2009
Other long-term debts	16,675		288	16,387
Equalisation of long-term investment grants	1,522		528	994
Total long-term debts	18,197		816	17,381

List of other long-term debts:

Description	Principal (k€)	Interest	Term	Accumulated repayment (k€)	Long term > 5 years (k€)	Short term > 1 years (k€)
ABN Amro Bank	15,000	4.9%	10 years	0	15,000	0
Rabobank Vallei en Rijn	2,000	4.4%	10 years	600	400	200
Rabobank Vallei en Rijn	300	4.4%	10 years	83	67	30
Total	17.300			683	15.467	230

9 SHORT-TERM DEBTS

	31-12-2009	31-12-2008
Advance payments from third parties	88,813	78,570
Debts to suppliers	8,561	8,663
Debts to suppliers of affiliated parties		
Taxation payable	9,159	6,826
Payables to other affiliated parties	7,364	3,597
Payables to the Ministry of Agriculture, Nature and Food Quality	9,134	4,335
Deferred liabilities	13,178	9,767
Other	14,535	13,701
Total short-term debts	150,744	125,459

Advance payments from third parties increased by €11.2 million in 2009 as compared to 2008, in part due to the received Spinoza Prizes, advances from the Bill Gates Foundation and advances on EU contracts. The short-term debt to the Ministry of Agriculture, Nature and Food Quality has increased (€4.8 million) due to the receipt of a number of major grants including the *Bouwimpuls* (€3.0 million) and *Harde Knip* (€0.6 million) for which only limited costs have been incurred.

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

Amounts * €1,000

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 2010</i>	<i>Expiring between 2011 and 2013</i>	<i>Expiring after 2013</i>
Rental obligations	328	164	164	
Insurance	1,435	726	709	
Energy supplies	15,361	7,021	8,340	
Lease obligations	195	82	113	
Licenties	1,360			1,360
Investments	5,890	5,890		
Total	24,569	13,883	9,326	1,360

Wageningen University has provided a guarantee of €2.3 million for the financing of the Restaurant of the Future Foundation.

Wageningen University has issued guarantees of €7.2 million to the EU for projects carried out by DLO institutes. The DLO Foundation has furnished security for these guarantees.

Interest rate instruments

Wageningen University makes use of financial instruments to minimise interest rate risks. These financial instruments are applied in accordance with the treasury charter adopted by the Executive Board.

Wageningen University has raised financing of €15 million within the scope of the Strategic Plan for New Construction. This financing was arranged on the basis of Euribor. The interest rate risk is covered by two interest rate swaps.

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 31-12-2009 was -/- €2.2 million.

Amounts * €1,000

Affiliated Parties

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

	Registered office	Activity code	Equity capital 31-12-2009	Result for 2009	Article 2:403 of the Netherlands Civil Code	Participating interest in 2009	Consolidation
Wageningen Universiteit Holding BV	Wageningen	4	-505	-74	Y	100%	100%
Nexus Holding BV	Wageningen	4	13	-6	N	100%	0%
CAN-IT BV	Wageningen	4	0	not available	N	51%	0%
Ceradis BV	Wageningen	4	0	not available	N	50%	0%
Bio Product BV	Wageningen	4	165	40	N	51%	0%
Biqualy BV	Wageningen	2	0	not available	N	33%	0%
Biopartner BV	Wageningen	3	5800	not available	N	68%	0%
Green Dino BV	Wageningen	4	0	not available	N	11%	0%
ISRIC Foundation	Wageningen	2	676	77			100%
Restaurant of the Future Foundation	Wageningen	2	-63	0			100%

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

Pursuant to a shareholders' agreement, Wageningen University does not have decisive control of Biopartner B.V. and for this reason this company's annual accounts are not incorporated in the consolidated annual accounts. The shares in Biopartner B.V. have been sold on the effective date of 1-1-2010.

Pursuant to its terms of reference Wageningen University takes part in a number of foundations and either 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 DLO and VHL jointly comprise the Wageningen UR alliance. The central staff departments and Facilities and Services 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.

2.1.5 Notes to the profit and loss statement

10 INCOME

	<i>Result for 2009</i>	<i>Result for 2008</i>
DIRECT GOVERNMENT FUNDING		
Direct government funding, Ministry of Agriculture, Nature and Food Quality	159,590	154,283
Other grants, Ministry of Agriculture, Nature and Food Quality	1,592	905
TOTAL DIRECT GOVERNMENT FUNDING	161,182	155,188
OTHER REIMBURSEMENTS		
Tuition and course fees		
Tuition and examination fees	12,649	10,557
Course fees	2,122	2,020
Total Tuition and course fees	14,771	12,577
INCOME FROM WORK FOR THIRD PARTIES		
Revenue from work for third parties	95,040	83,055
Movement in work in progress	-5,574	-4,665
TOTAL INCOME FROM WORK FOR THIRD PARTIES	89,466	78,390
OTHER INCOME		
Sales and use of facilities	739	1,254
Rental income	2,536	1,908
Secondments	414	260
Other income	16,581	14,133
TOTAL OTHER INCOME	20,270	17,555
TOTAL INCOME	285,764	263,724

Income increased in 2009. Direct government funding from the Ministry of Agriculture, Nature and Food Quality increased by €5.3 million to €159.6 million.

Income from work commissioned by third parties increased by 14% to €89.5 million. This income comprises income from the second flow of funds, which increased by 23% to €17.9 million, and from the third flow of funds which increased by 12% to €71.6 million. Turnover generated by all departments increased and, with the exception of the collection-box funds, from all client groups. Tuition fees increased in comparison with 2008 due to the increased number of students.

Appendix 3 contains a specification of the work commissioned by third parties by type of provider of finance and type of turnover.

Amounts * €1,000

EXPENDITURE

11 PERSONNEL COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Gross wages and salaries	151,770	140,741
Temporary employees and contracted personnel	6,364	6,528
Other personnel costs	4,175	4,128
Addition to provision for unemployment insurance obligations	1,688	1,004
Addition to provision for Invalidation Insurance Act obligations	717	54
Addition to other personnel provisions	239	162
Total personnel costs	164,953	152,617

The gross wages and salaries item includes the pension contributions of €15,7 million and the social security charges of €5,7 million. The staffing level increased from 2,335 FTE to 2,475 FTE in 2009. The average payroll total increased by 3.4%.

In 2009, Wageningen University expended €0.4 million (2008: €0.4 million) on salary costs and reimbursements for the members of the Executive Board and €36,000 (2008: €32,000) 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>Result for 2009</i>	<i>Result for 2008</i>
Tangible fixed assets	13,391	14,159
Exceptional write-downs	3,370	0
Total depreciation	16,761	14,159

An exceptional write-down of €2.0 million was recognised in 2009, relating to the intended sale of the De Dreijen complex. This write-down was due to a lower estimate of the net sales proceeds from the last phase of the plan. The Supervisory Board has also decided to demolish the Agronomy building since it transpired that the use of these premises for student accommodation was not feasible. This has resulted in the recognition of an exceptional write-down of €1.3 million.

Amounts * €1,000

13 ACCOMMODATION EXPENDITURE

	<i>Result for 2009</i>	<i>Result for 2008</i>
Rent	7,280	4,076
Insurance	340	334
Maintenance	3,586	3,398
Energy and water	6,158	5,532
Cleaning costs	2,198	1,188
Levies	856	977
Other accommodation costs	1,047	1,191
Total accommodation costs	21,465	16,696

A number of Wageningen University's chair groups are accommodated in DLO buildings. Wageningen University paid rent of €7.2 million in 2009 for the partial use of these buildings. This amount increased sharply in 2009, when Wageningen University began to use Radix, the new accommodation of the Plant Sciences Group.

14 GENERAL COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Other equipment costs	7,382	7,005
Other general costs	26,479	24,461
Additions to the provisions:		
Reorganisation costs	1,016	700
Product and contract risks	-250	0
Provisions, other	0	-44
Total addition to general provisions	766	656
Total general costs	34,627	32,122

The other general costs item includes office expenses, travelling and accommodation expenses, automation expenses, PR expenses and catering expenses.

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

A Audit of the annual accounts	€151,000
B Other auditing activities	€386,000

15 SPECIFIC COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Specific costs	13,823	12,198
Services provided by third parties	18,732	13,617
Contributions and grants	8,384	7,622
Total specific costs	40,939	33,437

Amounts * €1,000

16 FINANCIAL INCOME AND EXPENDITURE

	<i>Result for 2009</i>	<i>Result for 2008</i>
Financial income	1,749	1,976
Financial expenditure	-1,613	-1,903
Total financial income and expenditure	136	73

The financial income relates to the interest received on the cash at bank in the financial year. The interest income in 2009 fell due to the decline in the Euribor rates. The financial crisis did not have any direct consequences for Wageningen UR's liquidity position in 2009.

The financial expenditure relates, in particular, to interest of €0.9 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>Result for 2009</i>	<i>Result for 2008</i>
Biopartner Center BV	3,436	200
Ceradis BV		-100
Biqualy BV		-35
CAN-IT BV	-86	-61
Other participating interests	11	-21
Total result from participating interests	3,361	-17

The result from Biopartner BV comprises Wageningen University's €179,000 share of the Biopartner Center BV's result for 2007 and the book profit of €3,256,000 on the sale of the shares at 1-1-2010.

Amounts * €1,000

2.1.6 Single annual accounts

SINGLE BALANCE SHEET

ASSETS	31-12-2009	31-12-2008
FIXED ASSETS		
Tangible fixed assets	190,639	188,236
Financial fixed assets	-418	674
Total fixed assets	190,221	188,910
CURRENT ASSETS		
Stocks	121	165
Receivables and prepayments	52,502	55,492
Liquid assets	82,149	46,529
Total current assets	134,772	102,186
TOTAL ASSETS	324,993	291,096
LIABILITIES		
EQUITY CAPITAL	139,689	129,251
PROVISIONS	20,677	21,693
LONG-TERM DEBTS	15,000	15,000
SHORT-TERM DEBTS	149,627	125,152
TOTAL LIABILITIES	324,993	291,096

The single balance sheet does not incorporate the information of the ISRIC Foundation, Restaurant of the Future Foundation or WU Holding BV. This balance sheet incorporates Wageningen University's receivables from the ISRIC Foundation and WU Holding BV. The equity capital differs from the equity capital recognised in the consolidated balance sheet by an amount of €612,000. This difference relates to the equity capital of the ISRIC Foundation (€675,000) and the Restaurant of the Future Foundation (€-63,000).

The obligations not included in the balance sheet are equal to those in the consolidated account.

Amounts * €1,000

SINGLE PROFIT AND LOSS STATEMENT

	<i>Result for 2009</i>	<i>Result for 2008</i>
INCOME		
Direct government funding, Ministry of Agriculture, Nature and Food Quality	160,055	154,039
Tuition, course and examination fees	14,771	12,578
Income from work for third parties	88,684	78,390
Other income	20,104	16,918
Total assets	283,614	261,925
EXPENDITURE		
Personnel costs	163,546	151,339
Depreciation	16,760	14,158
Accommodation costs	21,397	16,618
General costs	34,322	31,881
Specific costs	40,639	33,329
Total expenditure	276,664	247,325
OPERATING RESULT	6,950	14,600
Financial income and expenditure	127	56
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	7,077	14,656
Taxation on ordinary activities	0	0
Result from participating interests	3,361	-11
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	10,438	14,645
Third-party share	0	0
Extraordinary income and expenditure	0	0
NET RESULT	10,438	14,645

The €154.0 million direct government funding from the Ministry of Agriculture, Nature and Food Quality is exclusive of the €1.2 million direct government funding recognised by the ISRIC Foundation. In 2009, WU Holding BV recorded a result of €-74,000, the ISRIC Foundation of €77,000 and the Restaurant of the Future Foundation of k€0.

2.1.7 Other information

• Post balance sheet events

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

- **Auditor's report**

To: College van Bestuur en de Raad van Toezicht van Wageningen Universiteit.

Report on the consolidated financial statements

We have audited the accompanying financial statements 2009 of Wageningen Universiteit, in Wageningen which comprise the consolidated and company balance sheet as at 31 December 2009, the consolidated and company profit and loss account for the year then ended and the notes.

The directors' responsibility

The Board of the institution are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with "de Regeling jaarverslaggeving onderwijs (WJZ/2007/50507)".

Also the Board of the institution is responsible for the financial rightfulness of the income, expenses, and balance sheet transactions included in the financial statements. This means that these amounts should be in accordance with the conditions in the applicable rules and regulations.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit, based on "artikel 2.9, sub 3 of the Wet op het hoger onderwijs en wetenschappelijk onderzoek". We conducted our audit in accordance with Dutch law and the 'Controleprotocol OCW 2009'. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the institution's preparation and fair presentation of the financial statements and relevant to the compliance with applicable rules and regulations in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institution's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Wageningen Universiteit as at 31 December 2009, and of its result for the year then ended in accordance with "de Regeling jaarverslaggeving onderwijs (WJZ/2007/50507)".

Furthermore we are of the opinion that the income, expenses, and balance sheet transactions included in the financial statements 2009 comply with the requirements of financial rightfulness. This means that the amounts are in accordance with the conditions in the applicable rules and regulations, as stated in paragraph 2.2.2. frame of reference.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under article 2:393 sub 5f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, 25 May 2010
PricewaterhouseCoopers Accountants N.V.

Originally signed:

drs. Th.A.J.C. Snepvangers RA

2.1.8 Appendices

• 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 institutes and not from private institutes.

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 is 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 2009 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 college 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;
- Wageningen University invested €6.3 million in student accommodation for foreign MSc students in 2009.

Although the provision of student accommodation is not one of the University’s primary duties, the acute accommodation needs have nevertheless resulted in the Executive Board’s decision to invest in temporary accommodation for foreign students. This was approved by the Supervisory Board in view of the exceptional situation on Wageningen’s housing market (for students in particular). 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 2009.

• **Appendix 2 Staffing level (FTE)**

Average staffing level

	<u>2009</u>	<u>2008</u>
FACULTY		
Academic staff:		
Professor	97.6	98.4
Associate professor	133.9	133.9
Assistant professor	276.9	262.9
Researchers	265.1	234.8
Lecturers and other academic staff	34.2	31.5
Trainee research assistant	608.5	522.1
TOTAL ACADEMIC STAFF	1.416.2	1.283.6
Support and administrative staff:		
Scale 13 and above	21.2	22.4
Scale 9 to 12	224.5	219.1
Below scale 9	369.9	370.9
TOTAL SUPPORT AND ADMINISTRATIVE STAFF	615.6	612.4
TOTAL FACULTY	2.031.8	1.896.0
GENERAL SERVICES		
Scale 13 and above	37.3	38.3
Scale 9 to 12	194.7	175.2
Below scale 9	211.5	225.5
TOTAL GENERAL SERVICES	443.5	439.0
TOTAL	2,475.3	2,335.0

Amounts * €1,000

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

Specification of revenue by client

	<i>Result for 2009</i>	<i>Result for 2008</i>
Second flow of funds	17,937	14,583
Central government	9,173	8,123
Other Dutch government	15,740	12,862
Business community	10,323	9,575
European Union	15,434	13,767
Foreign government and public sector	3,069	1,811
Collection-box funds	315	382
WU		
DLO	4,100	3,657
Other	13,375	13,630
Total revenue by client	89,466	78,390

• **Appendix 4 Target funding, deferred liabilities and payments to be reimbursed to the Ministry of Agriculture, Nature and Food Quality**

<i>Project description</i>	<i>Decision</i>	<i>Awarded amount</i>	<i>Balance 31-12-2008</i>	<i>Received 2009</i>	<i>Expenditure 2009</i>	<i>Balance 31-12-2009</i>
<i>Target funding</i>						
Service provision plan 2006	DWK 2005/3173	683,500	135,489		135,489	0
WURKS 2008	DK 2007/3376, 11-12-2007	903,000	903,000		831,040	71,960
WURKS 2009	DK 2008/2708, 27-12-2008	718,000	718,000			718,000
WURKS 2009-2010	TRCDK 2009/2029, 24-11-2009	1,864,332		1,864,332		1,864,332
ICT	DK 2003/4269, 9-12-2003	182,000	16,346		16,346	0
BAMA	DK 2002/4101, 9-12-2002	499,158	58,232		0	58,232
Modernisation of doctorate programmes	TRCDKH/2006/2907, 27-11-2006	67,000	67,000		67,000	0
Business club green life and work 2007-2008	DK 2007/3189, 30-11-2007	60,000	3,000		430	2,570
Agrofood international, the value of knowledge	TRCDK/2007/3190, 30-11-2007	10,000	8,000	2,000	10,000	0
Learning in practice	TRCDK/09/0676, 24-3-2009			166,600	38,071	128,529
Introduction of educative minors	804A0-27081 (CFI 11-11-2009)	136,906		136,906	40,000	96,906
In search of excellence in the European PhD	TRCDKI/09/2041, 29-10-2009			80,000		80,000
Professionalisation and Teachers 2009-2012	TRCDK 2009/2239	920,000		368,000		368,000
Quality impetus WU 2009-2012	TRCDKI/09/2064, 13-11-2009	1,925,000		625,000	51,214	573,786
Bouwimpuls	TRCDKI/2009/2247, 26-11-2009	3,715,534		2,972,427		2,972,427
<i>Deferred liabilities direct government funding letter</i>						
GKC, annual plan 2007	DK 2007/2775, 13-11-2007	3,000,000	1,352,290	4,300,000	4,121,312	1,530,978
More dynamic flow of funds	TRCDK-DH/05/2671, 15-11-2005	179,000	179,000		179,000	0
Admissions policy	TRCDK-DH/05/2671, 15-11-2005	34,000	34,000		34,000	0
Accommodation funds	TRCDK-DH/06/2543, 18-10-2006	1,317,000	860,261		189,000	671,261
Total recognised under Ministry of Agriculture, Nature and Food Quality grants		16.214.430	4,334,618	10,515,265	5,712,902	9,136,981

The expenditure of GKC is not included in the Wageningen University profit and loss statement since Wageningen University is solely the lead manager of this grant. Account is given for expenditure in an auditor's report.

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

Expenditure of Ministry of Agriculture, Nature and Food Quality grants in accordance with Appendix 4	€5,712,902
Less: GKC	<u>€4,121,312</u>
Recognised Ministry of Agriculture, Nature and Food Quality grants	€1,591,590

2.2 Van Hall Larenstein Foundation annual accounts

2.2.1 Financial report

• Movement in the result

The 2009 consolidated annual accounts show a negative result of €0.3 million, €0.8 million short of the budgeted result of €0.5 million.

In 2008 the result was €834,000 positive, in 2007 €264,000 positive, and in 2006 still €18,000 negative.

The negative result in 2009 was primarily due to the sharp increase in expenditure (4% in comparison with 2008). Conversely, income increased by 1.7%.

Direct government funding increased by more than €1.0 million, due to new above-norm additions and implemented price corrections.

Income from tuition fees rose by €0.15 million, due to an increase in the number of students and the annual price increase.

Income from work commissioned by third parties declined by €0.3 million, due to the further winding-down of the activities within T&C and the formation of provisions for project losses.

On balance, costs increased by €2.0 million, due to a sharp increase of the general costs, €3.7 million, less a decrease in the specific costs of €1.8 million. The increase in the general costs was largely due to the formation of a €1.6 million provision for reorganisation costs, the increase in ICT costs, the increase in the strategic policy costs and an increase in other intra-group charges.

Financial income and expenditure was improved by the refinancing of the loans at the beginning of 2009 and the repayment of a loan. In addition, a more stringent treasury policy is now conducted.

• Schutte Committee

As reported earlier, the central government's claim for the refund of excess direct government funding received during the period from 1996-2001 inclusive was set at €4.5 million. The defence proceedings were completed in the past year. Following the decision of the court of Arnhem an appeal was lodged with the Council of State in April 2008. The Council of State confirmed the court's decision.

The institute began to make the monthly repayments in September 2006. These monthly repayments were made over a three-year period: the last repayment was made in August 2009. Consequently, the entire debt resulting from the excess direct government funding received by the institute has now been repaid.

The Audit Service of the Ministry of Agriculture, Nature and Food Quality published its report of the follow-up study of the funding of foreign students for the 2005 budget year (reference date 1-10-2003) at the beginning of 2007. At the end of 2007, this report gave cause to the Ministry of Agriculture, Nature and Food Quality's intended decision to claim the refund of €389,000. This intended decision was, bar two cases, based on shortcomings in the student files. Subsequent to the submission of supplementary evidence the Ministry reduced its refund claim to €131,000. This amount was repaid in October 2009.

• Movement in the balance sheet

Tangible fixed assets increased by €1.5 million due to the alterations to the two multimedia libraries.

Receivables and prepayments decreased by €0.8 million, primarily due to the lower balance of work in progress.

Liquid assets increased by €1.6 million, largely due to the substantially higher grant income received at the end of the financial year.

On balance, provisions increased by €0.4 million, the result of a decline in the redundancy payment provision (by €0.7 million) and a €1.1 million increase in the reorganisation provision.

Long-term debts increased by €1.1 million. An existing €1.1 million part loan was repaid ahead of schedule in April 2009, resulting in a decrease in the long-term debts. An advance of €2.5 million on the €3.1 million grant for the *Bouwimpuls* awarded in 2009 was received in December 2009. This entire grant was allocated to the alterations to the two multimedia libraries in Velp and Leeuwarden. The grant received by the institute was, after the deduction of the short-term constituent of €0.3 million, recognised as the Multimedia library investment account under long-term debts. In addition, the €0.5 million debt relating to decentral conditions of employment in previous years was added in 2009. The expenditure on decentral conditions of employment will be made in the coming 10 years. Short-term debts increased by €1.2 million, in part due to the grant prepayments received by the institute.

At 31-12-2009, the solvency ratio amounted to 10.9%, in comparison with 11.9% in 2008. This slight deterioration was due to an increase in the balance sheet total caused by the increase in short-term debts that was in turn caused by the grant prepayments and project prepayments. In accordance with RJ 660, as from the 2008 financial year the equalisation reserve is recognised under long-term debts.

• Prospects for 2010

Movement in the result

2010 is a transitional year for Van Hall Larenstein. Although the 2010 budget forecasts a positive operating result of €0.4 million, a variety of issues and/or developments could result in the need for additional measures and extra costs before the end of the year.

The main issues for attention are:

1. VHL's liquidity position will need to be improved during the coming years.
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 began on the preparation of a new strategy document in 2009, which is to be adopted in 2010 and will result in a range of modifications to and improvements within the organisation that will in turn require additional funds and investments.

The following actions have been implemented to accommodate these developments:

- a. Evaluation and reorganisation of staff services:
VHL is reviewing how prudent savings can be achieved in the overhead expenses so that the teaching operations can be spared from the spending cuts to the maximum possible extent. In the spring of 2010, the Board of Directors will inform the Executive Board of the manner in which they intend to improve the efficiency of the organisation of staff services and/or the manner in which they intend to work more closely with Wageningen UR's staff services.
- b. The staffing level management of the educational staff shall be improved: at present a small over-capacity is an issue.

The Board of Directors will work out the evaluation and reorganisation of staff services (issue for attention 3) in more detail and submit its plans together with financial substantiation to the Executive Board for the requisite decision-making. Although these two operations are not included in the 2010 budget they could, nevertheless, exert a major influence on the ultimate result.

Bouwimpuls grant

VHL was awarded a *Bouwimpuls* grant of €3.1 million in 2009, of which €2.7 million was allocated in 2009. The remainder of the grant, which is part of the government's crisis measures, must have been allocated to construction projects and/or improvements focused on sustainability, energy conservation, climate control and/or knowledge transfer by no later than the end of 2010.

Amounts * €1,000

Merger of the institutes

Endeavours are being made to follow up the administrative merger of the then Van Hall Institute and Internationale Agrarische Hogeschool Larenstein to form the Van Hall Larenstein University of Applied Sciences, in 2003, with a merger of the institutes. The Executive Board has initiated the programme for the merger of the institutes that will, if possible, be implemented before 1 September 2010.

2.2.2 Annual accounts

Balance sheet

After the allocation of the net result

ASSETS	31-12-2009	31-12-2008
<i>FIXED ASSETS</i>		
1 Tangible fixed assets	35,572	34,088
<i>Total fixed assets</i>	<hr/> 35,572	<hr/> 34,088
<i>CURRENT ASSETS</i>		
2 Stocks	55	59
3 Receivables and prepayments	6,595	7,203
4 Liquid assets	12,794	11,226
<i>Total current assets</i>	<hr/> 19,444	<hr/> 18,488
TOTAL ASSETS	<hr/> 55,016	<hr/> 52,576
<hr/> LIABILITIES <hr/>		
<i>EQUITY CAPITAL</i>		
General reserves	5,986	6,253
5 EQUITY CAPITAL	<hr/> 5,986	<hr/> 6,253
6 PROVISIONS	5,854	5,468
7 LONG-TERM DEBTS	18,166	17,045
8 SHORT-TERM DEBTS AND LIABILITIES	25,010	23,810
TOTAL LIABILITIES	<hr/> 55,016	<hr/> 52,576

Amounts * €1,000

Profit and loss statement

	<i>Result for 2009</i>	<i>Budget for 2009</i>	<i>Result for 2008</i>
9 INCOME			
Direct government funding, Ministry of Agriculture, Nature and Food Quality	27,744	26,695	27,129
Other contributions and reimbursements	3,463	3,601	3,071
Tuition, course and examination fees	6,542	6,618	6,393
Income from work for third parties	9,170	9,487	9,420
Other income	3,894	3,365	3,946
Total assets	50,813	49,766	49,959
EXPENDITURE			
10 Personnel costs	28,907	28,900	28,365
11 Depreciation	2,236	2,217	2,741
12 Accommodation costs	3,709	4,090	3,679
13 General costs	11,675	10,166	7,940
14 Specific costs	4,390	3,664	6,209
Total expenditure	50,917	49,037	48,934
OPERATING RESULT	-104	729	1,025
15 Financial income and expenditure	-163	-184	-191
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	-267	545	834
Taxation on ordinary activities	0	0	0
16 Result from participating interests	0	0	0
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	-267	545	834
Third-party share	0	0	0
Extraordinary income and expenditure	0	0	0
NET RESULT	-267	545	834

Amounts * €1,000

Cash flow statement

	<i>Result for 2009</i>	<i>Result for 2008</i>
OPERATIONAL ACTIVITIES		
Net result	-267	834
Depreciation	2,236	2,741
	<hr/> 1,969	<hr/> 3,575
Movement in provisions	386	-3,195
Movement in working capital	1,812	3,282
Result from non-consolidated participating interests		0
	<hr/> 2,198	<hr/> 87
Cash flow from operational activities	<hr/> 4,167	<hr/> 3,662
INVESTMENT ACTIVITIES		
Investments in buildings and sites	-1,836	-72
Investments in other tangible assets	-1,884	-954
Investments in participating interests	0	0
Divestments in fixed assets	0	-2
Cash flow from investment activities	<hr/> -3,720	<hr/> -1,028
FINANCING ACTIVITIES		
Movement in long-term debt to Ministry of Agriculture, Nature and Food Quality	-388	-389
Movements in other long-term debts	1,509	-2,530
Movement in equity capital		0
Cash flow from financing activities	<hr/> -1,121	<hr/> -2,919
CASH FLOW	<hr/> 1,568	<hr/> -285
MOVEMENT IN LIQUID ASSETS		
Balance of liquid assets at 1 January	11,226	11,511
Balance of liquid assets at 31 December	12,794	11,226
Movement in liquid assets	<hr/> 1,568	<hr/> -285

2.2.3 Principles of valuation

• 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. Any departure from these principles of valuation is stated under the relevant financial information.

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 work in progress for the provision of services. Pursuant to the new RJ 221 regulation work in progress on the provision of services shall be divided into a receivables position and a debt position.

• 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 TPL Foundation was discontinued in 2008.

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 2009 annual accounts the work in progress items relating to the provision of services to third parties are recognised under short-term receivables and short-term debts.

Projects with a negative balance are then, after setting off the prepayments that have been received, recognised under receivables. Projects with a positive balance are recognised under the prepayments item of short-term debt. To this end a reclassification of €161,000 was implemented in the opening balance sheet.

Consolidation

The consolidation incorporates the financial statements of the institute, its group companies and other organisations in which the institute exercises dominant control (pursuant to the actual situation) or conducts the central management. The group companies are legal entities over which the institute can exercise either direct or indirect dominant control since the institute 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 financial statements of group companies and other legal entities over which the institute can exercise dominant control or conducts the central management are fully included in the consolidation. The share of third parties in the group equity capital and the group result is reported separately.

Consolidation circle

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

• **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 and based on 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 €2,500 are charged directly to the profit and loss statement.

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

<i>Constituent</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 grants acquired and amounts from externally financed projects are deducted from the capitalised amount in the year of purchase. Grants 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.

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 institute 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 at 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.

Stocks

This item comprises the trading stock and finished product. 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 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 uncollectible 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 in the balance sheet under short-term receivables and short-term debts, depending on the progress in the work in progress on each project.

Equity 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

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 Guideline 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.

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 Van Hall Larenstein Foundation.

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.

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.

Revenues 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 is received. 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 to be allocated to the accounts of the year are recognised as tuition fees. The institutional tuition fees and payments for postgraduate courses are recognised as 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 * €1,000

2.2.4 Notes to the balance sheet

1 TANGIBLE FIXED ASSETS

	<i>Land</i>	<i>Buildings</i>	<i>Machinery and equipment</i>	<i>Total</i>
Book value at 31-12-2008	3,945	27,706	2,437	34,088
Investments	0	1,836	1,884	3,720
Divestments *	0	0	0	0
Depreciation	0	1,220	1,016	2,236
Exceptional write-downs	0	0	0	0
Book value at 31-12-2009	3,945	28,322	3,305	35,572
Acquisition value at 31-12-2008	3,945	43,868	19,413	67,226
Acquisitions 2009	0	1,836	1,884	3,720
Acquisition value of divestments in 2009	0	0	0	0
Acquisition value 31-12-2008	3,945	45,704	21,297	70,946
Accumulated depreciation	0	17,382	17,992	35,374
Accumulated write-downs	0	0	0	0
Book value at 31-12-2009	3,945	28,322	3,305	35,572
* Disinvestments, 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.

Amounts * €1,000

2 STOCKS

	31-12-2009	31-12-2008
STOCKS		
Trading stock	55	59
	55	59
Less: provision for unmarketability	0	0
TOTAL STOCKS	55	59

3 RECEIVABLES AND PREPAYMENTS

	31-12-2009	31-12-2008
Accounts receivable	2,036	2,089
Accounts receivable, group companies (elimination statement)	373	282
Less: Provision for possible uncollectible receivables	-313	-167
Total accounts receivable	2,096	2,204
Cost of work carried out for third parties	1,693	2,292
Less: Invoiced instalments	0	0
Work for third parties other than the Ministry of Agriculture, Nature and Food Quality	1,693	2,292
Total work in progress	1,693	2,292
Prepayments	233	297
Other	2,573	2,410
Total advances and prepayments	2,806	2,707
Total receivables and accruals	6,595	7,203

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

Amounts * €1,000

4 LIQUID ASSETS

	31-12-2009	31-12-2008
Cash in hand	9	23
Bank (incl. cross booking)	12,676	4,891
Deposits	109	6,312
Total liquid assets	12,794	11,226

All liquid assets are freely available. Liquidity increased by €1.6 million in 2009, while the budget provided for a liquidity position of €5.0 million. This improvement in comparison with the budget can be explained as follows:

	<i>Budget</i>	<i>Actual</i>	<i>Change from budget</i>
Result	545	-267	-812
Depreciation	2,217	2,236	19
Movement in provisions	-1,590	386	1,976
Movement in working capital	-892	3,982	4,874
Cash flow from operational activities	280	6,337	6,057
Cash flow from investment activities	-2,001	-3,720	-1,719
Cash flow from financing activities	-511	-1,049	-538
Cash flow 2009	-2,512	1,568	3,800
Liquid assets at 01.01.09	6,987	11,226	4,239
Liquid assets at 31 December 2009	4,755	12,794	8,039

Operational activities

- The balance of the liquid assets at 1 January 2009 was €4.2 million higher than foreseen in the budget, due to an improvement in the working capital and an increase in the provisions item.
- The result for 2009 was €0.8 million below budget.
- Depreciation was virtually equal to the budget.
- An extra €2.0 million was added to the provisions.
- Working capital increased, in particular due to the *Bouwimpuls* grant received by the institute and the other grant repayments. This amount is recognised in the balance sheet under short-term debts.

Investment activities:

- The actual investments were €1.7 million above budget, due to the alterations of the multimedia libraries in Velp and Leeuwarden.

Financing activities

- The favourable movement in liquidity resulted in the withdrawal of an amount from the new loan that was lower than budgeted.

Amounts * €1,000

5 EQUITY CAPITAL

	<i>General reserve</i>	<i>Appropriated reserve</i>	<i>Total</i>
Balance at 31-12-2008	5,974	279	6,253
Result appropriation	-267	0	-267
Balance at 31-12-2009	5,707	279	5,986

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

6 PROVISIONS

	<i>Balance at 31-12-2008</i>	<i>Addition</i>	<i>Withdrawal</i>	<i>Release</i>	<i>Balance at 31-12-2009</i>
Unemployment insurance obligations	3,088	0	355	352	2,381
Other personnel provisions	228	135	0	0	363
Reorganisation costs	2,152	1,708	750	0	3,110
Total provisions	5,468	1,843	1,105	352	5,854

	<i>31-12-2009</i>	<i>31-12-2008</i>
Specification of the term of the provisions		
Short term (expires by no later than within 1 year)	3,091	1,958
Long term (expires between 1 and 5 years)	2,543	3,123
Long term (expires after 5 years)	220	387
Total provisions	5,854	5,468

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 includes 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.

Amounts * €1,000

7 LONG-TERM DEBTS

	Balance at 31-12-2008	Increase in debt	Decrease in debt	Balance at 31-12-2009
Equalisation account investment grants	8,520	0	388	8,132
Equalisation account Multimedia library	0	2,514	344	2,170
Other long-term debts	8,525	0	1,201	7,324
Reservation for decentral conditions of employment	0	540	0	540
Total long-term debts	17,045	3,054	1,933	18,166

VHL was awarded a *Bouwimpuls* grant of €3.1 million in 2009, of which €2.7 million was allocated in 2009. The remainder of the grant, which is part of the government's crisis measures, must have been allocated to construction projects and/or improvements focused on sustainability, energy conservation, climate control and/or knowledge transfer by no later than the end of 2010.

In 2009, a reserve was formed of €0.5 million relating to the underutilisation of the decentral conditions of employment in previous years. It has been agreed that this amount shall be expended on the decentral conditions of employment during the coming 10 years. The amount for 2010 is included under short-term debts.

List of other long-term debts:

Description	Remaining debt (k€)	Principal (k€)	Interest	Term	Accumulated repayment (k€)	Long term > 5 years (k€)	Short term > 1 years (k€)
BNG (1) *	6,000	8,500	4.71%	15 years	0	6,511	0
BNG (2)	1,324	2,269	6.28%	27 years	866	979	79
Total	7,324	10,769			866	7,490	79

* 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 will be released on 30 January 2012. The loan has a term until 31 December 2023 inclusive. 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. The fourth and fifth tranche are included in the long-term part of the loan.

Amounts * €1,000

8 SHORT-TERM DEBTS AND LIABILITIES

	31-12-2009	31-12-2008
Advance payments from third parties	6,436	5,575
Debts to suppliers	2,300	2,292
Debts to suppliers of affiliated parties	1,973	1,596
Payable taxation and contributions	1,320	1,497
Ministry of Agriculture, Nature and Food Quality research still to be carried out	5,407	4,997
Deferred liabilities	5,130	4,608
Other	2,444	3,245
Total short-term debts	25,010	23,810

Short-term debts increased by €1.2 million as compared to 2008, in part due to the grant prepayments received by the institute. The payables to suppliers from affiliated parties relate to DLO and Wageningen University.

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 2010	Falling due between 2011 and 2013	Falling due after 2013
Rental obligations	1,053	1,053	0	0
Other obligations	1,010	258	673	79
Total	2,063	1,311	673	79

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 Institute 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 as 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 * €1,000

2.2.5 Notes to the profit and loss statement

9 INCOME

	<i>Result for 2009</i>	<i>Result for 2008</i>
DIRECT GOVERNMENT FUNDING		
Direct government funding, Ministry of Agriculture, Nature and Food Quality	27,744	27,129
Other reimbursements	3,463	3,071
<hr/>		
Tuition and course fees		
Tuition and examination fees	6,542	6,393
Course fees	0	0
<hr/>		
Total Tuition and course fees	6,542	6,393
INCOME FROM WORK FOR THIRD PARTIES		
Revenue from work for third parties	9,477	10,685
Movement in work in progress	-307	-1,265
<hr/>		
TOTAL INCOME FROM WORK FOR THIRD PARTIES	9,170	9,420
OTHER INCOME		
Sales and use of facilities	0	0
Rental income	1,783	1,750
Secondments	1,017	847
Other income	1,094	1,349
<hr/>		
TOTAL OTHER INCOME	3,894	3,946
<hr/>		
TOTAL INCOME	50,813	49,959

Income increased by €0.8 million as compared to 2008. Direct government funding from the Ministry of Agriculture, Nature and Food Quality increased by €0.6 million to €27.7 million. Income from the third flow of funds decreased by €0.3 million as compared to 2008.

Income from tuition fees increased by €0.15 million as compared to 2008, due to the increase in number of students and the annual price increase.

Appendix 3 contains a specification of the work commissioned by third parties by type of provider of finance and type of turnover.

Amounts * €1,000

EXPENDITURE

10 PERSONNEL COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Gross wages and salaries	25,631	24,297
Temporary employees and contracted personnel	1,706	2,186
Other personnel costs	1,786	1,550
Addition to provision for unemployment insurance obligations	-352	332
Addition to other personnel provisions	136	0
Total personnel costs	28,907	28,365

The gross wages and salaries increased by €1.3 million as compared to 2008, to €25.6 million, due to the collective labour agreement measures and increased pension contributions. The staffing level decreased by 7 FTE in 2009 to 400 FTE. The increase in gross wages and salaries is in part compensated by the lower costs for temporary employees and contracted personnel. The increase in the other personnel costs item is due to the extra reservation for the decentral conditions of employment for the years from 2004 to 2006 inclusive.

The Van Hall Larenstein Foundation's share in the remuneration of the Executive Board in the financial year amounted to €0.07 million. This amount includes the pension and similar obligations. The members of the Executive Board fulfil the same position in the Executive Boards of Wageningen University, the DLO Foundation and the Van Hall Larenstein Foundation. On balance, €0.3 million was released from the provision for unemployment insurance obligations. The other personnel provision relates to the service anniversary provision. €0.1 million was added to this provision in 2009.

11 DEPRECIATION

	<i>Result for 2009</i>	<i>Result for 2008</i>
Tangible fixed assets	2,236	2,205
Exceptional write-downs	0	536
Total depreciation	2,236	2,741

The depreciation costs decreased in comparison with 2008, due to the application of an exceptional write-down of €0.5 million in 2008.

12 ACCOMMODATION EXPENDITURE

	<i>Result for 2009</i>	<i>Result for 2008</i>
Rent	1,353	1,499
Insurance	40	69
Maintenance	729	577
Energy and water	778	758
Cleaning costs	485	477
Levies	248	223
Other accommodation costs	76	76
Total accommodation costs	3,709	3,679

The accommodation costs remained virtually unchanged from the level in 2008.

Amounts * €1,000

13 GENERAL COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Other equipment costs	2,777	2,043
Other general costs	7,190	5,390
Additions to the provisions:		
Reorganisation costs	1,708	507
Student facilities	0	0
Total addition to general provisions	1,708	507
Total general costs	11,675	7,940

The other equipment costs increased due to the increase in the ICT costs. The other general costs item includes office expenses, travelling and accommodation expenses, automation expenses, PR expenses and catering expenses. The increase in these costs is due to the increase in strategic policy costs and the increase in various intra-group charges.

14 SPECIFIC COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Specific costs	1,869	3,018
Services provided by third parties	2,521	3,191
Contributions and grants	0	0
Total specific costs	4,390	6,209

15 FINANCIAL INCOME AND EXPENDITURE

	<i>Result for 2009</i>	<i>Result for 2008</i>
Financial income	254	380
Financial expenditure	-417	-571
Total financial income and expenditure	-163	-191

The financial income relates to the interest received on the cash at bank in the financial year. The financial income for 2009 decreased due to the decline in the credit interest rate. The financial expenditure decreased due to the refinancing of the loans and the repayment of a loan.

Amounts * €1,000

2.2.6 Single annual accounts

SINGLE BALANCE SHEET

ASSETS	31-12-2009	31-12-2008
FIXED ASSETS		
Tangible fixed assets	30,347	28,680
Financial fixed assets	3,559	3,842
Total fixed assets	33,906	32,522
CURRENT ASSETS		
Stocks	55	59
Receivables and prepayments	6,343	6,404
Liquid assets	8,661	7,749
Total current assets	15,059	14,212
TOTAL ASSETS	48,965	46,734
LIABILITIES		
EQUITY CAPITAL	4,572	3,936
PROVISIONS	5,846	6,477
LONG-TERM DEBTS	15,996	17,045
SHORT-TERM DEBTS	22,551	19,276
TOTAL LIABILITIES	48,965	46,734

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 equity capital differs from the equity capital recognised in the consolidated balance sheet by an amount of €1.4 million. This difference relates to the equity capital of the Business Center Van Hall Foundation and Larenstein Transfer Foundation (€- 2.1 million) and Onroerend Goed Larenstein Foundation (€3.5 million).

Amounts * €1,000

SINGLE PROFIT AND LOSS STATEMENT

	<i>Result for 2009</i>	<i>Result for 2008</i>
INCOME		
Direct government funding, Ministry of Agriculture, Nature and Food Quality	31,207	30,200
Tuition, course and examination fees	6,542	6,393
Income from work for third parties	4,317	2,500
Other income	6,125	5,657
Total assets	48,191	44,750
EXPENDITURE		
Personnel costs	28,619	27,331
Depreciation	2,053	2,485
Accommodation costs	3,709	4,831
General costs	11,189	7,983
Specific costs	1,921	1,737
Total expenditure	47,491	44,367
OPERATING RESULT	700	383
Financial income and expenditure	-65	-159
NET RESULT	635	224

The result is €0.9 million lower than the result recognised in the consolidated profit and loss statement. This difference relates to the result recorded by the Business Center Van Hall Foundation and Larenstein Transfer Foundation (€- 0.6 million) and Onroerend Goed Larenstein Foundation (€- 0.3 million).

2.2.7 Other information

• Post balance sheet events

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

- **Auditor's report**

To: College van Bestuur en de Raad van Toezicht van Van Hall Larenstein.

Report on the consolidated financial statements

We have audited the accompanying financial statements 2009 of Van Hall Larenstein, in Leeuwarden which comprise the consolidated and company balance sheet as at 31 December 2009, the consolidated and company profit and loss account for the year then ended and the notes.

The directors' responsibility

The Board of the institution are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with "de Regeling jaarverslaggeving onderwijs (WJZ/2007/50507)".

Also the Board of the institution is responsible for the financial rightfulness of the income, expenses, and balance sheet transactions included in the financial statements. This implies that these amounts should be in accordance with the conditions in the applicable rules and regulations.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit, based on "artikel 2.9, sub 3 of the Wet op het hoger onderwijs en wetenschappelijk onderzoek". We conducted our audit in accordance with Dutch law and the 'Controleprotocol OCW 2009'. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the institution's preparation and fair presentation of the financial statements and relevant to the compliance with applicable rules and regulations in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the institution's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion on rightfulness

The financial statements contain an amount of € 434.000 concerning other expenses that result from contracts that should have been subjected to "Europese aanbesteding" (European Tender procedures). The total contract worth amounts to € 424.000, exceeding the tolerance limit of 1%. These contracts have wrongfully not been subject to European Tender procedures.

Opinion on aspects of fair presentation

In our opinion the financial statements give a true and fair view of the financial position of Van Hall Larenstein as at 31 December 2009, and of its result for the year then ended in accordance with "de Regeling jaarverslaggeving onderwijs (WJZ/2007/50507)".

Qualified opinion on rightfulness

In our opinion, except for the effect of the matter described in the Basis for qualified opinion on rightfulness paragraph, the income, expenses, and balance sheet transactions included in the financial statements 2009 comply with the requirements of financial rightfulness. This means that the amounts, except for the effect of the matter described in the Basis for qualified opinion on rightfulness paragraph, are in accordance with the conditions in the applicable rules and regulations, as stated in paragraph 2.2.2. frame of reference.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under article 2:393 sub 5f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by article 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, 25 May 2010

PricewaterhouseCoopers Accountants N.V.

Originally signed:

drs. Th.A.J.C. Snepvangers RA

2.2.8 Appendices

• Appendix 1 Clarifications

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

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

Customised programmes for companies / organisations

Van Hall Larenstein 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 2009 Van Hall Larenstein 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 Sciences initial study programmes within the scope of the education and training of VHL personnel. Consequently, the University of Applied Sciences has not paid the college fees for any member of staff.

Allocation of direct government funding to private activities

Van Hall Larenstein allocates funds to the following private activities:

- student facilities such as sports facilities and training activities.
- Van Hall Larenstein contributed approximately €40,000 to student accommodation for foreign students in 2009. Although the provision of student accommodation is not one of Van Hall Larenstein’s primary duties, in practice the short time most foreign 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’s 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>2009</u>	<u>2008</u>
Teaching staff		
Associate professor	1.3	1.8
Lecturer	216.1	222.8
Assistant	8.3	7.8
Total teaching staff	<u>225.7</u>	<u>232.4</u>
Support staff		
Scale 13 and above	9.8	8.8
Scale 9 to 12	60.7	60.5
Below scale 9	104.2	105.0
Total support staff	<u>174.7</u>	<u>174.3</u>
Total staffing level	<u>400.4</u>	<u>406.7</u>

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

	2009	2008
DGIS/Nuffic	892	4,014
Educational institutes	1,088	516
Central government	4,134	108
Other government	1,178	1,850
Commercial companies	1,782	2,768
Other private parties	96	164
	<hr/>	<hr/>
Total turnover	9,170	9,420
In the Netherlands:		
Contract research	2,731	3,068
Second flow of funds	4,777	3,350
In or with developing countries:	1,662	3,002
	<hr/>	<hr/>
	9,170	9,420

• Appendix 4 Earmarked target funding, Ministry of Education, Culture and Science and Ministry of Agriculture, Nature and Food Quality

Model G: Geomerkte doelsubsidies OCW en
LNV (Earmarked target funding Min. of Education,
Culture & Science and Min. of Agriculture, Nature and
Food Quality)
* €1,000

Description	Year	Reference	Amount awarded	Balance at 31-12-2008	Receipts	Expenditure	Balance at 31-12-2009
Animal welfare lectureship	2009	CFI/BEK-2008/126967 M	117	116	51	168	-
Rural innovation lectureship		SKO 196	454	53	123-	70-	-
Regional transition lectureship	2008/2009	CFI/BEK-2008/138128 M and CFI/BEK-2008/126967 M	117	183-	239	85	29-
Food safety lectureship		SKO 195	454	3-	3	-	-
Nutrition & Living environment lectureship	2008		-	51	51-	-	-
Water lectureship	2008	SKO 126 and CFI/BEK-2008/138128 M	454	158-	2	156-	-
Green habitat environment lectureship	2008/2009	CFI/BEK-2008/138128 M and CFI/BEK-2008/126967 M	117	36-	201	55	109
Knowledge circle PLV lectureship (LAR)			-	66-	66	-	-
PLV lectureship 2008-2012			-	27-	-	27-	-
Integrated water management and climate-resistant area development lectureship	2009	CFI/BEK-2008/126967 M	117	-	117	61	56
The landscape manager of the future lectureship	2009	DK/2009/2193	480	-	120	-	120
Green plus lectureship	2009	DK/2009/2192	480	-	120	-	120
Nutrition & Living environment lectureship 2009	2009	CFI/BEK-2008/126967 M	117	-	168	133	35
Green education impetus 2007	2007	TRC 2007/6288	737	737	-	737	-
Green education impetus 2007	2007	TRC 2007/6288	628	628	-	628	-
Internationalisation 2007	2007	TRC 2007/6288	133	133	-	133	-
Internationalisation 2007	2007	TRC 2007/6288	113	113	-	113	-
School as expertise centre 2008	2008	DK.2008/2371 replaces no.2904684	713	713	-	107	606
School as expertise centre 2008	2008	DK.2008/2372 replaces no.2904688	664	664	-	-	664
Internationalisation 2008	2008	DK.2008/2371 replaces no.2904685	128	128	-	53	76
Internationalisation 2008	2008	DK.2008/2372 replaces no.2904689	120	120	-	-	120
Professionalisation 2008	2008	DK.2008/2371 replaces no.2904686	128	128	-	-	128
Professionalisation 2008	2008	DK.2008/2372 replaces no.2904690	120	120	-	-	120
Learning in practice 2008	2008	DK.2008/2371 replaces no.2904687	198	198	-	-	198
Learning in practice 2008	2008	DK.2008/2372 replaces no.2904691	175	175	-	-	175
Lectureship 2009	2009	CFI/BEK-2008/126967 M	595	-	595	583	13
Green impetus 2009	2009	DK. 2008/2371 and DK. 2008/2372	1,787	-	1,787	-	1,787
Construction impetus 2009	2009	1400003737	3,143	-	2,514	2,674	160-
Learning in practice 2009	2009	22000-941 and 22000-942	1,240	-	1,240	699	541
Nature & Education in practice	2005	RIG0/2005/OV/063	123	13-	13	-	-
Naturalising water management FRL	2005	RIG0/2005/KC/082	87	0-	0	-	-
Toxicology	2006	RIG0/2006/OV/073	70	21-	3	18-	-

Model G: Geomerkte doelsubsidies OCV en
LNV (Earmarked target funding Min. of Education,
Culture & Science and Min. of Agriculture, Nature and
Food Quality)
* €1,000

Description	Year	Reference	Amount awarded	Balance at 31-12-2008	Receipts	Expenditure	Balance at 31-12-2009
Rural studios	2006	RIGO/2006/OV/075-02	198	127-	93	33-	-
Multiple use of the Wadden area	2006	RIGO/2006/KC/078-02	90	6-	6	-	-
Old paths, new roads	2006	RIGO/2006/KC/077-02	99	4	-	4	-
Pl. vision, a corpus of knowledge	2006	RIGO/2006/KC/076-02	100	0-	10	10	-
Regional transition programme	2007	RIGO/2007/08-004	516	5	207	216	5-
				12-	12	-	-
				16-	16	-	-
Regional transition (part of RIGO)		Part of 2111.87006		8-	0	2	-
Vital region, vital entrepreneurs	2007	RIGO/2007/08-003	93	56	-	13	43
RIGO Vital Region			-	-	-	2	2-
Dairy farming 2007	2007	RIGO/2007/05-005	200	38-	117	76	3
Junior dairy cattle academy	2007	RIGO/2007/05-007	139	43	4	94	47-
Animal welfare	2007	RIGO/2007/09-006	500	115	5	91	28
Veal calf welfare monitor	2007	RIGO/2007/09-008	49	24	-	4	20
Animal welfare quality management	2007	RIGO/2007/09-011	47	20	-	25	5-
Dierenwelzijnswijzer (animal welfare guide) website	2007	RIGO/2007/09-012	86	43	-	53	10-
Cooperation as an opportunity	2008	KIGO/2008/13-060	113	61	-	36	25
Dairy farming programme	2008	KIGO/2008/05-032	300	74	-	76	2-
Animal nutrition zoo animals	2008	KIGO/2008/09-038	124	72	-	19	54
Entrepreneurship with animal welfare	2008	KIGO/2008/09-058	93	54	-	31	23
Integration of workplace learning, fen colonies	2009	KIGO/2009/08-065	200	-	80	30	50
30SIS	2009	KIGO/2009/05-033	225	-	90	4	86
Energising nature participation	2009	KIGO/2009/14-056	87	-	35	4	31
Amersfoort, exemplary city	2009	KIGO/2009/11-057	102	-	41	6	34
Young Frisian Foarut	2009	KIGO/2009/14-060	91	-	36	7	29
Ecological Engineering	2009	KIGO/2009/11-019	97	-	77	23	54
Green-aware urban renewal	2009	KIGO/2009/14-061	128	-	51	13	38
Green education nature portal	2009	KIGO/2009/11-063	114	-	45	6	39
Trailblazer, knowledge agenda	2009	KIGO/2009/08-062	105	-	42	4	38
Business Development in the juice factory	2009	KIGO/2009/06-054	99	-	40	-	40
Considerate nutrition, senior citizen as consumer	2009	KIGO/2009/06-064	119	-	48	3	44
Article 12 Wildlife	2009	KIGO/2009/09-036	125	-	50	8	42
Agribusiness in the Balkans	2009	KIGO/2009/15-059	83	-	33	16	18
Nature & Education in practice	2005	RIGO/2005/OV/063	123	13-	13	-	-
Naturising water management FRL	2005	RIGO/2005/KC/082	87	0-	0	-	-
Toxicology	2006	RIGO/2006/OV/073	70	21-	3	18-	-
Rural studios	2006	RIGO/2006/OV/075-02	198	127-	93	33-	-
Multiple use of the Wadden area	2006	RIGO/2006/KC/078-02	90	6-	6	-	-
Old paths, new roads	2006	RIGO/2006/KC/077-02	99	4	-	4	-
Pl. vision, a corpus of knowledge	2006	RIGO/2006/KC/076-02	100	0-	10	10	-
Regional transition programme	2007	RIGO/2007/08-004	516	5	207	216	5-
				12-	12	-	-
Regional transition (part of RIGO)		Part of 2111.87006		8-	0	2	-
Vital region, vital entrepreneurs	2007	RIGO/2007/08-003	93	56	-	13	43
RIGO Vital Region			-	-	-	2	2-
Dairy farming 2007	2007	RIGO/2007/05-005	200	38-	117	76	3
Junior dairy cattle academy	2007	RIGO/2007/05-007	139	43	4	94	47-
				4,371	8,418	7,225	5,574

2.3 DLO Foundation annual accounts

2.3.1 Financial report

• Financial developments

The DLO Foundation recorded a positive net result of €10.8 million in 2009, €3.6 million lower than the net result for 2008 (€14.4 million).

The DLO Foundation's result can be broken down as follows:

– Institutes	
non-recurrent	€7.7 million
operational	€0.1 million
– Internal margin for capital costs	€6.7 million
– Executive Board / Staff departments / Facilities and Services:	
non-recurrent	€–7.4 million
operational	€3.7 million
– Total result of DLO Foundation	€10.8 million

The result for 2009 contains a number of non-recurrent constituents that jointly have a positive effect of €0.3 million. The constituents of the institutes' non-recurrent result (€7.7 million) are as follows:

– Sale of parts of Lelystad Biologicals BV	€7.7 million
--	--------------

The constituents of the Executive Board's non-recurrent result (€–7.4 million) are as follows:

– Write-downs for Lelystad Biologicals BV	
– exceptional write-down on the buildings in Lelystad	€- 3.2 million
– formation of a reorganisation provision	€- 2.9 million
– Downward adjustment of the value of property (former Van Meel slaughterhouse)	€- 1.3 million
– Book profit on sale of land (Edelhertweg)	€ 0.8 million
– Releases from and additions to provisions	€- 0.8 million

Turnover of €351.4 million was generated in 2009. The DLO Foundation's largest client is the Ministry of Agriculture, Nature and Food Quality, which generates approximately 48% of total turnover (57% of research turnover).

Liquid assets increased by €7.3 million at year-end 2009 in comparison with 2008, largely due to the positive cash flow from working capital (€13.5 million).

Investments in buildings and land amounted to €29.9 million in 2009.

• Changes in the legal structure and capital stake

A number of changes were implemented in the group in 2009:

- Incorporation of DLO Holding Wageningen BV
- Relocation of participating interests (Knowhouse BV, Fresh Forward Holding BV, Isolife BV, Agri New Ventures BV and Oostwaardhoeve Beheer BV) to Wageningen Business Generator BV
- Relocation of participating interests (Wageningen Business Generator BV, ID-Lelystad BV and Lelystad Biologicals BV) from DLO Holding BV to DLO Holding Wageningen BV
- Legal merger of DLO Foundation and DLO Holding BV
- The capital stake in Pepsan Systems BV declined from 34% to 33%
- Lelystad Biologicals BV's MKZ and Tuberculine operations were sold in 2009

- **Prospects for 2010**

A net result of €3.5 million is budgeted for the DLO Foundation. The result from ordinary activities (= net result less Executive Board's non-recurrent result) amounts to €8.8 million. Pursuant to the Strategic Plan 2007-2010 the DLO Foundation is to achieve structural growth in the result from ordinary activities of at least €10.0 million. In view of the effects of the credit crisis and the government's spending cuts it is possible to state that the DLO Foundation, with a normalised result of €8.8 million in 2010, remains on course.

The solvency ratio increased to 47% due to the favourable result in 2009 (in 2008 the solvency ratio was 45%, after the major overhaul change of system and presentation of work in progress change of system). In view of the budgeted result the solvency ratio is expected to increase further to 50% in 2010. As a result, the 2012 target stipulated in the Strategic Plan (at least 45%; 50% or more is desirable) will be achieved in 2010.

€35.2 million will be invested in buildings and land in 2010. The majority of the investments within the scope of the Strategic Plan for New Construction Plan (€9.5 million) will be made in Technotron and the alterations of Futurum. These investments will be supplemented by the regular investments, investments in practical research and major overhaul by Facilities and Services.

Amounts * €1,000

2.3.2 Annual accounts

Consolidated balance sheet

After the allocation of the net result

ASSETS	31-12-2009	31-12-2008
FIXED ASSETS		
1 Tangible fixed assets	345,894	334,006
2 Financial fixed assets	77,619	81,928
Total fixed assets	423,513	415,934
CURRENT ASSETS		
3 Stocks	4,271	9,026
4 Receivables and prepayments	104,733	110,791
5 Liquid assets	44,060	36,801
Total current assets	153,064	156,618
TOTAL ASSETS	576,577	572,552
LIABILITIES		
EQUITY CAPITAL		
Other reserves	269,377	258,597
6 EQUITY CAPITAL	269,377	258,597
7 SHARE OF THIRD PARTIES	0	-83
GROUP EQUITY CAPITAL	269,377	258,514
8 PROVISIONS	29,576	30,221
9 LONG-TERM DEBTS	135,857	144,824
10 SHORT-TERM DEBTS	141,767	138,993
TOTAL LIABILITIES	576,577	572,552

Amounts * €1,000

Consolidated profit and loss statement

	Result for 2009	Result for 2008
11 INCOME	351,412	348,164
EXPENDITURE		
12 Personnel costs	192,584	182,508
13 General costs	84,519	87,058
14 Specific costs	65,394	61,742
TOTAL EXPENDITURE	342,497	331,308
15 Other income and expenditure	7,716	0
OPERATING RESULT	16,631	16,856
16 Financial income and expenditure	-4,983	-2,958
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	11,648	13,898
17 Taxation on ordinary activities	-635	635
18 Result from participating interests	-233	-306
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	10,780	14,227
19 Third-party share	0	137
Extraordinary income and expenditure	0	0
NET RESULT	10,780	14,364

Amounts * €1,000

Consolidated cash flow statement

	Result for 2009	Result for 2008
OPERATIONAL ACTIVITIES		
Net result	10,780	14,364
Depreciation and exceptional write-downs	24,707	34,130
	35,487	48,494
Movement in provisions	-645	-7,681
Movement in working capital	13,587	-2,568
Result from non-consolidated participating interests	233	306
	13,175	-9,943
Cash flow from operational activities	48,662	38,551
INVESTMENT ACTIVITIES		
Investments in intangible assets	0	0
Investments in buildings and sites (inc. WU)	-29,887	-47,893
Investments in other tangible assets	-8,613	-8,912
Investments in participating interests and members' capital	132	-142
Divestments in fixed assets	1,905	4,281
Cash flow from investment activities	-36,463	-52,666
FINANCING ACTIVITIES		
Movement in long-term receivable, Ministry of Agriculture, Nature and Food Quality	3,944	3,944
Movement in long-term debt to Ministry of Agriculture, Nature and Food Quality	-3,944	-3,944
Movements in other long-term debts	-4,711	-4,512
Decrease in lease obligations	-312	-319
Movement in equity capital	0	0
Movement in third-party share	83	-137
Cash flow from financing activities	-4,940	-4,968
CASH FLOW	7,259	-19,083
Balance of liquid assets at 1 January	36,801	55,882
Balance of liquid assets at 31 December	44,060	36,801
Movement in liquid assets	7,259	-19,083

2.3.3 Principles of valuation

- **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. All staff have concluded a contract of employment with the DLO Foundation. The DLO Foundation owns the property used by the operating companies pursuant to contracts for use. The staff are deployed at the various operating companies: the companies are charged the actual wage costs for the relevant staff.

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 financial statements of the institute, its group companies and other organisations in which the institute exercises dominant control (pursuant to the actual situation) or conducts the central management. The group companies are legal entities over which the institute can exercise either direct or indirect dominant control since the institute 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 financial statements of group companies and other legal entities over which the institute can exercise dominant control or conducts the central management are fully included in the consolidation. The share of third parties in the group equity 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 2008</i>	<i>Movement</i>	<i>% year-end 2009</i>
Agri New ventures BV	Wageningen	100%	–	100%
Agrotechnology & Food Innovations BV	Wageningen	100%	–	100%
Alterra BV	Wageningen	100%	–	100%
Calendula Oil BV	Wageningen	56%	–	56%
DLO Holding BV	Wageningen	100%	–100%	–
DLO Holding Wageningen BV	Wageningen	–	100%	100%
Exploitiemaatschappij Windmolenparken Lelystad BV	Wageningen	100%	–	100%
ID-Lelystad BV	Wageningen	100%	–	100%
Landbouw-Economisch Instituut (LEI) BV	Wageningen	100%	–	100%
Plant Research International BV	Wageningen	100%	–	100%
Praktijkonderzoek Veehouderij BV	Wageningen	100%	–	100%
PPO BV	Wageningen	100%	–	100%
PPO Beheer BV	Wageningen	100%	–	100%
IMARES BV	Wageningen	100%	–	100%
Wageningen Business Generator BV	Wageningen	100%	–	100%
Windmolenpark Neushoortocht BV – nav	Wageningen	100%	–	100%
Windmolenpark Mammoethocht BV – nav	Wageningen	100%	–	100%

Participating interests are valued at acquisition price or net asset value:

	<i>Registered office</i>	<i>% year-end 2008</i>	<i>Movement</i>	<i>% year-end 2009</i>
At acquisition price:				
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	35%	–	35%
Nsure Holding BV	Wageningen	44%	–	44%
Oostwaardhoeve Beheer BV	Wageningen	50%	–	50%
Pepscan Systems BV	Lelystad	34%	–1%	33%
VOF Oostwaardhoeve	Slootdorp	50%	–	50%

• 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 applied 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 and are based on 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 €2,500 are charged directly to the profit and loss statement.

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

<i>Constituent</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
– Automation equipment including software (hardware for networks)	5 years, linear
– Automation 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. The institute 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 at 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 institute 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 institute 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 comprises 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 semi-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 uncollectible 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. 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.

Equity capital

– Issued share 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.

Invalidity Insurance Act obligations

The provision for Invalidity Insurance Act obligations is formed to cover the anticipated Invalidity Insurance Act obligations.

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 used to settle pension contributions due in the future.

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**

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.

Revenues 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.

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 Agriculture, Nature and Food Quality falling under the grant regulation is recognised under the Ministry of Agriculture, Nature and Food Quality 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 can be offset 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**

A. Until the 2008 financial year inclusive a major overhaul provision was formed to cover and level out the costs incurred in major overhaul to the land and buildings. The constituent approach in accordance with RJ 660 is applied from the 2009 financial year onwards. Pursuant to the constituent approach the provision has been released and major overhauls are capitalised from 1 January 2009 onwards. The following items are recognised in the opening balance sheet:

Movement in equity capital:

<i>Description</i>	<i>General reserve</i>	<i>Total</i>
Balance at 31-12-2008	247,261	247,261
Change in system	11,335	11,335
Total	258,597	258,597

Movement in provisions:

<i>Description</i>	<i>Balance at 31-12-2008</i>	<i>Movement change in system</i>	<i>Balance at 31-12-2009</i>
Unemployment insurance obligations	4,010		4,010
Invalidity Insurance Act	167		167
Service anniversary bonuses	4,942		4,942
Reorganisation costs	18,227		18,227
Product and contract risks	2,875		2,875
Major overhaul	11,335	-11,335	0
Other material provisions	0		0
Total provisions	41,556	-11,335	30,221

B. Pursuant to the annual account regulations (RJ 221), as from the annual accounts 2009 the work in progress items relating to the provision of services to third parties are recognised under short-term receivables and short-term debts. 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. To this end a reclassification of €32.5 million was implemented in the opening balance sheet.

Amounts * €1,000

2.3.4 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 31-12-2008	101,687	193,426	191	17,937	20,765	334,006
Investments	2,122	37,069	26	8,587	-9,304	38,500
Divestments *	343	0	0	1,479	83	1,905
Depreciation	16	14,144	18	6,018	0	20,196
Exceptional write-downs	0	4,511	0	0	0	4,511
Book value at 31-12-2009	103,450	211,840	199	19,027	11,378	345,894
Acquisition value at 31-12-2008	101,687	286,670	791	93,243	20,765	503,156
Acquisitions 2009	2,122	37,069	26	8,587	-9,304	38,500
Acquisition value of divestments 2009	343	0	96	18,760	83	19,282
Acquisition value 31-12-2009	103,466	323,739	721	83,070	11,378	522,374
Accumulated depreciation	16	88,731	521	63,900	0	153,168
Accumulated write-downs	0	23,169	0	143	0	23,312
Book value at 31-12-2009	103,466	211,839	200	19,027	11,378	345,894
* Disinvestments, of which:						
- Acquisition price	343	0	96	18,759	83	19,281
- Depreciation	0	0	96	17,280	0	17,376
Total divestments	343	0	0	1,479	83	1,905

€22.2 million was added to the work in progress item for investments in buildings in 2009 and €32.2 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 Plan for New Construction (€4.0 million, Radix, and €1.2 million, infrastructure), New construction for the CVI (€2.5 million), RIKILT office and laboratory buildings (€9.7 million), offices for the PPO Bleiswijk (€1.7 million) and building installations for Lelystad (€1.4 million).

Delivered projects include the Rikilt office and laboratory buildings (€9.7 million), RIKILT renovation (€8.5 million), VWA renovation (€6.4 million) and the Strategic Plan for New Construction (€4.0 million, Radix, and €1.8 million, Technotron / Biotron) and offices for the PPO Bleiswijk (€1.7 million).

The DLO Foundation's property is insured for €473.6 million (reference date 1-2-2010). The value for the purposes of the Valuation of Immovable Property Act has been set at €261.2 million (reference date 1-2-2009).

Amounts * €1,000

2 FINANCIAL FIXED ASSETS

	31-12-2009	31-12-2008
Participating interests in group companies	2,068	2,251
Other participating interests	6	6
Receivables from group companies	0	0
Receivables from other affiliated parties	632	667
Members' capital	1,347	1,367
Other securities	429	556
Receivables from the Ministry of Agriculture, Nature and Food Quality	73,137	77,081
Total financial fixed assets	77,619	81,928

Breakdown of the participating interests in group companies item

Description	Book value 31-12-2008	Investment/ divestment	Other movements*	Downward revaluation	Result for 2009	Book value 31-12-2009
Covaccine BV	18	0	0	0	0	18
Fresh Forward Holding BV	825	0	0	0	-68	757
Knowhouse BV	0	0	0	0	0	0
Nsure Holding BV	0	0	0	0	0	0
Oostwaardhoeve Beheer BV	18	0	0	0	0	18
Pepscan Systems BV	1,139	0	-71	0	0	1,068
VOF Oostwaardhoeve	251	50	0	0	-94	207
Total	2,251	50	-71	0	-162	2,068

* other movements relates to changes in the results for 2008 due to variances between the participating interests' provisional and definitive annual figures

** the opening balance of Oostwaardhoeve Beheer BV is reduced by €70,000 and the opening balance of VOF Oostwaardhoeve increased by €70,000. This movement was stated under the incorrect entity in 2008.

Breakdown of the other participating interests item

Description	Book value 31-12-2008	Investment/ divestment	Other movements	Downward revaluation	Result for 2009	Book value 31-12-2009
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	0	0	0	0	6

Amounts * €1,000

The breakdown of the receivables from other affiliated parties is as follows:

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Movement</i>	<i>Book value 31-12-2009</i>
Fresh Forward BV	500	-50	450
Nsure Holding BV	0	100	100
Bfactory BV	100	-18	82
Knowhouse BV	67	-67	0
Total	667	-35	632

The breakdown of the members' capital is as follows

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Movement</i>	<i>Book value 31-12-2009</i>
Avebe	82	-9	73
Agrico	0	0	0
Bloemenveiling Aalsmeer (VBA)	4	-1	3
Boskoopse Veiling	0	0	0
FrieslandCampina	1,078	-5	1,073
Cosun	68	0	68
CSM	7	-4	3
Flora Holland	3	0	3
Fruitmasters	3	0	3
Greenery	6	-1	5
Koelhuis Mastland	3	0	3
Nautilus	2	-1	1
Nedato	2	0	2
Noliko	3	0	3
Potatopol	1	0	1
Windunie	104	0	104
Total	1,367	-20	1,347

Breakdown of the other securities item

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Investment/ divestment</i>	<i>Other movements</i>	<i>Dividend</i>	<i>Result for 2009</i>	<i>Book value 31-12-2009</i>
Prionics AG	556	0	-81	0	-46	429
Total	556	0	-81	0	-46	429

The shares in Prionics A.G. were valued at year-end 2009 in accordance with Prionics A.G.'s disclosed equity capital at year-end 2008 and after translation using the exchange rate of the Swiss Franc at year-end 2009.

Amounts * €1,000

The receivables from the Ministry of Agriculture, Nature and Food Quality comprise three items:

Description	Total	Interest	Cumulative repayments	Long-term	Short-term
Transfer of buildings and land in connection with the privatisation of DLO	83,949	0%	30,799	50,350	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,702	0%	8,850	18,896	957
Transfer of IAC and ILRI buildings and land	5,627	0%	1,548	3,891	188
Total	118,278	0%	41,197	73,137	3,945

€3.9 million of the receivables is due each year and is recognised under other receivables.

3 STOCKS

	31-12-2009	31-12-2009
STOCKS		
Trading stock	2,291	4,330
Livestock	2,066	2,244
Harvested agricultural produce	557	520
Stock of semi-finished goods	307	2,701
Prepayments for stocks	0	0
	5,221	9,795
Less: Provision for unmarketability	-950	-769
TOTAL STOCKS	4,271	9,026

Amounts * €1,000

4 RECEIVABLES AND PREPAYMENTS

	31-12-2009	31-12-2008
Accounts receivable	32,978	33,241
Accounts receivable from affiliated parties	0	0
Less: Provision for possible uncollectible receivables	-3,538	-2,250
Total accounts receivable	29,440	30,991
Cost of work carried out for third parties	395,004	436,621
Less: Invoiced instalments	359,743	406,606
Work for third parties other than the Ministry of Agriculture, Nature and Food Quality	35,261	30,015
Less: anticipated losses	-2,431	-988
Recognised under short-term debt	20,228	32,540
Project costs yet to be invoiced	53,058	61,567
Advances	1,887	1,466
Corporation	0	635
Receivables from affiliated parties	7,364	3,637
Prepayments	8,593	8,074
Other	4,391	4,421
Total advances and prepayments	22,235	18,233
Total receivables and accruals	104,733	110,791

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 accounts receivable item has decreased by €1.6 million, almost entirely due to the increase in the provision for possible uncollectible receivables.

The receivables from affiliated parties relates to receivables from Wageningen University. These relate to short-term positions in the current account that are regularly settled against each other.

Amounts * €1,000

5 LIQUID ASSETS

	31-12-2009	31-12-2008
Cash in hand	47	45
Bank (incl. cross booking)	25,463	36,756
Deposits	18,550	0
Total liquid assets	44,060	36,801

Liquidity increased by €7.3 million. The breakdown of this increase is as follows:

– Net result	€ 10.8 million
– Increase in property (balance of investments, divestments and depreciation)	€ - 11.8 million
– Movement in provisions	€ - 0.6 million
– Repayment of long-term debts	€ - 5.2 million
– Movement in working capital	€ 13.9 million
– Result from non-consolidated participating interests	€ 0.2 million

The increase in property is due to the investments in the Strategic Plan for New Construction. The increase in working capital is due to the receipt of funds to be passed on relating to EU coordination projects.

The balance of the liquid assets is freely available. The DLO Foundation has a credit facility of €1.8 million.

6 EQUITY CAPITAL

	<i>General reserve</i>	<i>Total</i>
Balance at 31-12-2008	258,597	258,597
Result appropriation	10,780	10,780
Addition to the reserve	0	0
Withdrawal from the reserve	0	0
Balance at 31-12-2009	269,377	269,377

The entire positive net result of €10.8 million recorded for the financial year has been transferred to the general reserve. The opening balance of the general reserve has been increased by €11.3 million due to the implementation of RJ 660.

Amounts * €1,000

7 SHARE OF THIRD PARTIES

	Balance at 31-12-2008	Addition / withdrawal	Balance at 31-12-2009			
Third-party share	-83	83	0			
Total third-party share	-83	83	0			
Breakdown of the third-party share item						
Description	Book value 31-12-2008	Investment/ divestment	Dividend	Other movements	Result for 2009	Book value 31-12-2009
Calendula Oil BV	-83	0	0	0	0	0
Total	-83	0	0	0	0	0

No information about the 2009 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. Since a provision covers the DLO Foundation's entire receivables from Calendula Oil BV the risk incurred with this participating interest is minor. The capital stake in Calendula Oil BV was 56% at year-end 2009.

8 PROVISIONS

	Balance at 31-12-2008	Addition	Withdrawal	Release	Balance at 31-12-2009
Unemployment insurance obligations	4,010	2,916	625	1,377	4,924
Invalidity Insurance Act	167	0	5	76	86
Service anniversary bonuses	4,942	482	651	31	4,742
Reorganisation costs	18,227	3,994	5,157	5	17,059
Product and contract risks	2,875	495	90	515	2,765
Major overhaul	0	0	0	0	0
Other material provisions	0	67	66	1	0
Total provisions	30,221	7,954	6,594	2,005	29,576
			31-12-2009		31-12-2008
Specification of the term of the provisions					
Short term (expires by no later than within 1 year)			10,171		5,669
Long term (expires between 1 and 5 years)			9,871		15,991
Long term (expires after 5 years)			9,534		8,561
Total provisions			29,576		30,221

The reorganisation costs item includes the provision for the "Focus 2006" restructuring plan. €4.5 million was withdrawn from this provision in 2009. The reorganisation costs item also recognises the Applied Plant Research provision. €0.3 million was withdrawn from this provision.

9 LONG-TERM DEBTS

Amounts * €1,000

	Balance at 31-12-2008	Increase in debt	Decrease in debt	Balance at 31-12-2009
Debt to the Ministry of Agriculture, Nature and Food Quality	111,741	0	3,944	107,797
Long-term savings model	938	77	58	957
Other long-term debts	31,064	0	4,730	26,334
Subtotal of long-term debts	143,743	77	8,732	135,088
Financial lease obligations	1,081	0	312	769
Total long-term debts	144,824	77	9,044	135,857

The debt to the Ministry of Agriculture, Nature and Food Quality comprises 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%	47,598	85,010	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,701	5.20%	8,849	18,895	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	1,547	3,892	188
Total	169,736		57,994	107,797	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.

Supplementary information about the other long-term debt:

	Loan	Interest	Term in years	Cumulative repayments	Long-term	Short-term
Rabobank Flevoland	3,037	3.75%	10	1,352	1,373	312
De Lage Landen Financial Services	425	n/a			425	
Triodos Bank, Zeist	20,500	3.00%	10	6,369	12,008	2,123
Triodos Bank, Zeist	19,500	3.00%	10	6,215	11,213	2,072
Rabobank Vallei en Rijn	375	3.60%	10	150	188	37
Restaurant of the Future Foundation	1,871	10 year funding +0.2%	10	558	1,127	186
Total	45,708			14,644	26,334	4,730

€18.9 million of the long-term constituent has a term of less than 5 years.

Amounts * €1,000

The financial lease obligations comprise:

Description	Total (k€)	Interest	Cumulative lease amounts	Long-term	Short-term
De Lage Landen Financial Services	2,612	n/a	1,531	769	312
Total	2,612	n/a	1,531	769	312

€0.8 million of the long-term constituent has a term of less than 5 years.

10 SHORT-TERM DEBTS

	31-12-2009	31-12-2008
Advance payments from third parties	46,365	37,326
Advance payments from third parties (OHW)	20,228	32,540
Debts to suppliers	12,998	10,819
Debts to suppliers of affiliated parties	0	0
Taxation payable	14,122	7,160
Debts to affiliated parties	34	2,191
Ministry of Agriculture, Nature and Food Quality programme research yet to be completed	6,147	5,690
Deferred liabilities	13,358	14,301
Other	28,515	28,966
Total short-term debts	141,767	138,993

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 Agriculture, Nature and Food Quality, the short-term constituent of the other long-term loans (€4.7 million) and the lease instalments falling due in 2009 (€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 31-12-2008	Movement	Book value 31-12-2009
Wageningen University	2,191	-2,157	34
Total	2,191	-2,157	34

The debts to Wageningen University item relates to short-term positions in the current account 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 €6.1 million (3.9%). This amount is exclusive of the prepaid amount of €0.7 million (equivalent to 4%) for the High Containment Unit. The NAPRO relates to Ministry of Agriculture, Nature and Food Quality 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 Agriculture, Nature and Food Quality as the maximum acceptable level. The total available Ministry of Agriculture, Nature and Food Quality programme financing amounted to €158.3 million for 2009, including the Commodity and Product Boards' drawing rights to an amount of €1.0 million. The total grant, excluding VAT, for the Ministry of Agriculture, Nature and Food Quality's programme funds (Knowledge Base, Statutory research tasks and Policy support research) amounts to €157.2 million (including the additional finances). The Ministry of Agriculture, Nature and Food Quality awarded about €8.1 million (5.1%) of the total grant in the fourth quarter.

Obligations and rights not included in the (consolidated) balance sheet

No amounts were pledged at year-end 2009. However, the DLO Foundation has issued a €9.5 million suretyship for its subsidiaries to the European Commission, €7.2 million of which has been taken over by Wageningen University.

At year-end 2009 the DLO Foundation had entered into obligations relating to investment, renovation, rent, operational lease and similar amounting to €29.0 million (€49.5 million at year-end 2008). €6.4 million of these obligations fall due within one year and €10.2 million within one to five years. Consequently the instalments falling due after five years amount to €12.4 million.

Description	Total amount of obligations	Of which due within 1 year	Of which due within 1 to 5 years	Of which due after 5 years
Investments	2,456	2,456	0	0
Rental obligations	20,466	1,693	6,332	12,441
Lease obligations	1,179	427	752	0
Maintenance contracts	3,035	588	2,447	0
Bank guarantees	37	0	37	0
Loan, Knowhouse BV	142	142	0	0
Cleaning / security / coffee vending machines	1,361	732	629	0
Renovation	345	345	0	0
Total	29,021	6,383	10,197	12,441

The DLO Foundation has received bank guarantees from third parties within the scope of the Strategic Plan for New Construction to a total of €0.5 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 the DLO Foundation will be under an obligation to the original contributors.

The DLO Foundation has terminated its cooperation in the Bioscience Park. 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 €1.8 million on balance sheet date.

DLO Foundation wind turbine group companies

The DLO Foundation has granted a right of superficies to both Windmolenpark Mammoethocht BV and Windmolenpark Neushoorntocht BV 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 provider of finance, 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 2008 within the scope of earn-out subsequent payments that could be received in the period from 2009 to 2011.

Amounts * €1,000

2.3.5 Notes to the profit and loss statement

11 INCOME

	<i>Result for 2009</i>	<i>Result for 2008</i>
Contract research		
EU	19,908	19,692
Authorities	40,728	32,961
Commodities and Product Boards	18,325	16,840
Business community	43,391	42,045
Ministry of Agriculture, Nature and Food Quality funding other than grant schemes	14,108	12,018
Other	7,103	8,847
Total contract research	143,563	132,403
Patents and licences	2,986	2,785
Revenue from sales	16,789	17,233
Analyses and advice	6,541	6,675
Ministry of Agriculture, Nature and Food Quality in accordance with grant schemes		
Policy Support Research and Statutory Research Tasks	116,293	113,922
Knowledge Base	34,789	36,554
Other, including additional research projects	5,010	6,053
Total, Ministry of Agriculture, Nature and Food Quality in accordance with grant schemes	156,092	156,529
Sale of property	804	8,017
Course fees (WI)	1,529	1,097
Revenue from wind turbines	8,343	9,751
Other	14,765	13,674
Total assets	351,412	348,164

Amounts * €1,000

EXPENDITURE

12 PERSONNEL COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Cost of permanent personnel	154,405	150,295
Cost of temporary personnel	19,328	17,362
Temporary employees and contracted personnel	10,659	9,404
Other personnel costs	6,278	5,794
Addition to provision for unemployment insurance obligations	1,539	-212
Addition to provision for Invalidation Insurance Act obligations	-76	-65
Addition to other personnel provisions	451	-70
Total personnel costs	192,584	182,508

The direct personnel costs of temporary and permanent personnel increased by €6.1 million due to the increase in the number of FTEs by 26 (excluding trainees) and to an increase in the average personnel cost per FTE.

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, including trainees, in the financial year amounted to 2,827 (2008: 2.801). The personnel costs include €7.0 million for social security charges (2008: €4.3 million) and €19.2 million for pension contributions (2008: €17.9 million).

The DLO Foundation's share in the remuneration of the Executive Board amounted to €0.4 million in the financial year (2008: €0.4 million). This amount includes the pension and similar obligations. The cost of permanent personnel item includes an amount of €0.036 million (2008: €0.034 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 (WOPT).

Amounts * €1,000

13 GENERAL COSTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
Accommodation costs	25,081	27,115
Amortisation/depreciation of intangible and tangible fixed assets	20,196	21,137
Exceptional write-down of intangible and tangible fixed assets	4,511	12,993
Other equipment costs	8,102	8,489
Other general costs	22,594	15,687
Additions to the provisions:		
Reorganisation costs	3,989	-1,496
Product and contract risks	-20	15
Major overhaul	0	3,118
Provisions, other	66	0
Total addition to general provisions	4,035	1,637
Total general costs	84,519	87,058

The other general costs item includes office expenses, provision for doubtful debts, travelling and accommodation expenses, automation expenses, PR expenses and catering expenses. The other general costs item recognises the auditor's charges of €1,017,000, of which €184,000 for auditing the annual accounts.

Specification of depreciation/amortisation and movement in value

	<i>Result for 2009</i>	<i>Result for 2008</i>
Depreciation/amortisation		
Intangible fixed assets	0	0
Tangible fixed assets	20,196	21,137
Financial fixed assets	0	0
Total depreciation/amortisation	20,196	21,137
Movement in value		
Tangible fixed assets	4,511	12,993
Total movement in value	4,511	12,993

Amounts * €1,000

Exceptional movement in value in 2008 and 2009

	2009	2008
Bleiswijk		6,100
Randwijk		1,002
Lisse		1,309
Edelhertweg, Lelystad		2,545
Aver Heino		828
Restaurant of the future		1,209
Lelystad Biologicals	3,200	
Lelystad slaughterhouse	1,311	
Total movement in value	4,511	12,993

14 SPECIFIC COSTS

	Result for 2009	Result for 2008
Specific costs	27,399	27,200
Services provided by third parties	37,489	33,972
Contributions and grants	506	570
Total specific costs	65,394	61,742

15 OTHER INCOME AND EXPENDITURE

	Result for 2009	Result for 2008
Sale of Lelystad Biologicals	7,716	0
Total other income and expenditure	7,716	0

The non-recurrent net income for Lelystad Biologicals relates to the book profit of €7.7 million for the sale of the MKZ and Tuberculine operations. To gain an appropriate insight into the effect of the settlement of Lelystad Biologicals it is necessary to review the book profit together with the downward adjustments of the value and the provisions for the infrastructure (€- 3.2 million) and reorganisation costs (€- 2.9 million). These items are recognised under the exceptional write-downs (tangible fixed assets) and additions to the reorganisation provisions respectively.

16 FINANCIAL INCOME AND EXPENDITURE

	Result for 2009	Result for 2008
Financial income	1,223	3,549
Financial expenditure	-6,206	-6,507
Total financial income and expenditure	-4,983	-2,958

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 Agriculture, Nature and Food Quality.

Amounts * €1,000

17 TAXATION ON ORDINARY ACTIVITIES

	<i>Result for 2009</i>	<i>Result for 2008</i>
Taxation on ordinary activities (corporation tax)	-635	635
Total taxation on ordinary activities	-635	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 charged to the result for 2009.

18 RESULT FROM PARTICIPATING INTERESTS

	<i>Result for 2009</i>	<i>Result for 2008</i>
VOF Oostwaardhoeve	-94	-113
Fresh Forward Holding BV	-68	-141
Covaccine BV	0	-10
Pepscan Systems BV	-71	4
Nsure Holding BV	0	-46
Lactive BV	0	0
Total result from participating interests	-233	-306

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

	<i>Result for 2009</i>	<i>Result for 2008</i>
Third-party share	0	137
Total third-party share	0	137

The third-party share item relates to the 44% third-party participating interest in Calendula Oil BV.

Amounts * €1,000

2.3.6 Single annual accounts

After the allocation of the net result

ASSETS	31-12-2009	31-12-2008
FIXED ASSETS		
20 Tangible fixed assets	299,957	285,840
21 Financial fixed assets	107,892	115,005
Total fixed assets	407,849	400,845
CURRENT ASSETS		
22 Stocks	47	67
23 Receivables and prepayments	65,111	66,092
24 Liquid assets	-5,541	10,534
Total current assets	59,617	76,693
TOTAL ASSETS	467,466	477,538
LIABILITIES		
25 Equity capital	269,377	258,597
26 Provisions	24,630	25,929
27 Long-term debts	109,557	113,762
28 Short-term debts	63,902	79,250
TOTAL LIABILITIES	467,466	477,538

Amounts * €1,000

Single profit and loss statement

	<i>Result for 2009</i>	<i>Result for 2008</i>
INCOME	120,493	127,465
EXPENDITURE		
Personnel costs	44,644	40,568
General costs	51,178	55,881
Specific costs	18,472	18,719
Total expenditure	114,294	115,168
Other income and expenditure		0
OPERATING RESULT	6,199	12,297
Financial income and expenditure	-2,886	-1,182
RESULT FROM ORDINARY ACTIVITIES BEFORE TAX	3,313	11,115
Taxation on ordinary activities	0	0
Result from participating interests	7,467	3,249
RESULT FROM ORDINARY ACTIVITIES AFTER TAX	10,780	14,364
Third-party share	0	0
Extraordinary income and expenditure	0	0
NET RESULT	10,780	14,364

Amounts * €1,000

Notes to the single 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 equipmen t in buildings</i>	<i>Machinery and equipment</i>	<i>Work in progress</i>	<i>Total</i>
Book value at 31-12-2008	101,620	159,552	66	4,294	20,308	285,840
Investments	2,080	37,143	26	1,565	-10,501	30,313
Divestments *	343	0	0	43	0	386
Depreciation	0	9,596	6	1,697	0	11,299
Exceptional write-downs	0	4,511	0	0	0	4,511
Book value at 31-12-2009	103,357	182,588	86	4,119	9,807	299,957
Acquisition value at 31-12-2008	101,620	241,030	147	23,720	20,308	386,825
Acquisitions 2009	2,080	37,143	26	1,565	-10,501	30,313
Acquisition value of divestments in 2009	343	0	73	5,993	0	6,409
Acquisition value 31-12-2009	103,357	278,173	100	19,292	9,807	410,729
Accumulated depreciation	0	72,416	14	15,030	0	87,460
Accumulated write-downs	0	23,169	0	143	0	23,312
Book value at 31-12-2009	103,357	182,588	86	4,119	9,807	299,957
* Disinvestments, of which:						
- Acquisition price	343	0	73	5,993	0	6,409
- Depreciation	0	0	73	5,950	0	6,023
Total divestments	343	0	0	43	0	386

€22.2 million was added to the work in progress item for investments in buildings in 2009 and €32.2 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 Plan for New Construction (€4.0 million, Radix, and €1.2 million, infrastructure), New construction for the CVI (€2.5 million), RIKILT office and laboratory buildings (€9.7 million), offices for the PPO Bleiswijk (€1.7 million) and building installations for Lelystad (€1.4 million).

Delivered projects include the RIKILT office and laboratory buildings (€9.7 million), RIKILT renovation (€8.5 million), VWA renovation (€6.4 million) and the Strategic Plan for New Construction (€4.0 million, Radix, and €1.8 million, Technotron / Biotron) and offices for the PPO Bleiswijk (€1.7 million).

The DLO Foundation's property is insured for €473.6 million (reference date 1-2-2010). The value for the purposes of the Valuation of Immovable Property Act has been set at €261.2 million (reference date 1-2-2009).

Amounts * €1,000

21 FINANCIAL FIXED ASSETS

	31-12-2009	31-12-2008
Participating interests in group companies	26,525	7,703
Receivables from group companies	8,130	30,221
Receivables from affiliated parties	100	0
Receivables from the Ministry of Agriculture, Nature and Food Quality	73,137	77,081
Total financial fixed assets	107,892	115,005

The participating interests in group companies item has increased as compared to 2008 due to the legal merger with DLO Holding BV. The subsidiaries of DLO Holding BV became the subsidiaries of the DLO Foundation on 31 December 2009

<i>Description</i>	<i>Book value at 31-12-2008</i>	<i>Investment / divestment</i>	<i>Other movements</i>	<i>Downward revaluation</i>	<i>Result for 2009</i>	<i>Book value 31-12-2009</i>
Alterra BV	0	2,766			2,529	5,295
Agrotechnology & Food Innovations BV	0	-20,010			-1,126	-21,136
Landbouw-Economisch Instituut (LEI) BV	0	16,494			2,260	18,754
PPO BV	0	3,115			880	3,995
Plant Research International BV	0	12,502			1,208	13,710
Livestock Research BV	0	1,585			-581	1,004
IMARES BV	0	3,341			554	3,895
DLO Holding Wageningen BV	0	18			991	1,009
DLO Holding BV	7,703	-7,703			0	0
Rounding-off						-1
Total	7,703	12,108	0	0	6,715	26,525

The receivables from group companies item has decreased as compared to 2008 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 2009.

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Movement</i>	<i>Book value 31-12-2009</i>
DLO Holding BV	30,221	-30,221	0
Agrotechnology & Food Innovations BV	0	8,130	8,130
Total	30,221	-22,091	8,130

Amounts * €1,000

The breakdown of the receivables from affiliated parties is as follows

<i>Description</i>	<i>Book value 31-12-2008</i>	<i>Movement</i>	<i>Book value 31-12-2009</i>
Nsure Holding BV	0	100	100
Total	0	100	100

The receivables from the Ministry of Agriculture, Nature and Food Quality comprise 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%	30,799	50,350	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,702	0%	8,850	18,896	957
Transfer of IAC and ILRI buildings and land	5,627	0%	1,548	3,891	188
Total	118,278	0%	41,197	73,137	3,945

€3.9 million of the receivables is due each year and is recognised under other receivables.

22 STOCKS

	<i>31-12-2009</i>	<i>31-12-2008</i>
Stocks		
Trading stock	47	67
Subtotal stocks	47	67

Amounts * €1,000

23 RECEIVABLES AND PREPAYMENTS

	31-12-2009	31-12-2008
Accounts receivable	3,097	3,818
Receivables from group companies	0	0
Accounts receivable from affiliated parties	0	0
Less: Provision for possible uncollectible receivables	-251	-138
Total accounts receivable	2,846	3,680
Cost of work carried out for third parties	35,458	34,403
Less: Invoiced instalments	26,394	29,505
Work for third parties other than the Ministry of Agriculture, Nature and Food Quality	9,064	4,898
Less: anticipated losses	-1,200	-513
Recognised under short-term debt	-1,807	9,192
Project costs yet to be invoiced	6,057	13,577
Advances	329	317
VAT to be received	-1,331	0
Receivables from group companies	41,509	37,716
Receivables from affiliated parties	6,809	2,828
Prepayments	4,701	3,781
Other	4,191	4,193
Total advances and prepayments	56,208	48,835
Total receivables and accruals	65,111	66,092

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 in the current account that are settled against each other once a month.

Amounts * €1,000

24 LIQUID ASSETS

	31-12-2009	31-12-2008
Cash in hand	19	21
Bank (incl. cross booking)	-5,560	10,513
Deposits	0	0
Total liquid assets	-5,541	10,534

Liquidity decreased by €16.1 million. The breakdown of this decrease is as follows:

– Net result	€10.8 million
– Increase in property (balance of investments, divestments and depreciation)	€-14.2 million
– Movement in provisions	€-1.3 million
– Repayment of long-term debts	€21.8 million
– Movement in working capital	€-14.4 million
– Result from non-consolidated participating interests	€-18.8 million

The movement in the repayment of long-term debts was primarily due the decrease in the receivables from the group companies (as a result of the legal merger with DLO Holding BV).

The movement in the result from non-consolidated participating interests item as compared to 2008 is due to the legal merger with DLO Holding BV. As a result of this legal merger the subsidiaries of DLO Holding BV became the subsidiaries of the DLO Foundation on 31 December 2009 (see the movements statement included under financial fixed assets).

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, comes into force on 1 April 2010.

The balance of the liquid assets is freely available.

Amounts * €1,000

25 EQUITY CAPITAL

	<i>General reserve</i>	<i>Total</i>
Balance at 31-12-2008	258,597	258,597
Result appropriation	10,780	10,780
Addition to the reserve	0	0
Withdrawal from the reserve	0	0
Balance at 31-12-2009	269,377	269,377

The entire positive net result of €10.8 million recorded for the financial year has been added to the general reserve.

26 PROVISIONS

	<i>Balance at 31-12-2008</i>	<i>Additio n</i>	<i>Withdrawal</i>	<i>Releas e</i>	<i>Balance at 31-12-2009</i>
Unemployment insurance obligations	1,500	847	372	232	1,743
Invalidity Insurance Act	83	0	5	76	2
Other personnel provisions	4,867	481	575	30	4,743
Reorganisation costs	17,979	3,727	5,064	0	16,642
Product and contract risks	1,500	0	0	0	1,500
Major overhaul	0	0	0	0	0
Other material provisions	0	0	-1	1	0
Total provisions	25,929	5,055	6,015	339	24,630

Specification of the term of the provisions:

	<i>31-12-2009</i>	<i>31-12-2008</i>
Short term (expires by no later than within 1 year)	5,585	2,244
Long term (expires between 1 and 5 years)	9,546	15,196
Long term (expires after 5 years)	9,499	8,489
Total provisions	24,630	25,929

The reorganisation costs item includes the provision for the "Focus 2006" restructuring plan. €4.5 million was withdrawn from this provision in 2009. The reorganisation costs item also recognises the Applied Plant Research provision. €0.3 million was withdrawn from this provision.

Amounts * €1,000

27 LONG-TERM DEBTS

	Balance at 31-12-2008	Increase in debt	Decrease in debt	Balance at 31-12-2009
Debt to the Ministry of Agriculture, Nature and Food Quality	111,741	0	3,944	107,797
Long-term savings model	483	7	44	446
Other long-term debts	1,538	0	224	1,314
Subtotal of long-term debts	113,762	7	4,212	109,557
Financial lease obligations	0	0	0	0
Total long-term debts	113,762	7	4,212	109,557

The debt to the Ministry of Agriculture, Nature and Food Quality comprises 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%	47,598	85,010	2,800
Transfer of buildings and land in connection with the integration of Applied Plant Research	28,701	5.20%	8,849	18,895	957
Transfer of IAC and ILRI buildings and land	5,627	5.00%	1,547	3,892	188
Total	169,736		57,994	107,797	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 five years.

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	150	188	37
Restaurant of the Future Foundation	1,871	10 year funding +0.2%	10	559	1,126	186
Total	2,246			709	1,314	223

€0.9 million of the long-term constituent has a term of less than five years.

Amounts * €1,000

28 SHORT-TERM DEBTS

	31-12-2009	31-12-2008
Advance payments from third parties	22,977	11,464
Advance payments from third parties (OHW)	-1,807	9,192
Debts to suppliers	2,424	2,926
Debts to suppliers of group companies	0	0
Debts to suppliers of affiliated parties	0	0
Taxation payable	5,413	4,448
Debts to group companies	8,739	22,488
Debts to affiliated parties	0	1,879
Ministry of Agriculture, Nature and Food Quality research still to be carried out	818	1,233
Deferred liabilities	6,229	7,029
Other	19,109	18,591
Total short-term debts	63,902	79,250

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 Agriculture, Nature and Food Quality and the short-term constituent of the other long-term loans (€0.2 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 31-12-2008</i>	<i>Movement</i>	<i>Book value 31-12-2009</i>
Wageningen University	1,879	-1,879	0
Total	1,879	-1,879	0

The debts to Wageningen University item relates to short-term positions in the current account 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. This item also recognises an amount of €4.7 million for the liquid assets of institutes that are placed on deposit via the central treasury.

• Obligations and rights not included in the (single) balance sheet

No amounts were pledged at year-end 2009. However, the DLO Foundation has issued a €9.5 million suretyship for its subsidiaries to the European Commission, €7.2 million of which has been taken over by Wageningen University.

At year-end 2009 the DLO Foundation had entered into commitments relating to investment, renovation and operational lease amounting to €2.9 million. €2.8 million of these obligations fall due within one year and €0.1 million within one to five years.

Amounts * €1,000

Description	Total amount of obligations	Of which due within 1 year	Of which due within 1 to 5 years	Of which due after 5 years
Investments	2,456	2,456	0	0
Lease obligations	99	32	67	0
Renovation	345	345	0	0
Total	2,900	2,833	67	0

The DLO Foundation has received bank guarantees from third parties within the scope of the Strategic Plan for New Construction to a total of €0.5 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. 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 €1.8 million on balance sheet date.

2.3.7 Other information

• 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 €10.8 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.

- **Auditor's report**

To: College van Bestuur en de Raad van Toezicht of Stichting Dienst Landbouwkundig Onderzoek.

Report on the financial statements

We have audited the accompanying financial statements 2009 of Stichting Dienst Landbouwkundig Onderzoek, in Wageningen which comprise the consolidated and company balance sheet as at 31 December 2009, the consolidated and company profit and loss account for the year then ended and the notes.

The directors' responsibility

The Board of the institution are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Also the Board of the institution is responsible for the financial rightfulness of the income, expenses, and balance sheet transactions included in the financial statements. This implies that these amounts should be in accordance with the conditions in the applicable rules and regulations.

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law and "het Controleprotocol DLO 2009". This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Stichting Dienst Landbouwkundig Onderzoek as at 31 December 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Furthermore we are of the opinion that the income, expenses, and balance sheet transactions included in the financial statements 2009 comply with the requirements of financial rightfulness. This implies that the amounts are in accordance with the conditions in the applicable rules and regulations, as stated in "het Controleprotocol DLO 2009".

Report on other legal and regulatory requirements

Pursuant to the legal requirement under article 2:393 sub 5f of the Netherlands Civil Code, we report, to the extent of our competence, that the management board report is consistent with the financial statements as required by article 2:391 sub 4 of the Netherlands Civil Code.

Utrecht, 25 May 2010
PricewaterhouseCoopers Accountants N.V.

Originally signed:

drs. Th.A.J.C. Snepvangers RA

Amounts * €1000

2.3.8 Appendices

• Appendix 1 Summary of purchases and sales of property

<i>Land, grounds and infrastructure</i>	<i>Hectares</i>	<i>Purchase</i>	<i>Sale</i>	<i>Letter ref. no.</i>
Lelystad (Elandweg)	27.48	2,080		DK.2009/1286
Lelystad (Edelhertweg) *	6.75		343	DK.2007/1042
Subtotal land, grounds and infrastructure		2,080	343	

<i>Buildings</i>	<i>Purchase</i>	<i>Sale</i>	<i>Letter ref. no.</i>
N/A	0	0	
Subtotal buildings	0	0	
Total	2,080	343	

* Lelystad (Edelhertweg):	
Sales proceeds	1,147
Book value	343
Book profit (credited to the general reserve)	804

Amounts * €1000

• **Appendix 2 Account of the Ministry of Agriculture, Nature and Food Quality funding of the management contract in 2009**

Grants granted to the DLO Foundation in 2009

Knowledge Base	32,916	
ICRA	230	
Phytophthora	1,290	
Potato Genome Sequencing Consortium	750	
ERA projects	49	
Policy-supporting research	53,180	
NAP funds	1,329	
Minister's priorities	3,150	
Statutory Research Tasks	42,112	
Additional projects	23,432	
	158,438	
Ministry of Agriculture, Nature and Food Quality funds		
Other amounts		
- Knowledge Base – compensation for repayment of loan	2,800	
- Knowledge Base – compensation for repayment of PO loan	957	
- Knowledge Basis – compensation for IAC/ILRI loan	188	
- Correction for reduction in demand relating to waiver of loan	-56	
- VAT	29,663	
- PT drawing rights	-1,000	
- Payment via laser/honing scheme	-161	
	190,828	
Total grants granted to the DLO Foundation in 2009		Letter with ref. no. TRCDKII/2009/2669
Grants granted by the Ministry of Agriculture, Nature and Food Quality recognised in the balance sheet		
Compensation for the repayment of the Ministry of Agriculture, Nature and Food Quality loan – DLO constituent	2,800	Ministry of Agriculture, Nature and Food Quality receivable balance sheet item
Compensation for the repayment of the Ministry of Agriculture, Nature and Food Quality loan – PO constituent	957	Ministry of Agriculture, Nature and Food Quality receivable balance sheet item
Compensation for the repayment of the Ministry of Agriculture, Nature and Food Quality loan – IAC/ILRI constituent	188	Ministry of Agriculture, Nature and Food Quality receivable balance sheet item
DLO VAT	29,663	Discharge via the balance sheet
	33,608	
Grants granted by the Ministry of Agriculture, Nature and Food Quality recognised in the balance sheet		
Ministry of Agriculture, Nature and Food Quality income to be recognised	157,221	
Movement in Ministry of Agriculture, Nature and Food Quality research still to be carried out	-457	Research still to be carried out balance sheet item
HCU funds – prepaid amounts	-671	
Other recognised under Ministry of Agriculture, Nature and Food Quality income	0	
	156,093	
Income recognised in the DLO Foundation annual accounts		

2.4 Remuneration

Remuneration summary

		2009			2008 ¹⁾		
		Taxable salary ²⁾	Provision for deferred salary	Total	Taxable salary	Provision for deferred salary	Total
Executive Board							
Dijkhuizen A.A.	chair	278,296	73,138	351,434	264,062	64,918	328,980
Breukink I.J.J.H.	member	187,968	74,480	262,448	184,171	72,167	256,338
Kropff, M.J.	vice-chancellor, vice chair	222,785	53,108	275,893	207,030	50,918	257,948
Other							
	director	151,431	37,852	189,283	162,829	44,903	207,732
	director	164,180	36,989	201,169			
	professor	153,319	38,769	192,088			

¹⁾ The accounting principles for this report have been amended following a further explanation from the Ministry of the Interior and Kingdom Relations. The employee pension contributions have been added to the remuneration for both 2008 and 2009.

²⁾ 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 states 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 2008 or 2009 that result in notification in accordance with the Act governing the Disclosure of Top Income Earners in Publicly Funded Sectors (WOPT). 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 of the Executive Board are divided between Wageningen University, the Van Hall Larenstein Foundation and DLO Foundation on the basis of the apportionment key 46%/8%/46%: the charges for the remuneration of the Supervisory Board are divided between Wageningen University and the DLO Foundation. Consequently, the breakdown of the charges for the remuneration of the Executive Board in 2009 is as follows:

	Wageningen University	Van Hall Larenstein Foundation	DLO Foundation	Total
Dijkhuizen A.A.	161,660	28,114	161,660	351,434
Breukink I.J.J.H.	120,726	20,996	120,726	262,448
Kropff M.J.	126,911	22,071	126,911	275,893

		2009	2008
Supervisory Board			
Boer M. de	chair	19,403	18,952
Duijn J.J. van	vice chair	12,127	12,161
Depoele, L. Van	member	20,213	zero*
Heemskerk, H.	member on 1 September 2009	zero**	-
Maij-Weggen J.R.H.	member	12,127	11,781
Vink J.A.J.	member until 1 September 2009	7,867	11,969

* the remuneration for 2008 was paid in 2009.

** the remuneration for 2009 will be paid in 2010.

The amounts are translated to full-time positions.

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.

3 Social Report

3.1 HRM in strategic plans

Wageningen UR's ambition is to be the leading European university and research institute in the healthy food and living environment and, in this role, make a major contribution to the quality of life. This ambition is fully integrated in the HR policy that places the focus on the quality of the staff and the organisation. In 2009, this focus was interpreted in terms which included the further detailing of the Recruiting Power (including internationalisation) and Career Programme for Academic Staff spearheads and the further facilitation and development of the management. In addition, in an endeavour to provide an incentive for quality, work is in progress on the development of a form of individual remuneration (DLO) and a career programme for excellent researchers (also DLO).

3.1.1 Internationalisation

In 2009, the Recruiting Power project resulted in the appointment of a Recruitment Manager. This has resulted in developments including the adoption of a more target-group-oriented approach to the recruitment activities and the decision to implement a job-applicant tracking system (We Recruit). The recruitment of national and international top talents remains a specific element of the recruitment activities. Within this context the more intensive use of national and international networks, including the alumni network, has proven to be the most successful approach. Once again, this year Wageningen UR participated in various Career Events. The Working at Wageningen UR website has been completely revamped and now forms the pivotal point of the modernised recruitment process. The introduction policy for new national and foreign staff has been given more structure in the form of the regular issue of targeted information e-mails, introduction meetings and breakfast meetings with the Executive Board. In addition, the (HRM) Foreigners Expert Group gives excellent support to new foreign staff travelling to the Netherlands.

3.1.2 Career Programme for Academic Staff

A second spearhead is the implementation of the Career Programme for Academic Staff at Wageningen University. Top talent is offered an appealing career programme with the intention of promoting and retaining quality within the organisation. Transparent procedures and explicitly-formulated criteria have been implemented to offer new academic top talent an opportunity to develop their career and reach the ultimate position of professor with an individual chair. Specific attention is also devoted to the position of the regular academic staff who do not join the Career Programme for Academic Staff.

3.1.3 Management

In addition to the facilitation of the management, work has begun on the design of a basic qualification for managers (BKL). Training courses specially developed for the purpose will improve the preparation of managers at various levels for their new position or role with Wageningen UR. A Talent Development Programme has also been developed for the high potentials. A group of sixteen members of staff has since successfully completed this programme.

3.1.4 Individual remuneration

The DLO collective labour agreement 2009-2010 includes a stipulation that a study will be made of the manner in which staff can be rewarded on the basis of their quality and performance to a greater extent than is currently the case. The ultimate objective is to promote staff entrepreneurship. A working group is currently preparing a report for further decision-making on this issue.

3.1.5 Career programme for DLO researchers

The DLO collective labour agreement 2009-2010 also stipulates that additional attention will be devoted to the talent and career development of excellent researchers. A working group was also formed in 2009 to work out this issue in more detail.

3.2 Staff development

Wageningen UR facilitates the development of its staff, whereby the staff bear the personal responsibility for bringing or maintaining their knowledge and skills to or at the appropriate level. In addition to the development of management programmes and training courses, in 2009 explicit attention was once again devoted to the improvement of the quality of the PD interviews by measures including the introduction of English-language training courses in Training Performance & Development Interviews. These courses are provided to both the management and staff. Access to information about all internal providers of courses has also been improved by collecting the information on the Intranet. This information can be consulted via People/Career/Courses. A number of training programmes developed within sections of the Sciences Group have now been made available to staff throughout the organisation. These include Project management and Leadership in innovation processes.

3.3 Collective labour agreement developments

Longer-term collective agreements were concluded for WU (term of 2.5 years) and VHL (term of 3 years) in 2007. A new one-year collective labour agreement was concluded for DLO in 2009. The key HRM policy issues formulated in the collective labour agreements, such as career policy and talent development, are also numbered among the spearheads for 2009. In addition, work has begun on the development of a form of individual remuneration within DLO with the invention of providing an incentive for staff quality and entrepreneurship. The collective labour agreement also stipulates specific attention for modern labour relationships, with a shift from more generic regulations towards agreements of a more customised nature that offer individual members of staff.

3.4 Health and welfare

3.4.1 Introduction

Wageningen UR has the ambition to be a good employer that focuses on the staff, an ambition that also includes endeavours to arrive at an optimum welfare and health policy. This endeavour in turn requires efforts from a number of disciplines in this area, whereby the strength of the combined efforts lies in the integral approach adopted by the industrial medicine, corporate social work, labour and organisation science and HRM disciplines.

3.4.2 Absentee monitoring

The welfare and health policy includes the implementation of appropriate absentee monitoring (preventive and curative) in the event of sickness absence or the threat of sickness absence caused by the working conditions, the work ambience or a combination of work and private life. The procedure employed to monitor employees who are absent due to sickness attaches paramount importance to the employer's maintenance of contact with the member of staff on sick leave and the implementation of every possible measure to ensure that the member of staff can return to the organisation and relevant workplace as quickly as possible. Members of staff on sickness absence are expected to make every possible effort to return to work as soon as possible.

The individual monitoring is supplemented with a Social Medical Team (SMT) and, on occasion, a social policy medical team. The SMT relates to consultations between the manager, HR Officer, corporate medical officer and corporate social worker to harmonise the various steps involved in a member of staff's sickness absenteeism process. The social policy medical teams focus on the general situation rather than on the casuistry.

3.4.3 Sickness absence information

The sickness absence rate at both WU and DLO (approximately 3.3%) is lower than the 4% target ceiling for the sickness absence rate. VHL currently has a sickness absence rate of 5.6%. Although the target ceiling has not yet been achieved, the rate once again decreased in 2009, by almost 0.5 percentage point.

Table Sickness absence rates (excluding maternity leave)

	2007	2008	2009
DLO Foundation	3.1	3.3	3.3
Wageningen University	2.8	3.3	3.2
Van Hall Larenstein University of Applied Sciences	6.9	6.0	5.6
Total Wageningen UR	3.2	3.5	3.4

More detailed sickness absence information is enclosed in Appendix 2, Social report.

3.4.4 Long-term sickness absence

Records of long-term sickness absence kept from the first quarter of 2006 pursuant to the new legislation (Work and Income according to Labour Capacity Act) make a distinction between two categories, namely staff absent due to sickness for longer than one year and for longer than two years. 39 members of staff were absent due to long-term sickness in 2009 (2008: 36), of whom eight for longer than two years.

The records of the student medical officer once again revealed an increase in the incidence of RSI complaints amongst students in 2009. Although the cause of the increase in the number of students with RSI complaints is not clear, it is known that students with complaints report to the student medical officer at a reasonable early stage. Conversely, the corporate medical officer has not observed any increase in the number of staff with RSI complaints or sickness absence related to RSI.

3.4.5 Corporate social work

Wageningen UR's corporate social work makes a contribution to the achievement of an appropriate balance between member of staff and employees. The core tasks comprise the provision of help, advice and consultations, a contribution to policy development, the provision of information and prevention. One of the important elements of the provision of help relates to the recognition and prevention of work stress. Attention has been devoted to the prevention of work stress by the organisation of twenty workshops, seventeen of which focused on work stress, two on dealing with recalcitrants and one on general communication aspects.

The percentage of new applications remained unchanged in 2009 (298, equal to 4.6% of all members of staff). Equal proportions of new clients originated from all parts of the organisation. The requests for help related to work stress and nervous exhaustion (39%, was 36%), problems with colleagues (19%, was 18%), mobility and reorganisation (9%, was 14%) and personal problems (14%, was 18%). The treatment of 279 clients was completed in 2009, 88% of whom within six consultations. Clients make use of their contacts with the corporate social work to deal with their situation in a timely and adequate manner that usually avoids the need for sickness absence (70%). Consequently, Wageningen UR's corporate social work achieves the preventive target Wageningen UR has set for its corporate social work.

3.4.6 Mediation

Wageningen UR has an independent, certified mediator. Eleven mediations were conducted in 2009 (fourteen in 2008), almost all of which arrived at a solution endorsed by both parties.

3.4.7 Preventive medical examinations and Risk inventory and evaluations

The objective of the preventive medical examinations (formerly periodic occupational health examinations) is to identify health risks at an early stage and to assist staff in avoiding these health risks. Priority is attached to the prevention of exposure to risk factors. When an initial or more detailed risk inventory and evaluation reveals that a specific risk is not controlled to an adequate extent then preventive measures are implemented. Targeted preventive medical examinations detect potential injury to staff health and adequate measures are then implemented to prevent any such injury.

A technical solution implemented during the course of 2009 for the harmonisation of the individual databases that support the performance of medical examinations was in the test phase at the end of 2009.

3.4.8 Health promotion courses

Wageningen UR actively promotes a healthy lifestyle for its staff and students. Within this scope, in 2009 Wageningen UR – in consultation with the Sports Centre De Bongerd and the student medical officer – once again organised courses including fitness for persons with arm, neck, shoulder and back problems and a variety of relaxation training courses. There was a sharp increase (more than 25%) in the number of participants from 303 persons in 2008 to 381 persons in 2009.

Appendix 1A Study programmes at Wageningen University

Table 1 List of bachelor's and master's programmes, 2009/ 2010

Bachelor's programmes

Master's programmes

Biology, Plants & Animals programmes

Biology (BBI)
Animal Sciences (BDW)
Plant Sciences (BBP)

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 (BBC)
Economics and Policy (BEB)
Health and Society (BGM)
International Development Studies (BIN)
Applied Communication Science (BTC)

Applied Communication Science (MCS)
Food Quality Management (MFQ)
International Development Studies (MID)
Management of Agro-ecological Knowledge and Social Change (MAK)
Management, Economics and Consumer Studies (MME)

Environment & Landscape programmes

Soil, Water and Atmosphere (BBW)
Forest and Nature Management (BBN)
International Land and Water Management (BIL)
Landscape Architecture and Planning (BLP)
Environmental Sciences (BMK)

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 (BAT)
Biotechnology (BBT)
Food Technology (BLT)
Molecular Life Sciences (BMW)
Nutrition and Health (BVG)

Agricultural and Bioresource Engineering (MAB)
Bioinformatics (MBF)
Biotechnology (MBT)
Food Safety (MFS)
Food Technology (MFT)
Molecular Sciences (MMS)
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 December 2009

<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	2,621	3,114	5,735	738	929	1,667
Student MSc-EC	0	1	1	0	0	0
PhD student	181	214	395	27	20	47
Contract student	13	10	23	11	8	19
Second enrolment student	39	57	96	29	41	70
Non-examination student						
Erasmus Student	66	89	155	63	89	152
Exchange Student, other	3	9	12	3	9	12
Total number of enrolled students	2,923	3,493	6,417	871	1,096	1,967

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 December 2009

<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>
BSc	1,551	1,669	3,220	456	564	1,020
Doctoraal (former equivalent of Master's)	18	16	34			
None	15	6	21			
MSc	1,036	1,422	2,458	282	365	647
Propaedeutic year	1	1	2			
Total number of enrolled students	2,621	3,114	5,735	738	929	1,667

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 December 2009

<i>Programme</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 (BAT)	65	5	70	15	3	18
Management, Economics and Consumer Studies (BBC)	129	103	232	44	28	72
Biology (BBI)	238	205	443	76	68	144
Forest and Nature Management (BBN)	113	70	183	40	28	68
Biological Production Sciences (BBP)	3	4	7			
Biotechnology (BBT)	119	48	167	32	15	47
Soil, Water and Atmosphere (BBW)	113	52	165	39	24	63
Animal Sciences (BDW)	95	194	289	19	65	84
Economics and Policy (BEB)	43	16	59	11	5	16
Health and Society (BGM)	6	54	60	2	10	12
International Land and Water Management (BIL)	123	56	179	38	20	58
International Development Studies (BIN)	74	219	293	24	71	95
Landscape Architecture and Planning (BLP)	131	89	220	33	26	59
Food Technology (BLT)	75	116	191	19	39	58
Environmental Sciences (BMK)	51	30	81	15	11	26
Molecular Sciences (BML)	62	50	112	21	22	43
Plant Sciences (BBP)	63	34	97	16	7	23
Applied Communication Science (BTC)	9	20	29	3	11	14
Nutrition and Health (BVG)	39	304	343	9	111	120
Total number of enrolled students	1,551	1,669	3,220	456	564	1,020

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 December 2009

<i>Programme</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 and Bioresource Engineering (MAB)	34	1	35	3	1	4
Aquaculture and Fisheries (MAF)	26	17	43	8	4	12
Management of Agro-ecological Knowledge and Social Change (MAK)	28	29	57	6	11	17
Animal Sciences and Aquaculture (MAS)	84	153	237	28	33	61
Bioinformatics (MBF)	14	4	18	2	1	3
Biology (MBI)	48	50	98		1	1
Biotechnology (MBT)	57	56	113	15	10	25
Applied Communication Science (MCS)	8	23	31	4	6	10
Earth System Science (MEA)/ Climate Studies (MCL)	11	11	22	4	5	9
Environmental Sciences (MES)	62	72	134	24	18	42
Forest and Nature Conservation (MFN)	73	75	148	15	15	30
Food Quality Management (MFQ)	18	30	48	10	12	22
Food Safety (MFS)	19	57	76	8	21	29
Food Technology (MFT)	55	86	141	21	32	53
Geo-information Science (MGI)	21	16	37	5	5	10
Hydrology and Water Quality (MHW)	27	24	51	3	3	6
International Development Studies (MID)	42	141	183	15	39	54
International Land and Water Management (MIL)	50	36	86	13	7	20
Leisure, Tourism and Environment (MLE)	36	51	87	19	14	33
Landscape Architecture and Planning (MLP)	54	50	104	7	16	23
Meteorology and Air Quality (MMA)	14	12	26	1	2	3
Management, Economics and Consumer Studies (MME)	80	121	201	15	26	41
Molecular Sciences (MMS)	16	19	35	3	3	6
Nutrition and Health (MNH)	15	159	174	3	38	41
Organic Agriculture (MOA)	26	19	45	9	9	18
Plant Biotechnology (MPB)	20	21	41	5	5	10
Plant Sciences (MPS)	67	53	120	23	16	39
Soil Science (MSS)	9	10	19	3	2	5
Urban Environmental Management (MUE)	22	26	48	10	10	20
Total number of enrolled students	1,036	1,422	2,458	282	365	647

Table 6 Yield of the MSc programmes of the cohorts 2005/06 to 2007/08 inclusive (N in absolute numbers, after x years in %)

Programme	N	Generation 2005			Generation 2006			Generation 2007	
		After 2 yr	After 3 yr	After 4 yr	N	After 2 yr	After 3 yr	N	After 2 yr
MAB	10	80	90	90	10	50	80	18	83
MAF	3	0	33	67	7	71	100	10	30
MAK	25	40	88	92	26	54	85	30	57
MAS	48	67	88	92	82	41	78	89	57
MBF	10	30	80	80	1	0	0	6	33
MBI	35	80	94	94	38	87	100	34	71
MBT	39	82	95	95	47	70	85	59	78
MCS					8	25	88	12	67
MEA/ MCL	5	20	80	100	6	83	100	4	75
MES	89	82	92	96	90	61	88	69	75
MFN	54	52	80	93	66	59	91	57	61
MFQ	19	68	95	100	29	62	79	20	55
MFS	21	52	81	86	24	88	96	29	79
MFT	52	69	92	96	68	84	94	74	78
MGI	29	66	86	90	23	57	91	12	75
MHW	24	46	92	100	19	26	58	17	76
MID	45	47	87	91	49	51	78	38	55
MIL	26	50	92	96	30	50	90	27	59
MLE	37	51	78	84	22	59	86	33	42
MLP	43	56	79	91	40	58	88	33	48
MMA	8	75	75	75	10	60	90	10	40
MME	74	80	91	92	106	83	98	90	80
MMS	24	83	92	92	17	94	100	14	57
MNH	48	73	92	94	65	51	91	71	82
MOA	17	76	88	88	25	48	56	15	60
MPB	13	69	92	100	5	100	100	10	40
MPS	48	75	96	96	40	73	95	43	77
MSS	7	43	100	100	11	73	73	8	100
MUE	30	70	87	93	18	72	78	19	58
Total programmes	883	65	86	90	982	62	86	951	67
Total including changes of programme	883	66	89	93	982	64	88	951	68

Table 7 Yields of the BSc programmes on the basis of re-enrolments in the second year (N t+1). Cohorts from 2004/05 to 2006/07 inclusive (N and N t+1 in absolute numbers, after x year in %)

Programme	Generation 2004					Generation 2005				Generation 2006		
	N	N t+1	After 3 yr	After 4 yr	After 5 yr	N	N t+1	After 3 yr	After 4 yr	N	N t+1	After 3 yr
BAT	20	16	0	44	63	6	6	0	33	16	14	0
BBC	34	28	4	39	61	32	28	18	50	34	32	19
BBI	68	62	15	44	66	56	50	10	42	71	60	8
BBN	44	35	31	51	57	49	38	13	47	33	25	24
BBP	6	6	17	33	67	6	5	0	40	3	3	0
BBT	22	19	5	42	53	18	17	24	65	25	19	21
BBW	34	28	25	68	75	38	31	10	61	33	28	29
BDW	73	61	18	46	66	68	56	30	48	68	57	28
BEB	2	2	0	50	50	6	6	0	33	6	4	0
BGM	6	6	67	67	67	12	11	73	82	21	17	41
BIL	29	23	4	30	57	19	15	7	40	26	20	15
BIN	31	30	17	50	70	49	33	27	58	44	36	25
BLP	27	23	0	26	48	42	30	3	33	40	35	9
BLT	21	18	28	61	83	26	18	33	50	41	33	27
BMK	15	8	25	63	75	9	7	29	57	13	11	36
BML	21	16	25	38	50	20	14	21	43	14	13	23
BBP	6	4	25	50	75	17	14	7	36	14	12	0
BTC										4	4	0
BVG	44	31	42	74	84	63	48	27	69	70	61	31
Total programmes	503	416	18	48	65	536	427	19	51	576	484	21
Total including changes of programme	503	434	18	47	65	536	444	19	50	576	502	21

Appendix 1B Study programmes at Van Hall Larenstein University of Applied Sciences

Table 1 Programmes at Van Hall Larenstein University of Applied Sciences

Internationale Agrarische Hogeschool Larenstein Velp/Wageningen	Bachelor's programmes	<ul style="list-style-type: none"> – Business Administration and Agribusiness – Forest and Nature Conservation – Animal and Livestock Management – Laboratory Science¹ – Land and Water Management – Rural Renewal – Tropical Agriculture/ Agri-systems Management – Garden and Landscape Architecture – Horticulture and Arable Farming – Food Technology
	Master's programmes	<ul style="list-style-type: none"> – Master in Management of Development – Master 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 Renewal – Horticulture and Arable Farming – Food Technology
	Associate Degree programmes (AD)	<ul style="list-style-type: none"> – Dairy farming – Entrepreneurship – Integral Enforcement of Environmental Law

¹ with HAN University of Applied Sciences, being phased out

² with NHL University of Applied Sciences

³ with NHL University of Applied Sciences and Stenden University

Table 2 Number and enrolment of funded students at Van Hall Larenstein University of Applied Sciences by location and programme, ref. date 01-10-2009 (FT = Fulltime, PT = Part-time, DU = Dual)

<i>Van Hall Larenstein University of Applied Sciences</i>	2004	2005	2006	2007	2008	2009
Enrolment	1,094	1,209	1,113	1,039	1,046	1,115
– Leeuwarden	403	533	517	503	533	578
– Velp and Deventer/Wageningen ¹	691	676	596	536	513	537
Total number of students						
– Leeuwarden	1,649	1,699	1,844	1,874	1,885	1,973
– Velp and Wageningen	2,346	2,257	2,206	2,005	1,906	1,888
Total	3,995	3,956	4,050	3,879	3,791	3,861
<i>Leeuwarden</i>						
Business Administration and Agribusiness	156.5	158	168	179	184	180
Entrepreneurship (Associate Degree)					8	10
Biotechnology / Life Sciences	75	79	149	183	247	274
Animal management	621	666	717	738	680	708
Animal and Livestock Management	234	218	213	168	165	187
Dairy Farming (Associate degree)	0	0	31	29	28	29
IBML (with CHN/NHL, 1/3 = VHL number)	?	17	32	34	25	22
Coastal and Sea Management	67	80	94	106	115	121
Environmental Sciences FT	201	184	145	144	136	146
Environmental Sciences PT	108	107	119	127	132	124
Integral Enforcement of Environmental Law (Associate degree)					8	20
Rural Renewal	36	39	31	25	17	6
Horticulture and Arable Farming	42	41	43	45	51	58
Food Technology FT	101	122	98	96	89	88
Food Technology PT	7	5	4	0	0	0
<i>Velp and Wageningen</i>						
International Agricultural Trade	15	4	2	0	0	0
Business Administration and Agribusiness	209	164	134	103	105	111
Forest and Nature Conservation FT	392	390	411	410	419	422
Forest and Nature Conservation PT	101	83	99	93	82	87
Dutch Agriculture	1	1	1	0	0	0
Animal and Livestock Management	304	301	305	277	257	244
Land and Water Management FT	290	272	256	252	251	236
Land and Water Management PT	51	64	79	68	60	63
Rural Renewal	73	88	83	86	71	80
Tropical Agriculture	111	103	65	54	40	36
Horticulture and Arable Farming	100	106	92	41	21	7
Garden and Landscape Architecture FT	393	383	358	355	352	366
Garden and Landscape Architecture PT	176	188	193	193	193	187
Agro-product Studies	0	0	0	0	0	0
Food Technology	48	55	53	57	51	48
Laboratory Science	82	55	25	14	4	1
Master in Agriculture Production Chain Management	0	0	16	0	0	0
Master in Management of Development	0	0	29	0	0	0
Livestock Husbandry, old (add to Animal & Livestock Husbandry)	0	0	5	2	0	0

¹ The Deventer programmes moved to Wageningen at the beginning of the 2006/ 2007 academic year

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				
	'04/'05	'05/'06	'06/'07	'07/'08	'08/'09	'04/'05	'05/'06	'06/'07	'07/'08	'08/'09
<i>Leeuwarden</i>	292	323	303	333	312	4,3	4,4	4,5	4,5	4,4
Business Administration and Agribusiness	36	28	32	30	21	4.2	4.2	4.5	4.9	4.6
Biotechnology / Life Sciences	4	17	13	10	21	4.3	4.6	4.2	3.9	4.2
Animal management	124	106	107	143	121	4.6	4.6	4.7	4.7	4.3
Animal and Livestock Management	59	41	55	45	37	4.0	4.0	4.2	4.1	4.4
IBML	–	–	1	2	6	–	–	3	3.5	3.5
Coastal and Sea Management	0	14	10	15	18	0	4.4	4.2	4.8	4.3
Environmental Sciences	45	64	58	34	52	4.4	4.7	4.8	4.5	4.9
Rural Renewal	0	0	4	8	8	0	4.4	5.5	5.3	5.0
Horticulture and Arable Farming	7	7	5	14	9	4.4	4.0	4.4	4.3	4.4
Food Technology	17	36	18	32	19	3.9	3.9	4.1	4	3.7
<i>Velp/Deventer</i> ¹	454	368	415	369	370	4.3	4.5	4.2	4.4	4.4
Business Administration and Agribusiness	41	23	20	25	11	5.0	3.7	3.3	4.7	4.9
Forest and Nature Management (FT)	88	65	78	76	73	4.3	4.5	4.2	4.6	4.5
Forest and Nature Management (PT)	25	1	21	16	24	3.0	4.0	3.6	4.3	4.2
Animal and livestock husbandry	56	53	56	40	40	4.2	4.3	4.3	4.6	4.5
International Agricultural Trade			3	0	0			6.3	0	
Land and Water Management (FT)	78	54	64	43	61	3.9	4.1	3.8	4.3	4.1
Land and Water Management (PT)	13	1	25	18	12	2.3	5.0	4.0	3.6	3.9
Rural Renewal	5	13	11	15	11	4.0	4.4	4.3	4.3	4.5
Tropical agriculture	10	2	5	21	15	4.3	4.0	4.8	4.0	4.7
Horticulture and Arable Farming	13	17	18	13	11	3.5	4.1	4.3	3.5	4.1
Garden and Landscape Architecture (FT)	75	89	72	67	66	4.8	5.0	4.7	4.7	4.5
Garden and Landscape Architecture (PT)	11	23	27	18	30	4.0	4.6	4.8	4.7	4.7
Food Technology	8	7	6	10	13	4.4	4.9	4.2	4.2	4.9
Laboratory Science	23	19	8	7	3	3.9	4.0	4.0	4.7	4.7

¹ The Deventer programmes moved to Wageningen at the beginning of the 2006/ 2007 academic year

Table 4 Education Demand Factor (EDF)*

* factor used for funding, based on the study programme durations of graduates and dropouts

	<i>EDF</i>	<i>Number of graduates</i>	<i>Study programme duration of graduates</i>	<i>Number of dropouts</i>	<i>Study programme duration of dropouts</i>
<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
<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

² The Deventer programmes moved to Wageningen at the beginning of the 2006/ 2007 academic year

Appendix 2 Social Report

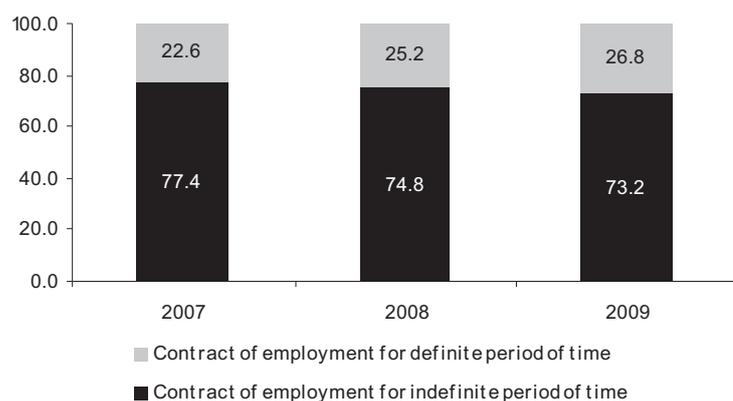
STAFF

	2007	2008	2009
Number of staff (IER) at 31-12	6,318	6,421	6,540
Number of staff (persons) at 31-12		6,220	6,348
Number of FTE at 31-12	5,447	5,553	5,681

Note: The increase in the number of FTEs observed in 2008 (almost 2%) continued at a slightly accelerated pace in 2009 (approximately 2.3%). The number of staff expressed in terms of IER (= individual employment relationships) increased by approximately 1.9%. At Wageningen University, in particular, a relatively large number of staff have concluded more than one contract of employment, and for this reason these details have been included in the above table to provide an insight into the number of staff employed by Wageningen UR.

INDEFINITE PERIOD OF TIME/DEFINITE PERIOD OF TIME

In % IER, including PhD students

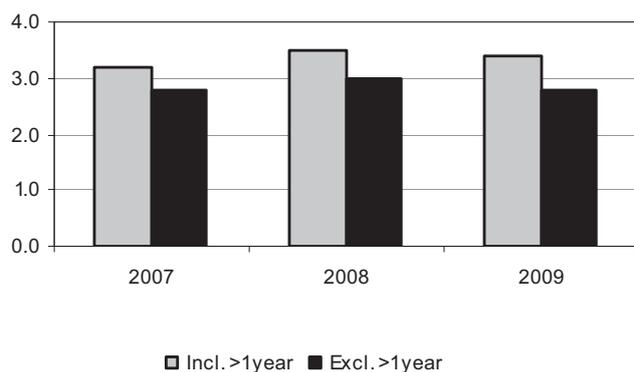


Note: the flexibility of the organisation is in part determined by the ratio between the number of staff with a contract of employment for a definite period of time and an indefinite period of time. The above figures include PhD students. The 2.5% increase in the number of staff with a contract of employment for a definite period of time observed in 2008 continued at a slightly slower pace in 2009: the increase was 1.6%.

The following graphs present information about Wageningen UR at year-end 2009 (in IER).

SICKNESS ABSENCE

	2007	2008	2009
Including absence > 1 year	3.2	3.5	3.4
Excluding absence > 1 year	2.8	3.0	2.8



Note: The sickness absence rate decreased slightly from 2008, in particular for short-term sickness absence. The sickness absence rate of the entire Wageningen UR organisation remains below the target 4% ceiling. The following table reveals that the average sickness absence duration has increased and that the percentage of staff without sickness absence has once again decreased slightly. The 55+ age category exhibits the highest sickness absence rate. The increase in the rate for scale 15 and above can be explained by the limited number of staff classified in this scale: as a result, variations in the sickness absence within this group exert a great influence on the sickness absence rate.

SICKNESS ABSENCE (excluding maternity leave)

	2007	2008	2009
Average absence duration (calendar days)	11.29	11.23	13.03
Absence frequency (absence cases divided by the average number of staff)	1.11	1.10	1.10
Percentage of staff without sickness absence	51.95	45.97	45.38
Number of individual absence cases	6789	6761	6941
Sickness absence rate by age category *)			
< 25 years	2.16	1.40	1.30
25 - 34 years	2.32	2.74	2.23
35 - 44 years	3.14	3.58	3.31
45 - 54 years	3.36	3.50	3.48
55 years and older	4.16	4.14	4.61
Sickness absence rate by scale *)			
scale 1 - 6	6.22	6.52	6.38
scale 7 - 9	3.38	3.99	4.06
scale 10 - 11	2.98	3.19	2.66
scale 12	2.93	2.83	3.05
scale 13 - 14	1.64	2.15	2.21
scale 15 and above	1.35	0.78	2.08
PhD students			2.05

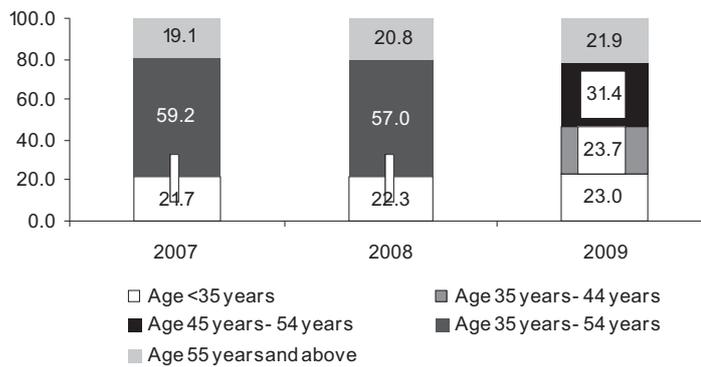
*) incl. absence > 1 year. Appendix 2 of the 2008 Social Report incorrectly stated that this rate was exclusive absence > 1 year.

DEVELOPMENT/TRAINING

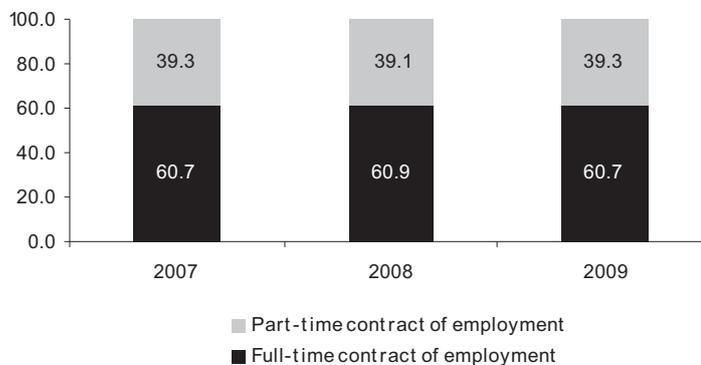
	2007	2008	2009
Cost (x €1,000), excluding time invested	3,787	4,075	4,025
Percentage of the wage costs	Approx. 1.1%	Approx. 1.2%	Approx 1.2%

Note: The expenditure standard for development/training has been set at 2% of the wage costs. Actual expenditure once again remained unchanged at 1.2% in 2009.

AGE DISTRIBUTION (in % IER)

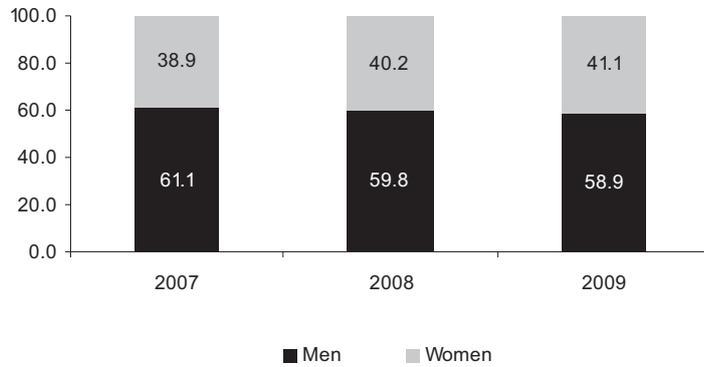


FULLTIME/PART-TIME (in % IER)



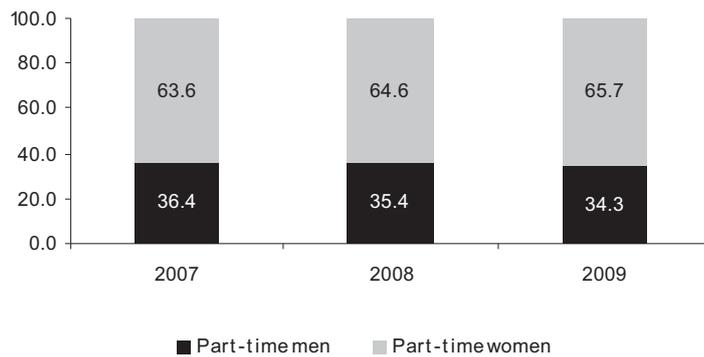
Note: The ratio of staff with a fulltime contract of employment and a part-time contract of employment has remained virtually unchanged. Van Hall Larenstein University of Applied Sciences has a particularly large number of staff with a part-time contract of employment (approximately 65.2%, see later in this Appendix).

EMANCIPATION (in % IER)



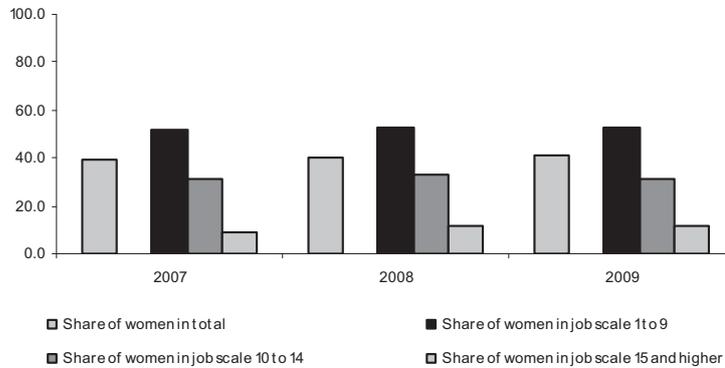
Note: The number of women employed by the organisation exhibits a steady growth of approximately 1% per annum.

RATIO OF MEN/WOMEN - FULLTIME/PART-TIME (in % IER)



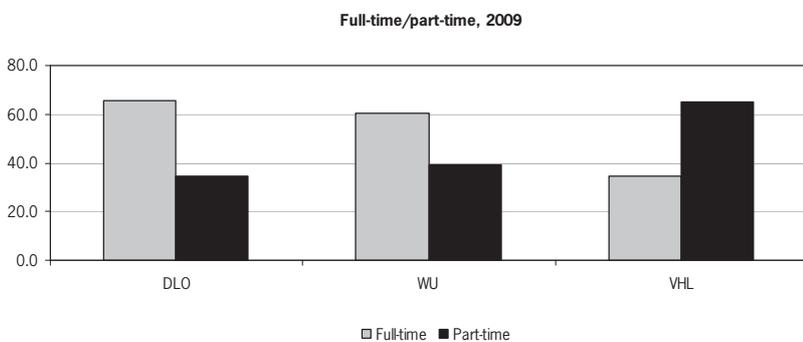
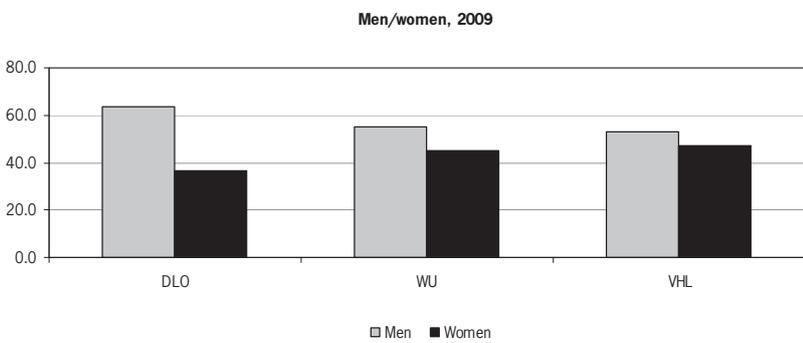
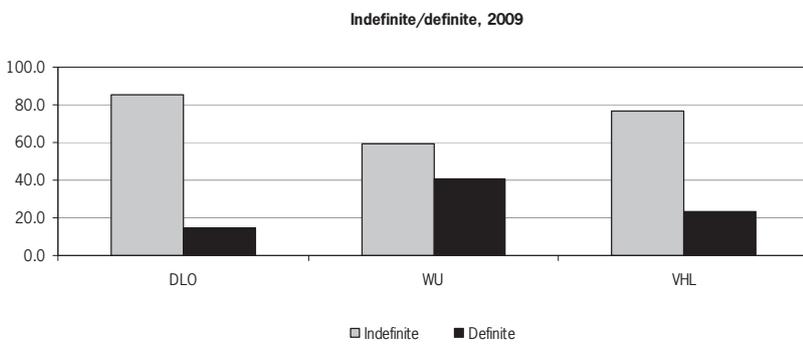
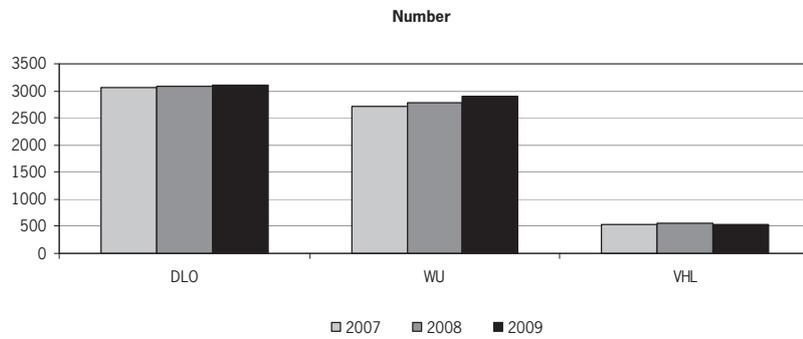
Note: The percentage of women with a part-time contract of employment is also increasing by approximately 1% per annum as compared to the percentage of men with a part-time contract of employment.

RATIO OF MEN/WOMEN IN THE VARIOUS JOB SCALES (in % IER, excluding PhD students)

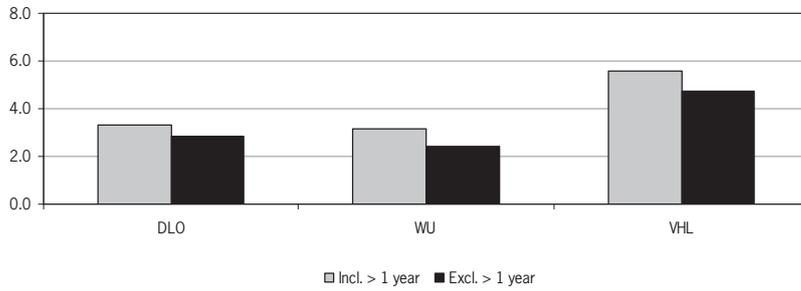


Note: The annual increase in the percentage of women employed by the organisation in recent years is approximately 1%. The number of women classified in job scales 10 to 14 inclusive has decreased by 2.4%: the percentage of women in these job scales is now 31%. The percentage of women classified into the senior job scales still lags far behind the percentage of men. However, as was the case in 2008, the percentage of women classified in the senior job scales increased during 2009, now by 0.8%.

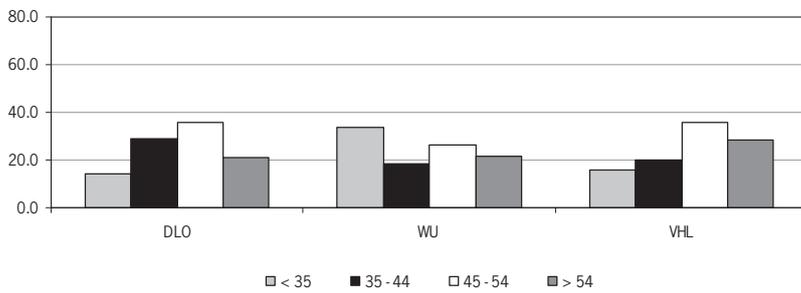
The following graphs present information (in IER) relating to the various parts of Wageningen UR. The first graph contains information expressed in absolute IER and the other graphs in percentage IER.



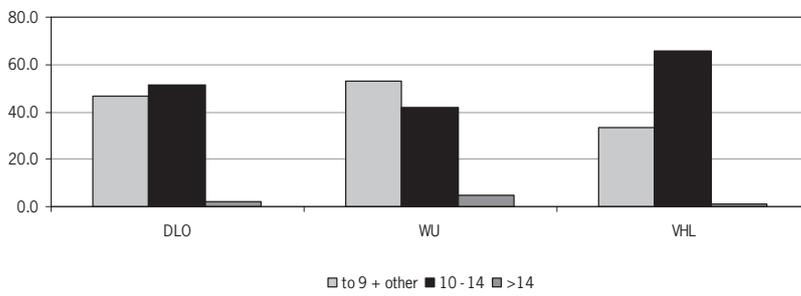
Sickness absence, 2009



Age, 2009



Job scale classification, 2009



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