

Activity Accounts (profit & loss)

(All figures in NOK 1 000)

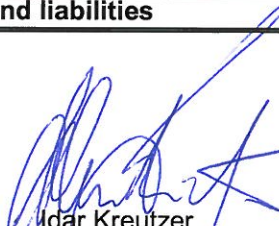
	Notes	2012	2011
Revenue			
Contributions from Norwegian donors		605 333	558 123
Contributions from foreign donors		<u>727 283</u>	<u>603 443</u>
Total contributions from donors	5	1 332 616	1 161 566
Lotteries and games		4 901	6 493
Telethon funds	2	0	0
Sponsors	2	36 621	43 296
Webshop / sale of products		1 126	1 512
Advertisements in NRC magazine		<u>90</u>	<u>244</u>
Total fundraising		42 738	51 545
Financial income		15 391	13 730
Financial costs		<u>-4 836</u>	<u>-6 224</u>
Net financial income		10 555	7 506
Other income		0	0
TOTAL REVENUE		1 385 909	1 220 617
Operating costs			
<u>Humanitarian activities:</u>			
Shelter (building of homes and schools)		424 760	354 660
Education		200 569	172 047
Information, Councelling and Legal Assistance		186 625	192 675
Food Security		182 313	139 625
Camp Management		49 464	49 168
WASH		5 019	0
Other		<u>38 024</u>	<u>15 404</u>
Total direct costs to Programme Activities		1 086 774	923 578
Emergency Standby Rosters		171 292	155 796
Advocacy and Information		58 194	50 988
Project Support at Head Office	3	72 653	57 123
Total costs to humanitarian activities		1 388 914	1 187 485
Administration costs	3	8 363	7 924
<u>Fundraising</u>			
Lotteries and games		2 824	3 674
Telethon funds	2	0	0
Sponsors		6 182	10 248
Webshop / sale of products		621	77
Other fundraising costs		7 029	4 831
Support costs at Head Office	3	<u>1 281</u>	<u>1 215</u>
Total fundraising costs		17 937	20 045
TOTAL OPERATING COSTS		1 415 214	1 215 454
NET RESULT		-29 305	5 163
<u>Appropriation of net result:</u>			
Transfer to / (from) other equity		-29 305	5 163
Sum appropriation of net result		-29 305	5 163

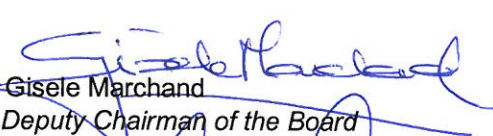
Balance sheet as per December 31


(All figures in NOK 1 000)

	Notes	2012	2011
ASSETS			
Long term assets			
Long term receivables	8	35	35
Fixed assets	6	4 725	3 942
Total long term assets		4 760	3 977
Short term assets			
Short term receivables, donors		136 755	131 089
Short term receivables		25 043	22 835
Bonds	7	189 911	63 560
Bank deposits and cash	9	262 701	547 261
Total short term assets		614 410	764 745
Total assets		619 170	768 722
EQUITY AND LIABILITIES			
Equity			
Foundation capital		1 000	1 000
Equity with internal restrictions		49 000	49 000
Other equity	10	138 786	121 642
Equity with external restrictions	2,10	122 226	168 675
Total equity		311 012	340 317
Short term liabilities			
Trade accounts payable		6 747	12 588
Government fees		31 972	25 291
Project funds received as advancements		195 056	303 372
Other short term liabilities		74 384	87 154
Total short term liabilities		308 159	428 405
Total equity and liabilities		619 170	768 722


Oslo, May 13th 2013



Idar Kreutzer
Chairman of the Board


Gisele Marchand
Deputy Chairman of the Board


Kaci Kullmann Five
Board member

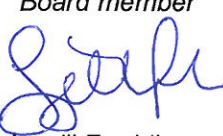

Cecilie Hellestveit
Board member



Ahmed A Madar
Board member


Leiv Lunde
Board member


Per Byman
Board member


Laila Bokhari
Board member


Ingvill Fredriksen
Staff repr.


Petra Storstein
Staff repr.


Torill Brekke
Secretary General (Acting)

Cash flow analysis

(All figures in NOK 1 000)

	<u>2012</u>	<u>2011</u>
Cash flow generated by operations:		
Net result	-29 305	5 163
Depreciation of fixed assets	3 916	2 429
Increase(+) / Decrease(-) of project advancements	-113 982	5 452
Change in other short term receivables & liabilities	-14 138	49 954
(A) Net cash flow from operations	-153 509	62 998

Cash flow spent on investments in fixed assets:

Investments in fixed assets	-4 699	-4 405
Net investment in shares and bonds	-126 351	-2 679
(B) Cash spent on investments in fixed assets	-131 050	-7 084

Cash flow from long term financing:

Increase(-) / Decrease(+) in long-term receivables	0	0
(C) Net cash effect of long term financing	0	0

A+B+C Net changes in cash flow during the year	-284 559	55 914
Bank deposits and Cash Jan 1	547 262	491 348
Bank deposits and Cash Dec 31	262 702	547 262

NOTES TO THE ACCOUNTS

Note 1 Accounting principles

The Norwegian Refugee Council (NRC) is a non-profit humanitarian foundation.

Its activities are financed through project contributions from donors such as the Norwegian Ministry of Foreign Affairs (MFA), Swedish SIDA, the UN system, EU and governmental funding from Great Britain, US, Denmark and Canada. In addition also with own funds collected through fundraising. In total 53% of project contributions from donors came from non-Norwegian actors.

In 2011, NRC-projects were conducted in 22 countries, some of which experience considerable lack of stability. Consequently, a relatively high risk applies to human resources and to the foundation's assets. The financial risk, however, is rarely the responsibility of NRC.

The donors will normally carry the risk of financial loss caused by acts of war or robbery, provided appropriate security measures have been taken.

NRC has a very high focus on security in all matters to minimize the risk for damages and accidents. All NRC-employees in Norway and abroad are insured, removing all liability of the foundation in the event of war, other unrest or accidents. Similarly, all material is insured.

On March 13th 1997, NRC was organized as a foundation, with a foundation capital of NOK 1 mill. Being a foundation,

NRC's financial statements must be submitted to Regnskapsregisteret in Brønnøysund, Norway.

The foundation is tax-exempt.

As of the accounting year 2008, Norwegian Refugee Council has implemented a new accounting standard for non-profit organisations; the Provisional Norwegian Accounting Standard on Good Accounting Principles for Idealistic Organisations as of November 2008.

The main change is that the profit and loss account is classified by activity rather than by type.

Operating costs are split into three main categories; humanitarian activities, fundraising and administration.

Humanitarian activities are split into our different operational activities.

Principles of revenue-and cost recognition

Income from marketing activities (fundraising from individuals, organizations and companies, plus lotteries etc) are recognized as revenue when received, except funds with specific restrictions on usage.

There are always certain restrictions to income classified as 'Contributions from donors' in the Activity Accounts, also including an obligation to return unused funds to donors. Such contributions are recognized as revenue in line with expenditures used.

Telethon funds are in line with the above mention accounting standard for non-profit organisations, A104.

This means we have a significant surplus in 2010, while the years spending Telethon funds we will have equalent negative resulting effect.

Unused Telethon funds have been recognized in the balance sheet as 'equity with external restrictions'.

The line 'Transfer to/from other equity' in Ac tivity Accounts reflects better the organisation's operating result.

Classification and evaluation of balance sheet items

Short term assets and liabilities include items which are due for payment within one year from the balance sheet day, and items connected to operation of the projects.

Other items are classified as fixed assets/long-term liabilities.

Shares and bonds are measured at their actual value on the balance sheet day.

Long-term assets are valued at the lowest of acquisition cost and fair value. Write-downs to fair value are carried out when the decrease in value can not be considered temporary, and must be considered necessary according to generally accepted accounting principles.

The write-downs are reversed when the basis for write-downs no longer exists. Long-term liabilities are included in the balance sheet at fair value on the balance sheet day.

Fixed assets

Fixed assets with an expected economic useful life of more than three years and a cost of more than NOK 15 000, are capitalized in the balance sheet and depreciated over their economic useful life. Maintenance of fixed assets are charged directly to p&l, while additional investments and/or improvements are added to the purchase price of the fixed asset and depreciated accordingly with the same. Fixed assets procured for usage in the field are charged directly to Profit and Loss at the time of procurement. This because the purchase cost is covered in total by donor and the asset will normally be at the donor's disposal at the end of the project. In addition there is a rapid wear and tear and high risk of loss of the assets.

Receivables

Receivables are included in the balance sheet at face value less deduction of provisions for expected loss.

Provisions for bad debts are based upon individual assessments of each receivable.

Foreign exchange

Balance sheet items in foreign currencies are converted at the exchange rate at the day of balance, except receivables and liabilities in projects, which are valued at acquisition cost. Bank deposits and cash holdings acquired for usage in donorfinanced projects, are also maintained at the rate of acquisition, because this is the rate used when the donors approve and compensate for costs paid in foreign currencies.

Foreign exchange gains and losses are included as financial items in the Profit and Loss.

Note 2 Sponsors and fundraising (earmarked and non-earmarked)

(All figures in NOK 1 000)

	<u>2012</u>	<u>2011</u>
Non-earmarked contribution from private sponsors	32 307	22 707
Non-earmarked contribution from business and other partners	1 999	1 387
Earmarked contrib. from private sponsors, business and others	<u>2 315</u>	<u>19 202</u>
Total contributions	36 621	43 296

Non-earmarked contribution from private sponsors, is mainly from monthly support from our 9000 sponsors.

We received earmarked contributions at 3.8 mill NOK to be used for the victims after earthquake in Haiti and 1.75 mill NOK to be used for the victims of the flood in Pakistan.

Spesification of Telethon funds (NRK 2010)

Telethon funds are partly placed in an separate bank account, partly in bonds. Interest and yield will be used for program activities too.

These funds have to be used and spent in a period of 5 years and in compliance with activities specified in our application.

These activities take place in NRC's program countries and all projects are monitored through own financial project accounts.

Use of Telethon funds will be audited yearly and reported to NRK (NRK's "Innsamlingsråd").

	<u>2012</u>	<u>2011</u>
Net Telethon funds available 01/01	158 675	178 598
Fundraised amount	0	179
Telethon-funds used 2012 (-)	-48 092	-24 957
Interest on fundraised amount 2012(+)	<u>5 038</u>	<u>4 855</u>
Net Telethon funds available 31/12	115 621	158 675
Other funds with external restrictions available 31/12	6 605	10 000
Total equity with external restrictions	122 226	168 675

Note 3 Specification of operating costs

(All figures in NOK 1 000)

Following Provisional Norwegian Accounting Standard on Good Accounting Principles for Idealistic Organisations, **costs to administration** are defined as the part of the costs for running of the organisation that are not directly linked to specific activities. Administration costs include costs incurred by the Board, salary to Secretary General and her assistant, Director of Administration, HR- director, Chief Accountant, Strategic Advisor and fees to auditors and lawyers

All employees of Norwegian Refugee Council are employed to work with one or more of the main activities of the organisation, and costs related to these persons are distributed among the different activities. **Indirect support functions** at the head office are distributed between the main activities based on the number of manyears linked to the different activities.

Support- and administration costs are mainly **financed** by donors as percentage add-ons to direct project costs. Also parts of the advocacy and information activities are not directly financed externally and must therefore be financed within the same percentage add-on or with equity.

<u>Support costs at Head Office</u>		<u>2012</u>		<u>2011</u>	
Project support to Humanitarian activities		61 516	4,3 %	49 463	4,1 %
Indirect support functions		12 967	0,9 %	10 818	0,9 %
Total support costs		74 483	5,3 %	60 282	5,0 %
distributed between	Humanitarian activities	71 372	5,1 %	57 123	4,7 %
	Administration	1 830	0,1 %	1 944	0,2 %
	Lotteries and games	78	0,0 %	243	0,0 %
	Other fundraising	1 202	0,1 %	972	0,1 %

Specification of costs by activities

Direct costs on Humanitarian activities	1317 541	93,1 %	1130 362	93,0 %
Indirect costs on Humanitarian activities	71 372	5,0 %	57 123	4,7 %
Administration costs	8 363	0,6 %	7 924	0,7 %
Fundraising	17 937	1,3 %	20 045	1,6 %
Total operating costs	1 415 214	100 %	1 215 454	100 %

Specification of costs by type

	<u>2012</u>	<u>2011</u>
Project materials etc	798 906	693 080
Salaries and social costs	575 380	481 556
Other operating costs	37 012	38 389
Depreciation of fixed assets	3 916	2 429
Total operating costs	1 415 214	1 215 454

Note 4 Salaries etc

(All figures in NOK 1 000)

	<u>2012</u>	<u>2011</u>
Salaries	503 333	407 302
Social security allowance	16 562	15 247
Other benefits	55 485	59 007
Gross salary costs	575 380	481 556

The Secretary General was in 2012 paid NOK 1.037.986 in salaries and NOK 7.396 in other allowances, in total NOK 1.045.382.

No remunerations was paid to the Board members in 2012.

The fee to Ernst & Young AS is estimated to NOK 352.000 (incl audit of IDMC). In addition, **NOK 4.318.543** was paid for project audits performed in Norway and abroad. These audits were performed by a number of different auditors.

The audit fees are included under 'Administration costs' and 'Direct costs on Humanitarian activities', respectively.

At the end of the year there were 3.626 employees in total working for NRC, of these 156 at the head office in Oslo.

In addition, 347 employees were employed by NRC in Oslo, for service abroad.

The rest of 3.123, which is 86% of all staff, are local employees in our program countries.

All employees paying tax to Norway are members in The Norwegian Public Service Pension Fund; NRC's pension scheme.

The secondees; who work for miscellaneous UN-organizations abroad, were incorporated as members of the above mentioned pension scheme from January 1st 2010.

Note 5 Project revenue split on donors, countries and regions

Region	Land	MFA Norway	ECHO EU	Sida Sweden	UNHCR UN	Norad Norway	DFID UK	OCHA UN	EC EU	UNICEF UN	BPRM USA	WFP UN	DANIDA Denmark	OFDA USA	CIDA Canada	Other UN	UNDP UN	DFAIT Canada	Other	Totals Institutional Donors	Own funds Telephone funds	Total	
ASIA	Afghanistan	44 264	24 268	13 187	10 093	0	0	3 317	7 660	0	2 705	0	9 339	2 768	0	83	0	0	0	117 686	2 770	120 455	
	Georgia	13 201	0	0	8 542	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21 742	0	21 742	
	Iraq	5 752	0	6 057	6 574	0	2 806	0	0	0	0	0	0	0	0	3 236	0	0	0	18 673	1 894	20 567	
	Jordan	24 992	6 212	3 181	2 885	0	0	0	0	107	0	0	0	0	0	0	0	0	0	13 958	370	14 328	
	Lebanon	16 543	4 179	0	0	0	0	0	0	2 356	0	0	0	0	0	142	0	0	378	39 946	294	40 240	
	Myanmar	26 676	48 582	13 103	16 228	0	3 529	0	0	689	0	0	0	0	0	0	0	0	0	23 206	530	23 736	
	Pakistan	7 949	12 762	3 178	0	0	0	0	1 854	353	0	0	0	0	0	0	0	0	122	115 519	1 904	117 423	
	Palestina	1 401	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	46 899	6 094	52 993	
	Russia / Central Asia	8 033	2 397	1 007	0	0	3 326	0	0	3 087	0	0	0	0	0	0	0	0	0	17 850	4 138	21 988	
	Sri Lanka	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1 401	1 401
	Syria	6 537	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6 537	0	6 537	
	Iran	10 000	0	0	0	0	0	1 247	0	0	0	0	0	0	0	0	0	0	0	11 247	3 000	14 247	
	Yemen	56 356	3 047	0	286	0	0	32	17 002	0	132	0	0	0	0	0	526	0	2 604	79 985	0	79 985	
	Secondments																						
	Total Asia		221 905	97 268	43 980	52 420	3 326	23 437	21 566	14 957	1 281	2 705	0	9 339	2 768	142	3 846	0	9 615	508 554	21 912	530 466	
	AFRICA	Burkina Faso	0	0	1 699	3 152	0	0	0	0	0	2 101	0	0	0	0	0	0	0	6 951	1 635	8 586	
		Burundi	-6	0	284	0	1 192	0	0	0	0	0	0	0	0	0	0	0	0	52	1 522	0	1 522
		Congo D.R.	20 239	15 683	18 777	0	6 001	3 037	0	0	22 725	4 772	12 177	0	0	0	0	1 989	0	105 400	2 884	108 284	
		Ivory Coast	5	10 950	2 271	2 839	6 947	0	2 921	0	298	0	0	0	0	0	0	0	0	363	25 983	1 151	27 135
		Ethiopia	14 996	5 770	4 632	15 467	0	2 005	5 516	0	1 759	4 438	0	0	0	0	0	0	0	0	54 584	6 490	61 075
		Kenya	17 835	7 865	1 005	17 861	247	0	0	63	0	11 254	4 554	0	0	0	0	0	0	7 420	68 106	73 401	
		Liberia	9 331	0	4 697	13 122	18 003	0	0	0	43	0	0	0	0	0	0	0	0	1 903	47 012	500	47 512
		Mali	0	0	0	0	0	435	0	0	0	0	0	0	0	0	0	0	0	63	498	186	684
		Somalia	53 863	15 534	19 932	14 885	28 627	0	2 320	7 970	9 567	935	8	63	0	0	0	0	0	252	153 956	420	154 376
		South Sudan	35 179	0	11 259	2 672	0	21 741	0	0	0	0	0	0	7 438	4 984	3 573	1 702	0	88 560	92 158	180 718	
		Uganda	22 780	0	4 660	0	0	0	0	0	0	0	0	1 098	0	0	0	341	0	1 268	30 146	0	30 146
		Zimbabwe	3 997	2 966	9 528	0	3 315	0	0	0	0	0	0	0	0	0	0	0	0	0	19 606	2 007	21 613
Secondments																							
Total Africa			243 895	61 815	78 544	70 284	64 167	29 137	30 488	12 551	25 929	22 573	17 892	7 438	4 984	3 573	2 386	2 329	13 916	691 703	24 176	715 879	
EUROPE		Switzerland (IDMC)	4 488	0	2 130	1 520	877	3 377	0	431	0	0	0	0	5 738	0	0	0	0	14 171	32 732	0	32 732
		Norway	5 322	3 537	2 362	1 936	6 796	1 225	0	0	0	0	0	0	0	0	0	0	0	245	21 025	1 963	23 767
		Secondments	4 500	38	0	1 124	0	0	1 498	0	0	0	976	0	0	0	0	0	0	8 135	0	8 135	
		Total Europe	14 310	3 975	4 493	4 579	7 673	4 602	1 498	0	431	22 573	976	0	5 738	0	0	0	0	14 416	62 091	1 963	64 654
		Colombia	10 500	2 328	12 528	600	15 341	4 612	0	0	0	0	0	0	0	0	3 393	0	0	75	51 445	4 427	55 872
		Secondments	14 553	0	0	0	0	0	0	0	0	0	0	0	0	0	395	0	0	0	14 948	0	14 948
Total America		25 053	2 328	12 528	600	15 341	4 612	0	0	0	0	0	0	0	3 393	395	0	2 069	75	66 394	4 427	70 820	
Other																				3 274	3 274		3 274
TOTAL PROJECT-REVENUE			504 962	165 385	139 544	127 883	90 507	61 787	53 551	27 509	27 642	25 278	18 868	16 778	13 491	7 108	6 627	2 329	2 069	41 296	1 332 616	52 477	1 385 093

Donor's share (of total revenue)

Donor's share (ex secondments)

Received in cash in year 2012

GBP

2907

Note 6 Fixed assets

(All figures in NOK 1 000)

	Furniture, IT, equipment
Acquisition cost as per Jan 1st 2012	11 258
Investments in 2012	4 699
Divestments in 2012	0
Acquisition cost as per Dec 31st 2012	15 957
Accumulated depreciation/write-downs as per Jan 1st 2012	-7 316
Depreciation in 2012	-3 916
Divestments in 2012	0
Accumulated depreciation/write-downs Dec 31st 2012	-11 232
Net book value at Dec 31st 2012	4 725

Depreciation rate (linear) 33 %

NRCs head office on four floors in Grensen 17 Oslo, is rented from Søylen Eiendom AS.

The rental contract runs until 31st Decemcer 2013, the annual rental fee is approx NOK 7 million.

Note 7 Bonds

(All figures in NOK 1 000)

Surplus funds are invested in the market through professional investors.

NRC do not invest in shares.

NRC funds:

Name	Value 31.12.2011	Inv./(sale) 2012	Yield 2012		Value 31.12.2012
			t NOK	% (annual)	
DNB Obligasjon (III)	21 257	6 490	1 803	8,1 %	29 550
DNB Obligasjon 20 (III)	23 865	-25 045	1 180	4,9 %	0
DNB Obligasjon 20 (IV)	0	32 645	865	2,6 %	33 510
DNB Likviditet (IV)	10 370	2 890	417	3,8 %	13 677
DNB Likviditet 20 (II)	8 068	-8 224	156	1,9 %	0
DNB Likviditet 20 (III)	0	11 244	102	0,9 %	11 346
Total bonds	63 560	20 000	4 523	6,8 %	88 083

Booked value equals market value both in 2011 and 2012.

In September 2012, NRC invested NOK 100 mill of unspent TV funds in bonds.

Name	Value 31.12.2011	Inv./(sale) 2012	Yield 2012		Value 31.12.2012
			t NOK	% (annual)	
DNB FRN 20	0	55 000	880	0,7 %	55 880
DNB Obligasjon (III)	0	45 000	948	1,1 %	45 948
Total bonds	0	100 000	1 828	0,41 %	101 828

Note 8 Long-term receivables

In 2001, 10 of Norways largest humanitarian organizations started a co-operation on games on the internet.

In this connection, two companies were established:

"De 10 Humanitaere AS" where each organization paid in NOK 15.000 for 10% of the share capital.

In addition, each organization granted a loan of NOK 100 000 to "De 10 Humanitaere AS", of which NOK 20 000 is not yet paid back.

The loan, totalling NOK 1 mill, was used to acquire 51 % of the company "Norskespill.no AS".

Note 9 Bank deposits and cash

Of the bank deposits, NOK 6,0 mill is tied up on a separate account for tax deducted from employees, NOK 7,0 mill is deposited as guarantee for lotteries and NOK 1,8 mill as deposit for the rental contract for the head office in Oslo.

Bank deposits include Telethon funds/other funds with restrictions, in total 122 mill NOK, see Note 2.

Note 10 Earned equity*(All figures in NOK 1 000)*

	<u>2012</u>	<u>2011</u>
Other equity as per Jan 1st	121 642	106 556
Transfer (from) / to Other equity	17 144	15 086
Other equity as per Dec 31	138 786	121 642

Other equity is not within restrictions to what it can be used for.

Anyway, the Board has committed itself to implement extraordinary measures if Other equity is all used.

Unused Telethon funds / other funds (122 mill NOK) is within strict regulations for use, and are therefore placed separate in the balance sheet, as 'Equity with external restrictions'. See also Note 2.

Note 11 Currency risk

All project funds used in the field are converted to USD or EURO.

During periods with significant currency fluctuations, the foundation runs a certain risk of currency loss, as most of the donor funds are granted in NOK. In many cases the donors accept to carry the currency risks. In addition, the risk is reduced through usage of forward contracts.

As per December 31 2012, NRC has no active forward contracts.

Note 12 Related parties

The Norwegian Refugee Council (NRC) is a non-profit humanitarian foundation.

For Norwegian Refugee Council the term 'related parties' applies to the Board, Management team and other employees.

There have been no relevant transactions with these parties during 2012.