



Norwegian People's Aid



# Annual Accounts

2012

# Activity account as at 31/12/2012

		(Figures in NOK 1000)	
	Notes	2012	2011
<b>ACQUIRED FUNDS</b>			
Membership fees, individual		1 963	1 492
Collective membership fees		4 885	3 625
<b>Total income from members</b>	<b>1</b>	<b>6 848</b>	<b>5 117</b>
Public donors		605 922	574 898
Other donors		7 720	19 607
<b>Total donors</b>	<b>2</b>	<b>613 642</b>	<b>594 505</b>
Gaming and lotteries		13 932	14 252
Donors		57 611	52 813
TV campaign 2011		50 799	34 843
<b>Total collected funds</b>	<b>3</b>	<b>122 343</b>	<b>101 908</b>
Refugee reception centres		105 975	107 446
Bekkelagstunet, rental income and grants		2 525	2 359
Mine-seeking dogs		2 133	5 031
Total activities that fulfil the organisation's objectives		110 633	114 836
<b>Advertising sales - APPEAL</b>		<b>770</b>	<b>598</b>
Product sales - revenues		3 341	1 770
<b>Total activities that generate revenues</b>		<b>4 111</b>	<b>2 368</b>
<b>Net financial items</b>		<b>2 405</b>	<b>-2 441</b>
<b>TOTAL AVAILABLE FOR THE PURPOSE</b>		<b>859 981</b>	<b>816 293</b>
<b>FUNDS INVESTED</b>			
Gaming and lotteries		9 464	10 159
TV campaign 2011		190	34 671
Donors		19 353	17 118
Product sales - costs		2 461	1 145
<b>Total costs for acquiring funds</b>		<b>31 469</b>	<b>63 093</b>
<b>Costs for the organisation's objectives</b>			
Mines and weapons		273 146	219 980
Reconstruction, food and emergency aid		73 053	47 062
Long-term development work		260 656	293 174
International solidarity - domestic work		7 514	7 835
Refugee reception centres		101 860	106 005
Hospital operations and other healthcare work		41 713	35 388
First aid and rescue		12 001	10 650
Anti-racism		8 952	7 475
Information work in Norway		7 012	8 096
Youth work in Norway		2 271	2 113
Bekkelagstunet		2 253	2 704
Value Added Tax compensation, etc.		-3 317	-2 262
<b>Total costs for the purpose</b>		<b>787 114</b>	<b>738 220</b>
<b>Administration costs</b>			
Administration		31 334	23 608
<b>TOTAL FUNDS INVESTED</b>		<b>849 917</b>	<b>824 921</b>
<b>PROFIT FROM ACTIVITIES</b>		<b>10 065</b>	<b>-8 628</b>
<b>APPROPRIATION OF PROFITS FROM ACTIVITIES</b>			
Transfer to/from FK (Norwegian Peace Corps) with externally imposed restrictions		-2 999	-3 622
Transfer to/from FK (Norwegian Peace Corps) with self-imposed restrictions		3 112	-5 519
Transfer to/from other equity		9 952	513
<b>TOTAL ALLOCATIONS</b>		<b>10 065</b>	<b>-8 628</b>


# Balance sheet as at 31/12/2012

(Figures in NOK 1000)

ASSETS	Notes	2012	2011
<b>Fixed assets</b>			
Plant and equipment	4	6 368	9 237
<b>Total fixed assets</b>		<b>6 368</b>	<b>9 237</b>
<b>Current assets</b>			
Receivables	5	125 503	196 855
Financial current assets	6	24 020	22 102
Pension funds	12	591	984
Cash in hand and at bank, etc.	11	305 391	358 631
<b>Total current assets</b>		<b>455 505</b>	<b>578 573</b>
<b>TOTAL ASSETS</b>		<b>461 873</b>	<b>587 810</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Other equity	10	42 060	32 108
<b>Restricted equity</b>			
Equity with externally imposed restrictions	10	8 826	11 825
Equity with self-imposed restrictions	10	20 625	17 513
<b>Total equity</b>		<b>71 511</b>	<b>61 446</b>
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Funds received for projects in progress	3	105 288	136 263
<b>Total long-term liabilities</b>		<b>105 288</b>	<b>136 263</b>
<b>Current liabilities</b>			
Funds received for projects in progress	5	159 609	261 680
Liabilities to project donors	7	12 338	7 375
Interest owed on funds received	7	919	767
Diverse creditors		49 515	55 211
Outstanding social security payments, VAT, holiday pay etc.		28 648	28 171
Provisions	8	33 987	36 172
Other current liabilities	9	59	725
<b>Total</b>		<b>285 074</b>	<b>390 101</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>461 873</b>	<b>587 810</b>

Oslo, 31 May 2013

  
Finn Erik Thoresen  
Chairman

  
Kjersti E.R. Jenssen  
1st Deputy Chairman

  
Atle Høie  
2nd Deputy Chairman

  
Liv Tørres  
Secretary-General

## ● Cash flow statement as at 31/12/2012

	(Figures in NOK 1000)	
	<b>2012</b>	<b>2011</b>
Annual profit	10 065	-8 627
Depreciation/write-downs	4 098	4 974
Losses/gains from sales of fixed assets	0	0
Changes in stocks	0	0
Changes in accounts receivable	71 353	-10 245
Changes in accounts payable and other accruals	-137 526	172 530
<b>Net cash flow from operations</b>	<b>-52 010</b>	<b>158 632</b>
Payments from the divestment of fixed assets	0	0
Payments for the acquisition of fixed assets	-1 228	-128
<b>Net cash flow from investment business</b>	<b>-1 228</b>	<b>-128</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	-53 238	158 504
Holding of cash and cash at bank 01.01	358 630	200 127
<b>Holding as at 31.12</b>	<b>305 392</b>	<b>358 631</b>

(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 November 2008. 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 assessed at acquisition cost or actual value, whichever is the 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 are not just legal form.

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%.

### **Membership income**

The organisation receives membership fees from its members and recognises these in accounts. 75 per cent of membership proceeds are transferred to the local teams and reflected in the income statement under Expenditure.

### **Receipts from donors**

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**

Lottery revenues are recognised in accounts gross. Costs associated with lotteries, prizes and sales expenses 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 realising the purpose of the asset. Costs which cannot be directly attributed to activities are recognised as they arise.

### **TV campaign 2011**

Norwegian People's Aid implemented a TV campaign for 2011, a nationwide fundraising campaign organised by NRK. The funds from this TV campaign, plus interest income, will be recognised in accounts in accordance with the accrual principle as the funds are used by the projects.

### **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 distributed proportionately over the various activities. The following basis of allocation is used for the allocation of costs:

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

### **Extraordinary expenses costs and revenues**

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 are recognised in the balance sheet at acquisition cost minus accumulated depreciation and impairment. Plant and equipment are 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 and charged to individual projects in accordance with pledges from donors.

Where the value in use and re-acquisition cost are lower than the value recognised in the balance sheet on the 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 cost 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.

### **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 a project.



## 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 a project.

## 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 liabilities and pension costs

The pension agreement for employees is held by Statens Pensjonskasse (the Norwegian Public Service Pension Fund). Annual costs are charged to salaries and social costs. Norwegian People's Aid has no liabilities besides paying premiums to Norwegian Public Service Pension Fund. The fund in Sparebank1 Livsforsikring, cf. note 12, is used to cover remaining liabilities 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 liabilities and is thus not entered in the balance sheet. Norwegian People's Aid 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 liabilities are recognised at estimated value on 31/12/2012, cf. information from the pension company, and are revised annually.

## Assets in foreign currencies and foreign exchange differences

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 the balance sheet date and any agio/discount is either recognised in or charged to income for projects. The most commonly used exchange rates are USD and EUR. The exchange rates as at 31/12/2012 are USD 5.57 and EUR 7.35.

## Cash flow statement

The cash flow statement has been prepared according to the indirect method. Cash/cash equivalents include cash, bank deposits and financial assets assessed at fair value.

## NOTE 2

<b>Donors</b>	<b>2012</b>	<b>2011</b>
NORAD (Norwegian Agency for Development Cooperation)	52 720	151 380
Norwegian Ministry of Foreign Affairs	238 352	236 974
Other public Norwegian donors	7 888	4 745
<b>Contributions from public authorities, Norway</b>	<b>398 960</b>	<b>393 099</b>
U.S. Agency for International Development (USAID)	30 382	31 518
U.S. Department of State (USDoS)	32 781	29 915
EU	4 279	7 139
UN	16 975	7 201
Government of South Sudan	61 060	50 321
Dutch Ministry of Foreign Affairs	5 404	10 994
Swedish Ministry for Foreign Affairs	17 213	22 546
Solidar network	709	-
Germany	6 988	9 212
Other public international donors	31 171	12 953
<b>Contributions from public authorities, overseas</b>	<b>206 962</b>	<b>181 799</b>
<b>Public donors</b>	<b>605 922</b>	<b>574 898</b>
<b>The following other donors have contributed:</b>		
Other international organisations	-	11 501
Norwegian organisations	<b>7 720</b>	<b>8 106</b>
<b>Other donors</b>	<b>7 720</b>	<b>19 607</b>
<b>TOTAL PROJECT INCOME</b>	<b>613 642</b>	<b>594 505</b>

Donor funds may be used in accordance with the allocation. Norwegian People's Aid has received NOK 102 million from the Norwegian Directorate of Immigration for the operation of refugee reception centres.

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### NOTE 3

#### The following donors have contributed

	2012	2011
Private	25 995	27 068
Businesses	8 287	4 360
Trade unions	7 300	5 355
Norsk Tipping, contribution from lottery funds	16 029	16 030
<b>Total donors</b>	<b>57 611</b>	<b>52 813</b>
Total gaming and lotteries	13 932	14 252
TV campaign	50 799	34 843
<b>Total collected funds</b>	<b>122 342</b>	<b>101 908</b>

1) Costs linked with sales and winnings in 2012 amount to NOK 8.7 million

#### TV campaign 2012

	2010	2011	2012	2013	2014	2015	2016	Total collected	Total spent
Opening balance, TVA	0	-172	186 263						
Collected funds		220 162	594						220 756
Interest income	0	944	4 231						5 175
Used = recognised in accounts	172	34 671	50 799						85 642
<b>Closing balance, TVA</b>	<b>-172</b>	<b>186 263</b>	<b>140 289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>140 289</b>

Funds remaining from the TV campaign to be used over a five-year period amount to NOK 140 million as at 31/12/2012. Of this, it is expected that NOK 35 million, which is listed as a current liability in the balance sheet, will be used in 2013. The remaining funds are classified as long-term liabilities.

### NOTE 4

#### Specification of plant and equipment

	Land and buildings	Inventories	IT equipment	Software	Vehicles	Other plant and equipment	Refugee costs South Sudan	Total
Acquisition cost	1 280	12 121	4 876	14 787	558	2 274	6 077	41 973
Additions	0	0	0	1 089	139	0	0	1 228
Disposals	0	0	0	0	0	0	507	507
Closing balance, acquisition costs	1 280	12 121	4 876	15 876	697	2 274	5 570	42 694
Opening balance, accumulated depreciation	448	5 712	4 360	13 961	411	2 274	5 570	32 736
Depreciation for the year	0	2 152	347	937	154	0	0	3 590
Acc. depreciation sold	0	0	0	0	0	0	0	0
Closing balance, accumulated depreciation	448	7 864	4 707	14 898	565	2 274	5 570	36 326
Book value as at 31/12/2012	832	4 257	169	978	132	0	0	6 368

Plant and equipment is depreciated over 3 to 5 years. Land and buildings are not depreciated. Relocation costs to Juba in South Sudan are registered as disposals in the notes and charged to income in Juba, the remaining value was written off in 2012. Norwegian People's Aid 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

	2012	2011
Donors, international projects	109 413	175 309
Domestic business/NF law/others	16 090	21 546
Total	125 503	196 855

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". NOK 159,609



## NOTE 6

### Shares/fund units

Norwegian shares and fund units	2012	2011
	24 020	22 102
<b>Total</b>	<b>24 020</b>	<b>22 102</b>

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

### Net financial items

Of Net financial items amounting to NOK 2,405 thousand, positive returns on financial assets amount to NOK 1,928 thousand compared with negative returns of NOK 3,834 thousand in 2011. This reflects developments in the financial market.

## NOTE 7

### Liabilities to project donors

Individual projects have seen underuse for a variety of reasons. These are funds which must be refunded to the donor in accordance with a contract.

### Interest owed on funds received

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

## NOTE 8

### Provisions

	2012	2011
Provisions for final payment schemes at exterior offices (see note 12)	13 880	18 427
Other provisions	14 982	15 055
Provisions for project audits	5 125	2 690
<b>Total provisions</b>	<b>33 987</b>	<b>36 172</b>

## NOTE 9

### Other current liabilities

	2012	2011
Other current liabilities	59	725
<b>Total other current liabilities</b>	<b>59</b>	<b>725</b>

## NOTE 10

### Net changes in equity (EQ)

	Opening balance, 01/01	Additions	Used	Closing balance, 31/12	Net change
Other equity	32 108	9 952		42 060	9 952
Equity with externally imposed restrictions 1) 2)	11 825	1 683	4 682	8 826	-2 999
Equity with self-imposed restrictions	17 513	3 112		20 625	3 112
<b>Total</b>	<b>61 446</b>	<b>14 747</b>	<b>4 682</b>	<b>71 511</b>	<b>10 065</b>

Specification of equity with self-imposed restrictions:

Collected funds	5 039	0	0	5 039	0
Avsetning mottak 5)	0	2 100	0	2 100	2 100
Furumo/Løren 4)	11 374	1 012	0	12 386	1 012
Donation, Norsk Hydro	1 100	0	0	1 100	0
	17 513	3 112	0	20 625	3 112

1) Includes a donation from the Union movement of a total of NOK 18,000,000. These funds must be spent over a four-year period. NOK 4,428,999 was spent in 2012. A total of NOK 12,431,222 was spent, and consequently NOK 5,568,778 remains.

2) These are earmarked funds collected through various campaigns.

3) These are gifts which are not earmarked for a particular task. Includes a donation of NOK 10,000,000 from Norsk Hydro. Norwegian People's Aid has decided that the Board of Directors is the granting body for the Norsk Hydro funds. No funds were spent in 2012, and so NOK 1,100,000 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 attitude-creating measures.

5) This is a provision for costs linked with the future decommissioning of refugee reception centres

**NOTE 11**

<b>Cash in hand and at bank, etc.</b>	<b>2012</b>	<b>2011</b>
Tax deducted for employees 1)	6 762	595
Other bank accounts blocked	0	250
<b>Total blocked bank deposits</b>	<b>6 762</b>	<b>845</b>
Other restricted funds which are not in blocked accounts	211 149	236 212
Other restricted funds in foreign accounts	55 227	79 891
<b>Total tied-up funds</b>	<b>266 376</b>	<b>316 103</b>
Unrestricted funds	32 253	41 683
<b>Total bank deposits, cash and similar</b>	<b>305 391</b>	<b>358 631</b>

1) Provision for tax deductions was deposited on 9 January 2012 and paid before the deadline for the 6th term

**NOTE 12**

<b>Pensions and other liabilities to employees</b>	<b>2012</b>	<b>2011</b>
Premium fund	100	100
<b>Total pensions and other liabilities</b>	<b>100</b>	<b>100</b>
<b>Payroll costs</b>	<b>2012</b>	<b>2011</b>
Payroll costs for all stationed personnel	179 107	150 144
Payroll costs for receipt and projects in Norway	62 601	66 672
Payroll costs at head office and the regional offices	38 836	44 840
National insurance contributions	16 982	18 455
Pension costs	3 632	2 968
Other expenses	42 134	40 760
<b>Total payroll costs</b>	<b>343 291</b>	<b>323 839</b>

As at 31/12, 98 man-years were employed at the main administration and regional offices in Norway, 79 at refugee reception centres, two at other operating units, 68 on contracted staff stationed in the field and approx. 2,000 employed locally at the stations in the field.

**Pensions**

The organisation has 255 employees covered by the rules on compulsory occupational pensions, Statens Pensjonskasse (the Norwegian Public Service Pension Fund).

Norwegian People's Aid has a pension scheme for previous employees at the Kure Epilepsy Centre, which includes 26 people. This defined benefit scheme is dependent mainly on the number of years of service, salary levels at pensionable age and the size of benefits from the Norwegian national insurance scheme. The liabilities are covered by a collective pension agreement in the Communal National Pension Fund – Mutual Insurance.

**Pension liabilities**

	<b>2012</b>	<b>2011</b>
Gross accrued pension liabilities	24 562	27 406
Pension funds	18 913	19 262
Net obligations before employers' contributions	5 649	8 144
<b>Employers' contributions</b>	<b>796</b>	<b>1 148</b>
<b>Gross accrued obligations including employers' contributions</b>	<b>25 358</b>	<b>28 554</b>
Net liabilities including employers' contributions	6 446	9 292
Non-recognised estimate discrepancies excluding employers' contributions	-6 243	-9 070
Non-recognised estimate discrepancies, employers' contributions	-794	-1 206
<b>Balance sheet net assets/liabilities after employers' contributions</b>	<b>-591</b>	<b>-984</b>

**Financial preconditions:**

Discount rate	4,20 %	3,80 %
Expected salary regulation	3,50 %	3,50 %
Expected G regulation	3,25 %	3,25 %
Expected return on fund assets	4,00 %	4,10 %

### 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 programme nation's rules about final payment, where these exist, are the basis for action.

Norwegian People's Aid 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 2012. Total funds for 2012 paid to the Secretary-General amount to NOK 840,758, while other expenses totalled NOK 11,362. The Secretary-General participates in Norwegian People's Aid's ordinary pension scheme, and receives no other form of remuneration beside ordinary salary. Norwegian People's Aid 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 1,230,539 in 2012. Donors specify requirements for special attestation for all projects. Local auditors deal with the auditing of the field stations and project activities abroad, and the costs for this amount to NOK 6,411,262. Costs for auditing project activities in Norway amounted to NOK 401,416. The Ministry of Foreign Affairs requires all refunding requirements to be audited and auditing costs amounted to NOK 1,168,411. The cost of other services amounted to NOK 1,169,747.

### NOTE 13

#### Operating costs according to kind

	2012	2011
Payroll costs	343 291	323 839
Depreciation of tangible fixed assets and intangible assets	3 590	4 974
Other operating costs	503 036	496 108
<b>Total operating costs</b>	<b>849 917</b>	<b>824 921</b>

### NOTE 14

#### Administration percentage and object percentage

	2012	2011	2010	2009	2008
Administration costs	3,7 %	2,9 %	3,0 %	2,5 %	2,6 %
Fundraising expenditure 1)	93 %	90 %	93 %	94 %	95 %
Fundraising percentage 2)	66 %	68 %	67 %	74 %	75 %

### NOTE 15

#### Lawsuits/disputes

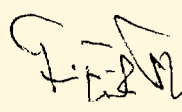
Norwegian People's Aid has a few disputes related to its foreign activities. The account effects of these have been allowed for in the accounts of the national programmes.

### NOTE 16

#### Administration costs

Costs for project follow-up in 2012 are registered as administration costs. In 2011, this was registered as a cost for the purpose. This amounts to NOK 6,602 thousand.

Oslo, 31 May 2013

  
Finn Erik Thoresen  
Chairman

  
Kjersti E.R. Jenssen  
1st Deputy Chairman

  
Atle Høie  
2nd Deputy Chairman

  
Liv Tørres  
Secretary-General

Norwegian People's Aid is the labour movement's humanitarian organisation for solidarity. Nationally and internationally, Norwegian People's Aid works to improve living conditions for vulnerable groups of people, helping to bring about a fairer society.

Norwegian People's Aid is a membership organisation with four priority areas:

- First aid and rescue services
- Inclusion work and work with refugees
- Work with mines and explosives
- Long-term development work

This work is organised into two core fields:

Protection of life and health and Fair distribution of power and resources.

Many of its activities in Norway are based on the voluntary efforts of its members. The first aid and rescue service constitutes important voluntary community involvement in the national contingency. Nationally, Norwegian People's Aid is also involved in work with refugees and integration work, and with solidarity work on an international level. Internationally, Norwegian People's Aid is involved in 37 countries in Europe, the Middle East, Asia, Africa and Latin America as at 31/12/12. Norwegian People's Aid is currently one of the world's biggest humanitarian cluster bomb and mine clearance organisations.

## I THE ORGANISATION

### Members and local teams

Norwegian People's Aid has implemented a recruitment project between 2009 and 2012. This project has been evaluated, and the evaluation has been reviewed by the Board of Directors. Norwegian People's Aid has grown by a total of 40% over the period. There was 9.5% growth in membership in 2012. At the end of the year, the organisation had 12,722 members over 95 teams, of whom 4030 members were under 30. The membership has become slightly younger over the period. The bulk of people recruited are aged between 14 and 35, reflecting the prioritisations of the organisation.

The national meeting in 2011 undertook a number of organisational changes, including dividing young people into separate target groups with their own internal organisation in Norwegian People's Aid. This has helped to increase the number of youth members and youth groups and, not least, reinforced the professional profile of both youth initiatives.

Organisation training is a central element to ensure good, robust organisation within Norwegian People's Aid. The organisation manual was revised in 2012, and the work description for member officers was prepared. Work has also taken place on management training for elected representatives. A management programme will be launched in 2013.

Four new local teams were established in 2012: Norwegian People's Aid Tokke and district, Norwegian People's Aid Rauland avalanche group, Norwegian People's Aid Saltdal and Norwegian People's Aid Elverum. Six new Medical Youth groups were also established.

### Composition and work of the Board

As at 31/12/2012, the Board of Directors was as follows:

Chairman of the Board	Finn Erik Thoresen	Solidarity Youth	Hilde Jørgensen
First deputy chairman	Kjersti E.R. Jenssen	Central medical committee	Kari Anne Thygesen
Second deputy chairman	Atle Høie	Elected employee	Tord Lier
North Region	Torulf Mikkelsen	Elected employee	Jane L. K. Filseth Andersen
Central Norway Region	Anne Mette Johnsen	Collective members:	
South-West Region	Ellen Marie Skretting.	Trade and Office	Peggy Hessen Følsvik
South-East Region	Liv Braathen	EL and IT	Terje O. Olsson
East Region	Elin Skovly	Trade union	Stein Gulbrandsen
West Region	Jorge Alex Dahl		

The Board held six meetings in 2012, while the inspection committee held four. A total of 13 working committee meetings have also taken place. This committee is made up of the Chairman and two deputy chairmen.

A conference was held in September between the Board and the local teams in order to reinforce contact and ensure closer communication.

### **Administration**

The head office of Norwegian People's Aid is in Oslo. Liv Tørres was the Secretary-General over the period.

### **Reorganisation**

In 2012, reorganisation took place at head office in order to improve finances in the short and long term, to ensure better control and management and provide clearer distribution of tasks.

## **II RESULTS FOR 2012**

### **Financial headlines**

The Board has prepared accounts for 2012, assuming that the organisation will continue to operate.

The annual accounts represent the non-profit organisation known as Norwegian People's Aid, which is a society that does not have financial gain as an objective. The annual accounts do not reflect the accounts for the local teams.

Profit from activities for the year amounts to NOK 10,065 million, compared with NOK -8,628 million in 2011.

Acquired funds for the last year amounted to NOK 860 million, compared with NOK 816 million in 2011.

Profit from activities of NOK 10,065 million was spent as follows: NOK 2,999 million was used on equity with externally imposed restrictions, NOK 3,112 million was transferred to equity with self-imposed restrictions, and NOK 9,952 million was transferred to other equity. As at 31/12/2012, total equity amounts to NOK 71,511 million, compared with NOK 61,446 million in 2011. Other equity as at 31/12/2012 amounted to 42,060 million, compared with NOK 32,108 million in 2011.

### **Revenues from marketing work**

#### *"Aid Workers" regular donor concept*

Our regular donors are our most important supporters and stay with us for no less than ten years on average. Our Aid Workers help to support people, helping them to change their lives. In 2012, "medical" was included in the donor concept and recruitment among our members was one of the initiatives involved.

In 2012, Norwegian People's Aid worked together with its partners to help refugees from Syria. Unfortunately, the civil war in Syria just went on worsening over the year. The need for emergency aid was acute as the cold of winter approached. Norwegian People's Aid assisted refugees in Syria, Lebanon and Iraq by providing emergency aid packs containing warm clothes, blankets, food and medical equipment.

One important element of this fundraising was a relay to refugees from Syria in the trade union movement. This relay got under way at the end of the year when the Norwegian Union of Municipal and General Employees granted NOK 200,000 in aid in December 2012. The objective was to collect NOK 1,000,000. This relay quickly resulted in a large, positive response from all associations. The fundraising continued on into 2013. The funds collected have been spent on needy Syrian refugees in Lebanon and Iraq and on internally displaced persons in Syria.

There has been extensive cooperation with the *trade union movement* in both political and financial terms. Funds received by Norwegian People's Aid from the trade union movement are largely used to finance deductibles which have to be covered by Norwegian People's Aid as part of its framework agreement with Norad.

The long-term agreement with the *Norwegian Union of Municipal and General Employees* aims to ensure cooperation on collective political lobbying, activities for involving members of the association in international solidarity and international project funding. Two meetings of ambassadors have been held over the year, as well as two project trips to Gaza/the West Bank and Lebanon.

*Trade and Office* extended its cooperation agreement with Norwegian People's Aid in 2012 (NOK 1 million over the next four years). They also gave an additional grant of NOK 250,000 for 2013 at their national conference. NNN has been in El Salvador and seen for the first time the project they have been funding for 15 years.

Postkom held a national conference and granted NOK 400,000 for deductibles for mine clearance in South Sudan over the next four years.

The Norwegian Union of Railway Workers held their national conference and anniversary. They wanted to make solidarity donations of no less than NOK 100,000 to Norwegian People's Aid, and also donated an extra NOK 200,000.

*"People changing the world"* is the annual fundraising campaign held by Norwegian People's Aid and the entire labour movement which takes place on the occasion of 1 May. The theme for 2012 was funding for organisation of people and the struggle for democratic rule, and sustainable utilisation of resources – for the benefit of society as a whole. NOK 1,000,000 was collected by means of various activities.

Coop is a central, long-term supporter. Coop increased its annual funding for Norwegian People's Aid projects to NOK 2 million in 2012, from NOK 1.5 million in 2011. Customers can opt to donate money from reverse vending machines to Coop's solidarity fund. Norwegian People's Aid is profiled on these machines and will receive money from this solidarity fund for its work.

*"Employ a mineseeeking dog"* was launched in 2011. Companies can keep track of their very own mineseeeking dog over a number of years, from the time the dog is a tiny puppy until he or she becomes a professional, hardworking mineseeeking dog. This project is helping to create commitment among employees, as well as giving them the opportunity to support a vital cause. Four new mineseeeking dogs were "employed" in 2012.

#### *De 10 Humanitære*

Norwegian People's Aid has maintained good cooperation with the other 10H organisations in 2012. At the end of the year, the organisation's cooperation project with Norsk Tipping, the "Nabolaget" game, was supposed to have seen the light of day with the first draw transmitted on TV on TV2 in November. This cooperation project was initiated by the Ministry of Culture, but they wanted to review the cooperation agreement between 10H and Norsk Tipping more closely and look at the distribution of Norsk Tipping's profits to charitable and humanitarian organisations before allowing the game to commence. The investigation is planned for conclusion in the first quarter of 2013.

### **III THE BUSINESS**

Norwegian People's Aid's core business is divided into two main areas, *Fair distribution of power and resources and Protection of life and health*. Work is taking place both nationally and internationally within the scope of these two core areas.

In 2012, the Board has undertaken a new national and international strategy for the period 2012-2015 in order to implement the objectives in the programme of principles adopted by the national conference.

#### **In Norway**

##### *First aid and rescue services*

The national strategy for the period 2012-2015 places emphasis on activities within the field of first aid and rescue services, inclusion of minorities and work with refugees, as well as activities linked to international issues in order to underpin international solidarity work.

We currently have 60 operational medical teams. These can be found in all counties in Norway. We have 2,000 authorised medical teams. We took part in 265 rescue actions in 2012. More than 10,000 course hours were completed under the auspices of the organisation.

The medical service has sharpened its profile over the period. In particular, there has been welcome development for activities and the number of groups.

We are seeing increasing course activity locally and regionally, and increasing participation in central courses which represent our highest training for managers and instructors.

Norwegian People's Aid is now involved in a process whereby we are underpinning efforts in this field. The events of 22/07/2011 have left deep traces on Norwegian People's Aid, and the biggest contingency organisations in Norway have decided to accept our share of the responsibility for developing national contingency measures and disaster management capabilities. The administrative resources for following up our local teams and regions have been reinforced. Systematic work has also taken place in order to acquire project funding.

In terms of first aid, the organisation has been reinforced by means of a) a project linked with the treatment of patients



off-road and b) a project linked with first aid in the event of illness and injury in the elderly. The specialist medical conference has also focused widely on first aid/emergency medicine.

Our operations combine an organised rescue resource which can also implement patient-focused initiatives. This basic expertise is what places us in a position to adopt a “multi-role” approach at the scene so that we can perform various tasks according to what is needed.

The supporting elements of the activities of our local teams include searches for missing persons, search and rescue operations and courses on first aid. There are local variations as regards what additional skills the teams have, such as sea, avalanches, or different modes of transport (scooters, ATVs). This ability to adapt to local conditions is one of the features which sets us apart from other rescue organisations. As far as the medical side of thing is concerned, teams are being established which specialise in avalanches or mountain rescue, or which operate just as search teams. This is a development which we are expecting to see more of in future. At the same time, it is important for all regions to have a strong local team which works broadly in the fields which have traditionally been of importance to Norwegian People’s Aid.

The specialist medical conference is a new arena which was established and took place for the first time in 2012. This was a success and has now become what is perhaps the biggest gathering of operational medical staff working for Norwegian People’s Aid. This confirms the importance of having created a specialised, future-oriented arena for the medical services. Norwegian People’s Aid has been involved in a number of processes in the follow-up to 22/07/2011 which are linked to improvements in national contingency and rescue services. We have taken part in efforts to compile a report to the Storting (Norwegian Parliament) on civil protection and an Official Norwegian Report (NOU) on national enhancement resources. Phase zero in a new emergency network was evaluated in November 2012 and led to one of the biggest political victories for Norwegian People’s Aid in respect of rescue services; namely a decision on full participation for voluntary rescue organisations in a new digital emergency network for which the government is covering the operating costs and initial investment in equipment.

In 2012, we received double the contribution from the Norwegian Ministry of Justice and Emergency Planning, from around NOK 2 million to approx. NOK 4 million. This took place against the background of an extraordinary allocation from the Storting during budget negotiations.

In 2012, we have focused repeatedly on the right to participate in rescue services without losing pay. This case was picked up by the Minister of Justice and Emergency Planning in the spring of 2012, and the Norwegian Confederation of Trade Unions also discussed this matter with the minister.

In the autumn of 2012, Norwegian People’s Aid held a meeting with the Minister for Health and Care Services, demanding formalisation of our health services with a permanent point of contact at the Norwegian Directorate of Health. This demand has been met and the first meeting has been held. Norwegian People’s Aid is also playing a part in a executive forum for the health sector as a reference for the changes occurring in the health sector as a result of the sector’s self-assessment after 22/07 and the report of GjØrvkommisjonen, the 22 July Commission. This includes working with new plans for the efforts of the health services on scene and new guidelines for prioritisation of injuries in the event of a disaster, as well as looking at behaviour at unsafe scenes.

#### *Medical Youth*

Medical Youth had its first full year in 2012, operating according to a new model. Medical Youth held its own annual meeting during the specialist medical conference. The number of Medical Youth groups has grown, and several teams are interested in starting youth work.

Medical Youth has reinforced its profile and has a clear, modern face with its three key features: “first aid, rescue services and the great outdoors”. Medical Youth is very active, with summer camps, autumn camps and a number of winter camps. These have been a success and are becoming more and more popular.

In future, emphasis will be on implementing more activities at a regional level and, in particular, ensuring that the medical service helps to promote growth and development for Medical Youth by providing motivated, qualified adult leaders and giving the young people the scope they need as part of the local team.

#### *Inclusion work and work with refugees*

There is increasing interest in anti-racism work, particularly among young people who are involved in their local society. The UN’s anti-racism day, which was held on 21 March 2012, was marked throughout Norway, and events took place at all asylum reception centres belonging to Norwegian People’s Aid took place on World Refugee Day on 20 June 2012 . Efforts

to persuade companies to declare themselves Racism-free zones become more intensive in cooperation with the Norwegian Union of Municipal and General Employees, and included all Norwegian municipalities being encouraged to become zones. Before the Norwegian Confederation of Trade Unions congress in 2013, the target is for all associations affiliated to the Norwegian Confederation of Trade Unions to declare themselves racism-free zones.

Norwegian People's Aid is the only humanitarian operator of asylum reception centres, running eight such centres by the end of 2012. In December 2012, the asylum reception centre in Øyer was closed down as the owner of the building gave notice to quit the building. The Vardåsen centre was closed in April 2012 when the contract with the Norwegian Directorate of Immigration expired. Over the course of the year, tenders were submitted for reception centres in Farsund, Evje, Kongsvinger, Fredrikstad and Asker. We won the contracts in Farsund and Fredrikstad.

The Ministry of Foreign Affairs assigned Norwegian People's Aid responsibility for the training of guardians for unaccompanied underage asylum seekers in the transit phase. In 2012, around 150 guardians received training. Norwegian People's Aid has also made a name for itself as a strong political voice in defence of the rights of asylum seekers, and among other things it launched a handbook for guardians in the autumn.

In December, Norwegian People's Aid opened an advice and information centre for au pairs after being awarded a tender by the Ministry of Foreign Affairs. This centre will be run together with the Norwegian Union of Municipal and General Employees. Work on creating a specialist centre for paperless immigrants was intensified in 2012, with visits to a similar centre in Sweden and visits from the Swedish movement to us. A working group was also appointed, involving representatives from a number of associations working towards the Norwegian Confederation of Trade Unions congress in 2013.

Norwegian People's Aid continued its cooperation with the Norwegian Union of Municipal and General Employees in 2012 relating to including work and work with refugees. The organisation is also represented on the forum for ethnic equality as part of the Norwegian Confederation of Trade Unions.

#### *International solidarity*

In 2012, it was made easier for local teams and members to get involved in international issues. This work focused in particular on skills-enhancing measures such as project trips, workshops, themed meetings, committees and courses, as well as facilitating local activities.

According to the annual reports for 2012, 23% of local teams have reported on international activity in one form or another. There has been emphasis on mobilisation relating to the 1 May campaign "People changing the world", facilitating information on and commitment to political issues and fundraising, and many teams took the opportunity to get involved. A project trip to Cambodia took place, leading to more local activities afterwards.

#### *Solidarity Youth*

The Solidarity Youth teams have worked on all kinds of activities and maintained a high profile in 2012, and their efforts have resulted in two campaigns; Lend your leg in connection with the international awareness day for mines and mine clearance, and Boycott SodaStream. They have also run training activities.

Norwegian People's Aid has reinforced its cooperation with and visibility to political youth parties and the trade union movement by means of Solidarity Youth, including by means of specific cooperation agreements with youth associations and youth parties.

The Norwegian Ministry of Foreign Affairs approved Norwegian People's Aid starting a (youth) campaign aimed at prohibiting the use of nuclear weapons: see Mines and Cluster Bombs.

### **International**

#### *Long-term development work*

In 2012, Norwegian People's Aid worked in cooperation with approx. 230 local organisations in 24 countries. These organisations represent farmers, indigenous peoples, women, young people, human rights activists and volunteers. Organisation is an important element in persuading people to participate, passing on information and knowledge, influencing political decisions and contributing to democratisation.

An international strategy for the period 2012-2015 has been adopted, and two primary initiative fields are being spearheaded in the development area: fair distribution of power and resources, and support for organisation and democratisation.

Based on this new strategy, Norwegian People's Aid is supporting the work of partners which is helping to give people the opportunity to defend and promote their own interests; to ensure that the rights to land and strategic natural resources benefit everyone; and to promote human rights, equality and fair distribution of power and resources between men and women. Support for democratisation has taken on a clearer position within the strategy.

Here are a few examples of important results in 2012.

**Palestine:** Norwegian People's Aid worked in cooperation with the Norwegian Union of Municipal and General Employees to produce the report "Farlige forbindelser" (Dangerous liaisons) on Norwegian investments and trade in goods from the Israeli settlement areas in Palestine. The documentation which we presented to the VITA chain on AHAVA products resulted in the VITA chain making the decision to stop selling these products.

**MENA:** The Arab Spring, involving demands for democracy and rebellion against authoritarian and totalitarian regimes, swept across much of North Africa and the Middle East in 2011 and 2012. After a fairly long period of preliminary work, a decision was made in 2012 for Norwegian People's Aid to build up a programme in Egypt. Preliminary surveys have also begun in relation to Tunisia.

Norwegian People's Aid initiated humanitarian work in relation to Syria in 2012. This has been organised from Iraq and Lebanon, and has included aid both to refugees who have fled to these neighbouring countries and direct aid to Syria. Finance from Norwegian authorities, funds raised and self-financing from our Swiss Solidar partner.

**South Sudan:** Norwegian People's Aid has continued its extensive programmes in 2012 and achieved good results in a number of areas. As regards land rights, ten Land Alliances at state level have joined forces, established a common national umbrella organisation and had this registered.

Norwegian People's Aid made a decision in 2012 to construct its own administration building in Juba.

**Myanmar:** Norwegian People's Aid has gradually taken over a central role in the peace process together with local and national organisations linked to civil society in Myanmar. Norwegian People's Aid has received funding for projects which actively support the peace process and are helping the political opposition and civil society to participate actively in the political processes of change.

**Colombia:** Norwegian People's Aid's partner in Colombia is ONIC (Organización Nacional Indígena de Colombia (ONIC), an umbrella organisation involving 44 organisations representing indigenous peoples from all over the country. Together, these organisations represent approx. 800,000 people from 102 different indigenous peoples. They have a positive approach towards the peace talks and are actively involved in the processes in Colombia.

In connection with these peace talks, the Norwegian People's Aid Colombia programme received additional funding in the autumn of 2012 from the democracy project (part of the Norad framework) in order to implement new initiatives linked with the peace process. The Norwegian People's Aid programme was also reinforced by employing a part-time consultant based in Bogotá. A cooperation was established with People's Congress, a social organisation for students, farmers and indigenous people's organisations. Norwegian People's Aid also supported a national fund for young peacemakers, organised by Observatory for Peace. An application has been sent to the Ministry for Foreign Affairs in order to reinforce the flow of information and participation in the peace processes for people in rural areas who have been hit hardest by the conflict (farmers, indigenous peoples and Afro-Colombians).

**Inequality Watch:** To focus attention on growing inequality in the world, not just between north and south but also internally in countries, Norwegian People's Aid has independently prepared a special report on this. These themes were presented in the autumn of 2012 in the presence of Heikki Eidsvoll Holmås, Minister for Development, and have helped to focus on inequality in the Norwegian debate on development. Norwegian People's Aid has actively contributed to the work of the government in 2012, with its own report to the Storting on the same subject (which was issued in 2013).

A new **Cooperation agreement with Norad** was entered into in 2012 for the period 2012-2015. This cooperation agreement forms the cornerstone in the financing of our international efforts and provides a contribution of NOK 115 million a year.

**Angola.** A decision was made in 2012 to phase out the development programme in Angola.

*Clearance of mines and cluster bombs*

2012 marked the 20th anniversary of Norwegian People's Aid's work with humanitarian mine clearance. Since its humble

beginnings in Cambodia in 1992, Norwegian People's Aid has grown to become the leading humanitarian organisations in this specialist field, with operations in more countries than any other organisation. The 20th anniversary itself was marked on Bygdøy with a ceremony attended by many former and current mine clearance operatives from Norwegian People's Aid. Other organisations and supporters who attended also had plenty of praise for the organisation; in particular representatives from the Norwegian Ministry of Foreign Affairs, our most important contributor, headed by Foreign Minister Barth Eide.

In its anniversary year, Norwegian People's Aid is continuing to be one of the biggest humanitarian contributors helping to resolve the worldwide problems caused by land mines and explosive debris left behind after wars.

In 2012, Norwegian People's Aid worked with humanitarian arms reduction in a total of 31 countries; mine clearance (21 clearance), clearance of cluster bombs (14 countries) and destruction of ammunition (5 countries) – and within all these fields Norwegian People's Aid worked with method development and policy.

As in previous years, in 2012 there was enormous emphasis on ensuring effective implementation of the prohibition agreements against cluster ammunition and mines. The credibility of Norwegian People's Aid in the field of humanitarian arms reduction is strongly linked with these agreements. This was of crucial significance to the approval of the Norwegian Ministry of Foreign Affairs being given to Norwegian People's Aid concerning the starting of a (youth) campaign which aims to prohibit the use of nuclear weapons. This theme has the potential to become an important new flagship initiative for Norwegian People's Aid.

In 2012, Norwegian People's Aid established its first mine clearance project in Latin America, with huge success – clearance of the disputed boundary between Chile and Peru. Starting up new countries and projects is always important, but it is even more important – of course – for countries to declare themselves free of mines. This is particularly pleasing when this is done because of the efforts of Norwegian People's Aid. In 2012, Jordan was the first country in the Middle East to declare itself free of mines. This important event was marked with a grand ceremony on the banks of the Dead Sea, attended by representatives of the royal families of Jordan and Norway (HRH Håkon Magnus).

Norwegian People's Aid is also continuing its efforts to develop and establish low-cost stockpile destruction programmes, as a response to the challenges of the cluster ammunition agreement, but equally as important as a response to what we saw in Libya, where poorly secured ammunition stockpiles gave terrorist groups easy access to weapons and ammunition. These weapons have now been spread out right across North Africa and have directly led to the unrest in countries such as Mali and Chad.

The war in Syria has also presented a challenge to Norwegian People's Aid with regard to how we work in the field of humanitarian arms reduction. We can see that there is extensive use of heavy weapons/ammunition in densely populated areas, and the consequences for the civilian population are untenable. The allegations concerning the use of chemical weapons are also very disturbing. As a result, work began in 2012 on proposals for changes in focus and methodology so that Norwegian People's Aid is in a better position in future to respond reasonably before, during and after conflicts of the kind we are now seeing in Syria.

#### **IV PERSONNEL, HEALTH, ENVIRONMENT AND SAFETY**

At the end of 2012, Norwegian People's Aid had approx. 2,300 employees, of whom 98 were employed at the main administration office and the four regional offices, 101 at the refugee reception centres, 80 abroad on contract from Oslo, and approx. 2,000 local employees working on projects abroad.

Head office and the regional offices underwent reorganisation and downsizing in 2012, and most of this work took place in the second quarter. The people whom Norwegian People's Aid is no longer able to employ started leaving the organisation in the summer of 2012, and the last of these will leave in September 2013. The reason for this graded termination of employment was that age in relation to the option of finishing on a contractual pension (AFP) was taken into account. Sick leave in 2012 amounted to approx. 2.4%, which is about the same as the previous year. Sick leave for women amounted to 3.2%, while for men it amounted to 1.6%. Sick leave was up slightly in August following the reorganisation, but for the year it was just approx. 0.1% higher for the year as a whole.

Norwegian People's Aid experienced two very serious incidents in 2012: a mine clearance operative died while working in Lebanon, and a Norwegian working for Norwegian People's Aid in South Sudan was kidnapped. Luckily, he was released after a spell in prison in Khartoum and was soon back working for Norwegian People's Aid.

Otherwise, no significant injuries to or accidents involving employees in Norway or abroad have been reported.

A work environment survey for recipients took place in late 2012. The findings have been reviewed by the management team and the work environment committee, and also by the Refugees and Integration unit and at their seminar for reception centre managers. Measures have been implemented in respect of the reception centres, and also involving managers both at reception centres and at the Refugees and Integration unit . Action plans will be followed up in 2013.

The organisational survey which would normally have taken place in 2012 was postponed until 2013 so that the results of this would not be affected by the strain imposed by the reorganisation/downsizing operation. Safety inspections have taken place.

## **V EQUALITY AND INCLUSION**

The main administration office in Oslo employs 52 women and 46 men. There are two men and two women for the strategic management team, while the extended management team has four women and nine men. There are nine women and seven men on the Board. Pay and working conditions are adapted for both sexes.

Of approx. 200 employees in Norway, approx. one-quarter have an immigrant background, as was the case in 2011. Overseas, there were just 21 Norwegian citizens among 80 employees contracted by head office in Oslo. The organisation's personnel policy must ensure equal rights and opportunities for everyone irrespective of sex, age, ethnicity and any disabilities. This is maintained by means of the Norwegian People's Aid recruitment processes.

## **VI THE EXTERNAL ENVIRONMENT**

The operation of Norwegian People's Aid affects the external environment to only a small degree. The cooperation with partners focuses on both the environmental and the social and economic sustainability of international development work. Its humanitarian cluster bomb and mine clearance work makes a positive contribution towards the external environment.

## **VII FUTURE PROSPECTS**

Norwegian People's Aid will continue to lobby Norwegian authorities to maintain development policies which help to promote democratisation and which focus on whether developing countries are pursuing policies that are helping to promote economic and social cohesion.

The decisions of the national conference relating to a new programme of principles and the Board's approval of a new international strategy means that the foundations have been laid for our long-term development work over the coming four-year period. The new cooperation agreement with Norad for the period 2012-2015 will guarantee the basic finance for the development work, and systematic and targeted efforts will be made in future to secure additional finance from other international donors. A number of countries need and are now demanding mapping expertise and assistance to be able to declare themselves mine-free. As far as cluster bombs are concerned, the situation is clearer and more predictable as fewer countries are affected. At the same time, the cluster bomb convention is still in its initial phase and inspiring efforts in respect of both clearance and stockpile destruction on an international level. Since this convention came into force, Norwegian People's Aid has increased its efforts to clear cluster bombs in the most affected countries and established alternative, cost-effective methods destroying stockpiles of such ammunition. In the same way as with mine clearance, there is emphasis on supporting the signature states, helping them to achieve the targets for clearance and destruction laid down in the cluster ammunition convention. These will remain central activities at Norwegian People's Aid in the future. On the basis of expertise built up with regard to cluster ammunition and mine clearance, Norwegian People's Aid now wishes to continue to develop in respect of other weapons, both explosive weapons and other weaponry considered inhumane. Therefore, this will be a priority field in future.

At home here in Norway, the terrorist actions of 22 July 2011 led to a great deal of attention being paid to the rescue services, contingency measures and the role of volunteers in civil protection. The need for first aid and rescue services, irrespective of 22 July, has increased over the past few years. There has been a marked increase in rescue missions, and experience to date in 2013 indicates that this increase is ongoing. Therefore, securing better frameworks for the role of volunteers in civil protection in years to come will pose a challenge.

Since the events of 22 July, Norwegian People's Aid has also begun to focus more on racism and right-wing extremists. These issues are closely linked with all its efforts in respect of anti-racism, inclusion and the building of democracy. Based on the need to look more closely at the attitudes of the majority population and the workplace in particular, Norwegian People's Aid will be working together with the trade union movement to raise awareness of efforts to promote "racism-free zones", which were developed by the Norwegian Confederation of Trade Unions and Norwegian People's Aid. Asylum policy and inclusion work must also continue, with plenty of effort.

All in all, the organisation is entering a period of increased demand for its programmes and initiatives in many fields. 2012 has been a good year for growth in the membership of Norwegian People's Aid. The national conference in 2011 resolved to focus on recruitment throughout the entire period to come, and net growth of 15% is the target for 2013.

The cooperation with the trade union movement has been reinforced over the past few years, and cooperation with the trade unions will be given even higher priority in the period to come. In agreements entered into with the trade unions, emphasis was placed on both political cooperation on individual issues, the development of an organisational partnership and financial support for Norwegian People's Aid projects. The organisation is well on the way towards developing the political and organisational partnership still further in the period to come.

Work generating revenues was prioritised in the previous national conference period, and this will continue to be given high priority. In this context, significant basic efforts have been made which are starting to pay off. The "Aid Workers" regular donor concept will be prioritised at all levels within the organisation in future, and more attention will be paid to institutional donors.

### **Risk**

The Board constantly focuses on financial development, and emphasises the fact that the organisation has adequate management and reporting systems. New procedures and tools were introduced in 2012 for preparing budgets and forecasts. This is based on the need to secure and implement good control and quality in financial management. Focus on internal inspection has high priority, and this work will be reinforced still further in years to come.

#### *Operational risk*

Work on the international programme must take into account the fact that Norwegian People's Aid has a presence in countries with high levels of conflict and weak social structures. This is why guidelines and procedures have been prepared which address this Humanitarian explosive clearance is highly risky. Such operations are regulated by international standards and so are readily quantifiable. This means that Norwegian People's Aid must have the necessary follow-up and quality assurance capacity and skills for this work.

#### *Financial risk*

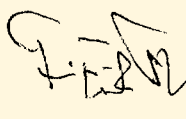
Norwegian People's Aid wishes to accept as little financial risk as possible. The organisation has internal procedures for distribution of agio to the various projects. As part of currency management, donor funds will be held in the donor's currency until they are transferred to programmes. Contracts with local partners of Norwegian People's Aid with regard to international development cooperation contain clauses in order to prevent currency risk. Norwegian People's Aid has no loans to external creditors and limited exposure to the stock market.

Other (free) equity is low, and the organisation will prioritise reinforcement of this in future. Many of the countries in which Norwegian People's Aid has a presence are ranked highly on the list of the most corrupt, conflict-ridden countries in the world. It is important to maintain sufficient financial resilience to be able to withstand losses which may occur due to activities in these countries. Norwegian People's Aid follows strict global liquidity management. Therefore, its financial risk is deemed to be moderate.

#### *Credit risk*

Norwegian People's Aid has no loans to mainstream financial institutions and has limited exposure to the stock market. Creditors to Norwegian People's Aid mainly involve unspent donations.

Oslo, 31 may 2013



Finn Erik Thoresen  
Chairman



Kjersti E.R. Jenssen  
1st Deputy Chairman



Atle Høie  
2nd Deputy Chairman



Liv Tørres  
Secretary-General



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To the Annual General Meeting of Norwegian People's Aid

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the annual accounts for Norwegian People's Aid, which shows a positive profit from activities of NOK 10,065 thousand. The annual accounts comprise the balance sheet as at 31 December 2012, the activity account and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

#### *The Board of Directors and the Secretary-General's Responsibility for the Financial Statements*

The Board of Directors and the Secretary-General are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and generally accepted accounting standards and practices in Norway, and for such internal control as the Board of Directors and the Secretary-General determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with laws, regulations and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial 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 Norwegian People's Aid as at 31 December 2012, and of its financial performance and its cash flows for the financial year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Offices in

Oslo	Haugesund:	Sandnessjøen
Alta	Knarvik	Stavanger
Arendal	Kristiansand	Stord
Bergen	Larvik	Straume
Bodø	Mo i Rana	Trondheim
Elverum	Molde	Trondheim
Finnsnes	Narvik	Tønsberg
Grimstad	Reros	Ålesund
Hamar	Sandefjord	

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Chartered Accountants - Members of the Norwegian Institute of Public Accountants

**Report on Other Legal and Regulatory Requirements**

*Opinion on the Board of Directors' report*

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption and the coverage of the loss is consistent with the financial statements and complies with the law and regulations.

*Opinion on Accounting Registration and Documentation*

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", it is our opinion that the company's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslø, 11. juni 2013

KPMG AS



Asbjørn Næss

*Statsautorisert revisor*