

# Annual accounts

ANNUAL ACCOUNTS 2010



**Norwegian People's Aid**

## ACTIVITY ACCOUNT as at 31.12.2010

|   |           | (Figures in NOK 1000) |                |
|---|-----------|-----------------------|----------------|
|   | Notes     | 2010                  | 2009           |
| <b>ACQUIRED FUNDS</b>   |           |                       |                |
| <b>Membership income</b>  |           | <b>1,237</b>          | <b>1,185</b>   |
| Public sector   |           | 598,523               | 621 773        |
| Other donors  |           | 13,205                | 20 102         |
| <b>Total donors</b>   | <b>2</b>  | <b>611,729</b>        | <b>641,874</b> |
| Gaming and lotteries  |           | 32,957                | 30 553         |
| Donors  | 3         | 39,739                | 55,170         |
| <b>Total collected funds</b>  |           | <b>72,697</b>         | <b>85 722</b>  |
| Activities complying with the aims of NF (Norwegian People's Aid)                   |           |                       |                |
| Refugee reception centres and other operating units in Norway                       |           | 102,993               | 90 222         |
| Advertising sales APPEAL  |           | 846                   | 840            |
| Activities generating income  |           |                       |                |
| Product sales   |           | 3,158                 | 3 502          |
| <b>Total accumulated funds from operational activities</b>                          |           | <b>106,997</b>        | <b>94 564</b>  |
| <b>Net financial items</b>  | <b>13</b> | <b>4 515</b>          | <b>-419</b>    |
| <b>Other income</b>   |           | <b>0</b>              | <b>13</b>      |
| <b>TOTAL ACQUIRED FUNDS</b>   |           | <b>797,174</b>        | <b>822 939</b> |
| <b>FUNDS INVESTED</b>   |           |                       |                |
| Gaming and lotteries  |           | 12,988                | 11,590         |
| Donors  |           | 10,714                | 11,813         |
| Product sales   |           | 1,806                 | 1,511          |
| Other costs   |           | 5,769                 | 5,444          |
| <b>Total costs for acquiring funds</b>  |           | <b>31,277</b>         | <b>30,358</b>  |
| Mine clearance  |           | 214,232               | 237 309        |
| Reconstruction, food and emergency aid  |           | 97,204                | 96 735         |
| Lon-term development  |           | 249,573               | 258 030        |
| Hospital operations and other healthcare work                                       |           | 19,436                | 16 255         |
| Attitudinal creating and antiracist work  |           | 10,205                | 8 799          |
| Refugee reception centres and other operating units in Norway                       |           | 103,938               | 88 573         |
| Member organisations  |           | 16,736                | 16 158         |
| Information work in Norway  |           | 8,892                 | 8 027          |
| Project follow-up by the Main Administration unit                                   |           | 26,890                | 237,309        |
| VAT compensation  |           | -1,184                | -1 692         |
| <b>Total costs for NF's aims</b>  |           | <b>745,921</b>        | <b>753,357</b> |
| <b>Administration</b>   |           | <b>24,297</b>         | <b>20,303</b>  |
| <b>TOTAL FUNDS INVESTED</b>   | <b>14</b> | <b>801,496</b>        | <b>804,018</b> |
| <b>PROFIT FROM ACTIVITIES</b>   |           | <b>-4,322</b>         | <b>18,921</b>  |
| <b>APPROPRIATION OF PROFITS FROM ACTIVITIES</b>                                     |           |                       |                |
| Transferred to/from FK (Norwegian Peace Corps) with externally imposed restrictions | 10        | -2,147                | 15,397         |
| Transferred to/from FK (Norwegian Peace Corps) with self-imposed restrictions       | 10        | -243                  | 1,325          |
|   | 10        | -1,932                | 2,199          |
| <b>TOTAL ALLOCATIONS</b>  |           | <b>801,496</b>        | <b>804,018</b> |

# Balance sheet as at 31.12.2010

(Figures in NOK 1000)

| ASSETS   | Notes     | 2010           | 2009           |
|--|-----------|----------------|----------------|
| <b>Fixed assets</b>  |           |                |                |
| Plant and equipment  | 4         | 14,083         | 11,180         |
| <b>Total fixed assets</b>                                  |           | <b>14,083</b>  | <b>11,180</b>  |
| <b>Current assets</b>                                      |           |                |                |
| Receivables  | 5         | 186,610        | 219,382        |
| Financial current assets                                   | 6         | 25,922         | 22,746         |
| Pension funds  | 12        | 848            | -              |
| Cash in hand and at bank, etc                              | 11        | 200,128        | 147,414        |
| <b>Total current assets</b>                                |           | <b>413,508</b> | <b>389,542</b> |
| <b>TOTAL ASSETS</b>  |           | <b>427,591</b> | <b>400,722</b> |
| <b>EQUITY AND LIABILITIES</b>                              |           |                |                |
| <b>Equity</b>  |           |                |                |
| Other equity   | 10        | 31,595         | 33,527         |
| Restricted equity  |           |                |                |
| <b>Equity with externally imposed restrictions</b>         | <b>10</b> | <b>15,434</b>  | <b>17,645</b>  |
| Equity with self-imposed restrictions                      | 10        | 23,044         | 23,287         |
| <b>Total equity</b>  |           | <b>70,073</b>  | <b>74,459</b>  |
| <b>Liabilities</b>   |           |                |                |
| <b>Long-term liabilities</b>                               |           |                |                |
| Pension obligations  | 12        | 0              | 1,323          |
| <b>Total long-term liabilities</b>                         |           | <b>0</b>       | <b>1,323</b>   |
| <b>Current liabilities</b>                                 |           |                |                |
| Funds received for projects in progress                    |           | 227,101        | 213,150        |
| Liabilities to project donors                              | 7         | 8,372          | 6,708          |
| Interest owed on funds received                            | 7         | 1,033          | 747            |
| Diverse creditors  |           | 60,850         | 50,936         |
| Outstanding social security payments, VAT, holiday pay etc |           | 29,508         | 25,119         |
| Provisions   | 8         | 30,354         | 28,003         |
| Other current liabilities                                  | 8         | 300            | 277            |
| <b>Total current liabilities</b>                           |           | <b>357,518</b> | <b>324,940</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |           | <b>427,591</b> | <b>400,722</b> |

Tied capital 11

  
 Finn Erik Thoresen  
 Chairman of the Board

  
 Kjersti E. R. Jenssen  
 First deputy chairman

  
 Atle Høie  
 Second deputy chairman

  
 Orrvar Dalby  
 Interim General Secretary

Oslo 17 June 2011

# Cash flow statement

|  | (Figures in NOK 1000) |                |
|--|-----------------------|----------------|
|  | <b>2010</b>           | <b>2009</b>    |
| Annual profit                                  | -4,322                | 18,922         |
| Depreciation                                   | 4,813                 | 3,577          |
| Losses/gains from sales of fixed assets        | 0                     | 368            |
| Changes in stocks                              | 0                     | 0              |
| Changes in accounts receivable                 | 32,772                | 82,479         |
| Changes in accounts payable and other accruals | 27,166                | 145,452        |
| <b>Net cash flow from operations</b>           | <b>60,429</b>         | <b>-40,106</b> |
| Payments from the divestment of fixed assets   | 0                     | 0              |
| Payments for the acquisition of fixed assets   | -7,716                | -3,555         |
| <b>Net cash flow from investment business</b>  | <b>-7,716</b>         | <b>-3,555</b>  |
| Allocation of funds                            | 0                     | 0              |
| <b>Net cash flow from financing business</b>   | <b>0</b>              | <b>0</b>       |
| Net change in cash flow                        | 52,713                | -43,661        |
| Holding of cash and cash at bank 01.01         | 147,414               | 191,079        |
| <b>Holding as at 31.12</b>                     | <b>200,127</b>        | <b>147,414</b> |

# Notes to the annual accounts

(Figures are in NOK 1000 in all tables. In the general text, figures are quoted in full).

## NOTE 1

### Accounting policies

The annual accounts of Norsk Folkehjelp (Norwegian People's Aid) consist of the following:

- Activity Account
- Balance sheet
- Cash flow statement
- Notes

The annual accounts, which are prepared by the Board of Directors and the management of the organisation should be read together with the annual report and the auditors' report.

### Fundamental principles - assessment and classification - other conditions

The annual accounts have been prepared in accordance with the Norwegian Company Accounts Act and good accounting practice in Norway, including Provisional Norwegian Accounting Standards Good Accounting Practice for Charitable Organisations as at September 2006. The annual accounts give a true and fair picture of the organisation's accumulated resources and how these were used during the year and the financial position at the end of the year. The annual accounts have been edited and the accounting items are in summary form. Necessary specifications have been made in the notes. Consequently, the notes form an integral part of the annual accounts.

The annual accounts are based on the basic principles of historical cost, comparability, continued operation, congruence and prudence. The fundamental principles for transactions, earnings and presentation depart from section 4(1), third indent of the Norwegian Accounting Act where this can be regarded as good accounting practice. The accounting policies are described in detail below. When actual figures are unavailable/uncertain at the time of presenting the annual report, good practice requires that the management prepare the best possible estimate for use in the accounts. There may be discrepancies between estimated and actual figures.

### General policies

Assets for permanent holding are classified as fixed assets. Other assets are classified as current assets. Current assets/current liabilities are valued at acquisition cost or fair value whichever is highest or lowest. Fair value is defined as the assumed future sale price minus expected sale costs. Stocks are valued at the lowest of cost price according to the first-in first-out principle or the assumed sale price. Receivables are recognised at face value minus anticipated losses. Fixed assets are valued based on the acquisition cost. Assets subject to impairment are depreciated. Where the normal sale value falls below the value recognised in the balance sheet, the value of the asset is written down. Normally, similar principles apply to liability items.

In terms of good accounting practice there are a few exceptions to the general valuation rules. These exceptions are commented on below. When applying accounting policies and presenting transactions and other circumstances, importance is attached to economic realities and not just legal forms. Likely and quantifiable contingent losses are charged to income.

**Accounting policies for important accounting items****Revenue recognition time/income**

Revenue is recognised as it is earned. In the case of revenues for which no quid pro quo is required, such as gifts, income is recognised in accounts once the following three criteria have been met:

1. The organisation must be legally entitled to the income.
2. It must be reasonably certain that income will be received.
3. It must be possible to adequately measure income.

Reasonable certainty that income will be received is based on the accounting interpretation of the likelihood concepts, see NRS (Norwegian Accounting Standards Board) 13 Uncertain liabilities and assets, which dictates a likelihood of 90-100 percent.

**Membership income**

The organisation collects voluntary membership fees from its members. These have no quid pro quo and are entered to income as they arise.

**Operating subsidies**

Subsidies for defraying costs are entered gross to income. If the recognition criteria are not met, subsidies are entered as liabilities on a separate line in the balance sheet. Subsidies are recognised at their value at the transaction time. Substantial contributions which for which no fair value can be estimated are described in the notes. Unspent project funds are recognised as liabilities to donors at the end of the project.

**Sponsor funds**

Sponsorship income is accrued to income in time with the agreed quid pro quos. Where quid pro quos cannot be accurately measured, linear income is used as a practical approximation.

**Lottery revenues/Slot machine revenues**

Lottery revenues are recognised in accounts gross. Costs associated with lotteries are recognised under Costs for the acquisition of assets.

**Cost recognition time/comparison**

Expenses are compared with and entered against income along with the activity associated with the cost. This applies both to the cost of obtaining funds and of realizing the purpose of the asset. Costs which cannot be directly attributed to activities are recognised as they arise.

**Distribution of costs**

As far as possible, costs are attributed directly to the activity they are associated with. Costs associated with more than one activity are allocated to activities as far as possible in a reasonable, reliable and consistent manner.

The following basis of allocation is used for the allocation of costs:

| <b>Costs</b>                  | <b>Basis of allocation</b>                              |
|-------------------------------|---|
| Salary                        | Time per activity                                       |
| Other costs, e.g. rent and IT | Number of man-years per project other costs and revenue |

**Other costs, e.g. rent and IT**

Costs and revenues which are regarded as extraordinary and are important to the organisation are presented on a separate line in the activity statement.

**Tax**

The organisation has no activities which are subject to tax.

**Plant and equipment**

Plant and equipment is recognised in the balance sheet at acquisition cost minus accumulated depreciation and impairment. Plant and equipment is recognised as long-term if they have a financial life in excess of three years and a cost price of more than NOK 15,000. Plant and equipment acquired for the performance of overseas projects are charged to income at the time of acquisition.

Where the normal sale value falls below the value recognised in the balance sheet on balance sheet date, the value of the asset is impaired to fair value. If it is difficult to establish the sales value, the re-acquisition costs minus depreciation is used as fair value. If the grounds for impairment cease to exist, the writedown is reversed. Impairment and possible reversals of writedowns are entered on the same line in the activity statement. Impairment writedowns are classified as administration costs, when they cannot be associated directly with an activity.

Project-financed fixed assets are charged directly to income. This is because projects are of such short duration that capitalisation and depreciation are not appropriate. This is done in consultation with donors.

## Depreciation

Ordinary depreciation is computed linearly over the financial life of the asset based on the historical cost price minus the estimated scrap value. Depreciation is classified as an administration cost, when it cannot be associated directly with an activity.

## Leasing

For lease agreements which cannot be entered in the balance sheet (operational leasing), rental payments are treated as operating costs. Rental costs are classified as administration costs, when they cannot be associated directly with an activity.

## Financial investments

Market-based shares, bonds and other financial instruments classified as current assets are valued at fair value if these are listed on a stock market or are administered by a professional capital manager, and provided that the value of the investments can be reliably measured. Results (return and change in value) from this type of investment are classified as financial and investment income.

## Pension obligations and pension costs

On 01.03.94, employees' pension agreements were moved from Sparebanken1 Livsforsikring to Statens Pensjonskasse (Norwegian Public Service Pension Fund). Annual costs are charged to salaries and social costs. Norsk Folkehjelp has no obligations besides paying premiums to Norwegian Public Service Pension Fund. The fund in Sparebank1 Livsforsikring, cf note 12, is used to cover remaining obligations to previous and current members of the old agreement, and is not included in the accounts. Three people receive monies from this premium fund. The premium fund is deemed to be adequate to cover future obligations and is thus not entered in the balance sheet. Norsk Folkehjelp also has a pension commitment with KLP for previous employees of the Kure Epilepsy Centre. The pension scheme is a defined benefit scheme and is treated in accordance with the stipulations of the NRS (Norwegian Accounting Standards Board) for pension costs. Pension obligations are recognised at estimated value on 31.12.10, cf assignment from the pension company, and are revised annually.

## Assets in foreign currencies/agio

Assets in foreign currencies are related to specific projects and agio/discounts are as far as possible charged to current income on the respective projects. Holdings at the end of the year are valued at the rate on balance sheet date and any agio/discount is either recognised in/charged to income or included in the income statement under finance income/costs.

## Cash flow statement

The cash flow statement has been prepared according to the indirect method. Liquid holdings comprise cash, cash at bank and financial current assets, which are valued at fair value.

## NOTE 2

### The following public donors have contributed:

|  | 2010           | 2009           |
|--|----------------|----------------|
| Norwegian Ministry of Foreign Affairs                | 258,784        | 296,531        |
| NORAD (Norwegian Agency for Development Cooperation) | 137,579        | 126,016        |
| Other public Norwegian donors                        | 5,694          | 5,495          |
| <b>Total Norwegian</b>                               | <b>402,057</b> | <b>428,043</b> |

|   |                |                |
|---|----------------|----------------|
| USAID   | 48,646         | 55,684         |
| US Department of state                          | 42,947         | 23,373         |
| UN/UNHCR  | 11,564         | 30,842         |
| EU / ECHO                                       | 5,903          | 6,095          |
| SIDA (Swedish International Development Agency) | 15,386         | 3,225          |
| Government of South Sudan                       | 37,784         | 32,888         |
| German DU                                       | 12,996         | 16,554         |
| Dutch UD  | 11,773         | 13,672         |
| Other public international donors               | 9,467          | 11,396         |
| <b>Total International</b>                      | <b>196,466</b> | <b>193,730</b> |

|                            |                |                |
|----------------------------|----------------|----------------|
| <b>Total public donors</b> | <b>598,523</b> | <b>621,773</b> |
|----------------------------|----------------|----------------|

### The following other donors have contributed:

|                           |               |               |
|---------------------------|---------------|---------------|
| Health and Rehabilitation | 2,775         | 3,869         |
| Others                    | 10,430        | 16,233        |
| <b>Total</b>              | <b>13,205</b> | <b>20,102</b> |

Norsk Folkehjelp has received NOK 102,630,875 for the operation of refugee reception centres and other operating units from the Norwegian Directorate of Immigration.

**NOTE 9**

|  |             |             |
|--|-------------|-------------|
| <b>Other current liabilities</b>       | <b>2010</b> | <b>2009</b> |
| Other current liabilities              | 300         | 277         |
| <b>Total other current liabilities</b> | <b>300</b>  | <b>277</b>  |

**NOTE 10****Net changes in equity**

|  | Opening<br>balance 01.01 | Additions    | Used          | Closing<br>balance 01.01 | Net<br>change |
|--|--------------------------|--------------|---------------|--------------------------|---------------|
| Other equity                                     | 33,527                   |              | 1,932         | 31,595                   | -1,932        |
| Equity with externally imposed restrictions 1)2) | 17,645                   | 5,875        | 8,086         | 15,434                   | -2,211        |
| Equity with self-imposed restrictions            | 23,287                   | 2,957        | 3,200         | 23,044                   | -243          |
| <b>Total 5)</b>                                  | <b>74,459</b>            | <b>8,832</b> | <b>13,218</b> | <b>70,073</b>            | <b>-4,386</b> |

## Specification of equity with self-imposed restrictions

|                      |               |              |              |               |             |
|----------------------|---------------|--------------|--------------|---------------|-------------|
| Collected funds 3)   | 5,051         | 0            | 0            | 5,051         | 0           |
| Furumo/Løren 4)      | 14,515        | 2,957        | 1,700        | 15,772        | 1,257       |
| Donation Norsk Hydro | 3,721         | 0            | 1,500        | 2,221         | -1,500      |
|                      | <b>23,287</b> | <b>2,957</b> | <b>3,200</b> | <b>23,044</b> | <b>-243</b> |

1) Includes donation from the Union movement of a total of NOK 18,000,000. These funds may be used over a four-year period. The first year was 2010, when NOK 2,709,648 was spent.

2) These are earmarked funds collected through various campaigns.

3) These are gifts which are not earmarked for a particular task. Includes a NOK 10,000,000 donation from Norsk Hydro. Norsk Folkehjelp has decided that the Board of Directors is the granting body for the Norsk Hydro funds. NOK 1,500,000 was used in 2010, cf decision of the Board. A total of NOK 7,779,130 has been granted and transferred to projects, and consequently NOK 2,220,870 remains.

4) The return on the Furumo/Løren fund will be used for the benefit of occupationally disabled and other vulnerable groups with a view to improving their living circumstances and facilitating participation in working life. The returns can also be used for attitudinal creating measures.

5) Net change departs from the annual result. This is due to the reclassification of solidarity striking employees.

**NOTE 11****Cash in hand and at bank, etc**

|  |                |                |
|--|----------------|----------------|
|  | <b>2010</b>    | <b>2009</b>    |
| Security for lottery prizes                              | 4,000          | 4,000          |
| Tax deducted for employees                               | 8,023          | 2,752          |
| Other bank accounts/blocked                              | 2,052          | 3,832          |
| Total blocked bank deposits                              | 14,075         | 10,584         |
| Other restricted funds which are not in blocked accounts | 72,965         | 53,405         |
| Other restricted funds in foreign accounts               | 80,322         | 57,380         |
| Total tied-up funds                                      | 167,362        | 121,369        |
| Unrestricted funds                                       | 32,766         | 26,045         |
| <b>Total cash in hand and at bank, etc</b>               | <b>200,128</b> | <b>147,414</b> |

**NOTE 12****Pension and other obligations to employees**

|              |              |              |
|--------------|--------------|--------------|
|              | <b>2010</b>  | <b>2009</b>  |
| Premium fund | 1,987        | 2,012        |
| <b>Total</b> | <b>1,987</b> | <b>2,012</b> |

**Payroll costs**

|  |                |                |
|--|----------------|----------------|
|  | <b>2010</b>    | <b>2009</b>    |
| Payroll costs for all stationed personnel        | 149,471        | 161,407        |
| Payroll costs for receipt and projects in Norway | 56,257         | 48,117         |
| Payroll costs for head office                    | 42,540         | 37,234         |
| Folketrygdavgift (national insurance scheme)     | 16,431         | 14,928         |
| Pension costs                                    | 314            | 2,350          |
| Other expenses                                   | 44,908         | 52,213         |
| <b>Total</b>                                     | <b>309,920</b> | <b>316,249</b> |

The total payroll costs include salaries for Norwegian and foreign aid workers stationed in the field. As at 31.12. 2010, 115 man-years were employed in the main administration in Norway, 98 at refugee reception centres, two at other operating units, 55 on contracted staff stationed in the field and approx 2400 locally employed at the stations in the field.



## Pensions

The organisation has 269 employees covered by the rules on compulsory occupational pensions. All employees are covered by a collective pension scheme which complies with the requirements of this law.

Norsk Folkehjelp has a pension scheme for previous employees at the Kure Epilepsy Centre, which includes 28 people. The scheme entitles holders to future benefits (defined benefit scheme). These benefits mainly depend on the number of pension saving years, salary levels at pension age and the size of pensions from the Norwegian national insurance scheme. The obligations are covered by a collective pension agreement in Communal National Pension Fund – Mutual Insurance.

| <b>Pension obligations</b>                                     | <b>2010</b> | <b>2009</b>  |
|--|-------------|--------------|
| Gross accrued pension obligations                              | 24,272      | 22,807       |
| Pension funds  | 18,898      | 17,842       |
| Net obligations before labour market tax                       | 5,374       | 4,965        |
| Employer tax   | 758         | 700          |
| Gross accrued obligations including employer tax               | 25,029      | 23,507       |
| Net liabilities including employer tax                         | 6,133       | 5,664        |
| Non-recognised estimate discrepancies excluding employer tax   | -6,169      | -3,845       |
| Non-recognised estimate discrepancies employer tax             | -812        | -496         |
| <b>Balance sheet net assets/liabilities after employer tax</b> | <b>-848</b> | <b>1,323</b> |

Financial preconditions:

|                                |        |        |
|--------------------------------|--------|--------|
| Discount rate                  | 4.60 % | 5.30 % |
| Expected salary regulation     | 4.00 % | 4.00 % |
| Expected G regulation          | 3.75 % | 3.75 % |
| Expected return on fund assets | 5.40 % | 5.80 % |

## Provisions for final payment to field stations

The total payroll costs includes provisions for final payment of field stations where this is statutory. There are various practices at the individual field stations and the program nations' rules about final payment, where these exist, are the basis for action. Norsk Folkehjelp has estimated the future liability, and in collaboration with donors has a plan for provisions for final payment.

## Fees/salaries for members of the board and the general secretary

No remuneration was paid to the Board of Directors in 2010.

The general secretary received a salary of NOK 1,062,080, while other benefits amounted to NOK 1,253,089.

The general secretary participates in Norsk Folkehjelp's ordinary pension scheme, and receives no other form of remuneration beside ordinary salary.

Norsk Folkehjelp has no obligations to remunerate the general secretary upon resignation or changes in the employment contract.

## Auditors

General auditing fees charged to income at the main administration amounted to NOK 833,301 in 2010.

Donors place requirements for special attestation for all projects. Auditing costs for field stations and project activities amounted to NOK 4,256,363 and costs for project activities in Norway were NOK 192,938. The Ministry of Foreign Affairs requires all refunding requirements to be audited and auditing costs amounted to NOK 1,153,626.

## NOTE 13

### Net financial items

|                            | <b>2010</b>  | <b>2009</b> |
|----------------------------|--------------|-------------|
| Agio                       | 315          | -5,123      |
| Finance revenue            | 4,193        | 4,703       |
| Other finance costs        | 6            | 1           |
| <b>Net financial items</b> | <b>4 515</b> | <b>-419</b> |

**NOTE 3****The following donors have contributed**

|                     | 2010          | 2009          |
|---------------------|---------------|---------------|
| Private             | 23,735        | 21,760        |
| Businesses          | 4,109         | 2,651         |
| Trade unions        | 11,895        | 30,759        |
| <b>Total donors</b> | <b>39,739</b> | <b>55,170</b> |

**NOTE 4****Specification of plant and equipment**

|   | Land<br>and buildings | Inventories | IT<br>equipment | Software | Vehicles | Other plant<br>and equipment | Refugee<br>costs Sudan | Total  |
|---|-----------------------|-------------|-----------------|----------|----------|------------------------------|------------------------|--------|
| Acquisition cost                            | 1,280                 | 6,032       | 4,325           | 13,868   | 273      | 2,274                        | 6,077                  | 34,129 |
| Additions                                   | 0                     | 6 090       | 411             | 930      | 285      | 0                            |                        | 7,716  |
| Disposals                                   | 0                     | 0           | 0               | 0        | 0        | 0                            |                        | 0      |
| Closing balance<br>acquisition costs        | 1,280                 | 12,121      | 4,736           | 14,798   | 558      | 2,274                        | 6,077                  | 41,845 |
| Opening balance<br>accumulated depreciation | 448                   | 1,400       | 3,258           | 11,664   | 60       | 2,274                        | 3,843                  | 22,947 |
| Annual depreciation                         | 0                     | 1,918       | 560             | 1,179    | 175      | 0                            | 983                    | 4,815  |
| Acc. depreciation sold                      |                       | 0           | 0               | 0        | 0        | 0                            | 0                      | 0      |
| Closing balance<br>accumulated depreciation | 448                   | 3,318       | 3,818           | 12,843   | 235      | 2,274                        | 4,826                  | 27,762 |
| Book value as at 31.12.10                   | 832                   | 8,803       | 918             | 1,955    | 323      | 0                            | 1,251                  | 14,083 |

Plant and equipment is depreciated over 3 to 5 years. Land and buildings are not depreciated.

Relocation costs to Juba in Sudan are charged to income over a five-year period, the remaining depreciation period is two years. Norsk Folkehjelp has a leasing agreement for the rental of computer equipment/ photocopiers. The agreements are deemed to be operational leasing and the total rental costs are charged directly to operating costs.

**NOTE 5****Current receivables**

|                                  | 2010           | 2009           |
|----------------------------------|----------------|----------------|
| Donors international projects    | 162,497        | 183,646        |
| Domestic business /NF law/others | 24,112         | 35,736         |
| <b>Total</b>                     | <b>186,610</b> | <b>219,382</b> |

No receivables are due later than one year after the end of the financial year.

Receivables from donors mainly refer to pledges for projects in progress. To the extent they are not used, they are entered to liabilities in the balance sheet under the item "Funds received for projects in progress."

**NOTE 6****Shares/fund units**

|                                 | 2010          | 2009          |
|---------------------------------|---------------|---------------|
| Norwegian shares and fund units | 25,922        | 22,746        |
| <b>Total</b>                    | <b>25,922</b> | <b>22,746</b> |

Norwegian shares and fund units mainly refer to the Furumo/Løren fund, cf note 10.

**NOTE 7****Liabilities to project donors**

Projects have gone better than budgeted and excesses are returned to donors.

**Interest owed on funds received**

Accrued interest on funds from donors which by agreement must be repaid.

**NOTE 8****Provisions**

|  | 2010          | 2009          |
|--|---------------|---------------|
| Provisions for final payment schemes at exterior offices (see note 12) | 17,869        | 16,586        |
| Other provisions for international projects                            | 8,403         | 8,938         |
| Other provisions   | 132           | 224           |
| Provisions for project audits  | 2,848         | 2,255         |
| <b>Total provisions</b>  | <b>29,251</b> | <b>28,003</b> |

**NOTE 14****Operating costs according to kind**

|   | 2010           | 2009           |
|---|----------------|----------------|
| Payroll costs   | 309,920        | 316,249        |
| Depreciation of tangible fixed assets and intangible assets | 4,815          | 3,577          |
| Other operating costs                                       | 486,734        | 484,192        |
| <b>Total</b>  | <b>801,469</b> | <b>804,018</b> |

**NOTE 15****Administration percentage and object percentage**

|                           | 2010    | 2010   | 2009   | 2008   | 2007   | 2006   |
|---------------------------|---------|--------|--------|--------|--------|--------|
| Administration costs      | 24,297  | 3.0 %  | 2.5 %  | 2.6 %  | 2.2 %  | 2.6 %  |
| Cost for the object       | 745,921 | 93.1 % | 93.7 % | 94.7 % | 92.5 % | 93.8 % |
| Costs for acquiring funds | 31,277  | 3.9 %  | 3.8 %  | 2.8 %  | 5.3 %  | 3.6 %  |
| Total consumed funds      | 801,496 | 100 %  | 100 %  | 100 %  | 100 %  | 100 %  |

The object percentage is in line with previous years, and in that context is relative to expectations of low administration costs.

**NOTE 16****Lawsuits/disputes**

Norsk Folkehjelp has a few disputes related to its foreign activities. These have been allowed for in the accounts of the national programs.



Finn Erik Thoresen  
 Chairman of the Board

Kjersti E. R. Jenssen  
 First deputy chairman

Atle Høie  
 Second deputy chairman

Orrvar Dalby  
 Interim General Secretary

Oslo 17 June 2011



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