

# Activity Accounts (profit & loss)

(All figures in NOK 1 000)

	Notes	2021	2020
<b>Revenue</b>			
Contributions from foreign donors	5	4 175 005	4 016 343
Contributions from Norwegian donors	5	1 169 296	1 141 133
Other contributions		<u>38 225</u>	<u>24 289</u>
<b>Total contributions from donors</b>		<b>5 382 526</b>	<b>5 181 765</b>
Sponsors (Norway)	2	211 731	208 581
Sponsors (abroad)	2	<u>57 561</u>	<u>38 293</u>
<b>Total fundraising</b>		<b>269 291</b>	<b>246 874</b>
Interest in bank and yield on bonds		242	17 503
Net agio		<u>24 162</u>	<u>15 576</u>
<b>Net financial income</b>		<b>24 404</b>	<b>33 079</b>
<b>TOTAL REVENUE</b>		<b>5 676 221</b>	<b>5 461 719</b>
<b>Costs</b>			
<u>Humanitarian activities:</u>			
Shelter (building of homes and schools)		965 873	1 047 934
Education		827 533	768 986
Food Security		708 303	765 547
WASH (Emergency Water and Sanitation)		570 787	556 897
ICLA (Information, Councelling & Legal Assistance)		570 201	579 480
Camp Management		94 993	99 337
Other		<u>728 222</u>	<u>470 753</u>
<b>Total direct costs to Programme Activities</b>		<b>4 465 912</b>	<b>4 288 935</b>
<b>Emergency Standby Rosters (Deployments)</b>		472 494	428 910
<b>Advocacy and Information</b>		164 156	198 185
<b>Project Support</b>	3	294 567	314 556
<b>Total costs to Humanitarian activities</b>		<b>5 397 129</b>	<b>5 230 585</b>
<b>Administration costs</b>	3	<b>39 925</b>	<b>35 356</b>
<u>Fundraising</u>			
Sponsors (Norway)		78 537	43 131
Sponsors (abroad)		56 594	80 477
<b>Total fundraising costs</b>		<b>135 130</b>	<b>123 608</b>
<b>TOTAL COSTS</b>		<b>5 572 185</b>	<b>5 389 549</b>
<b>NET ACTIVITY RESULT</b>		<b>104 037</b>	<b>72 170</b>
<b>Appropriation of net activity result:</b>			
Net usage of Equity with external restrictions	2,10	0	0
Transfer from/to Equity with internal restrictions	10	- 7 266	31 431
Transfer to Other equity	10	111 303	40 738
<b>Sum appropriation of net result</b>		<b>104 037</b>	<b>72 170</b>

# Balance sheet as per December 31

(All figures in NOK 1 000)

	Notes	2021	2020
<b>ASSETS</b>			
<b>Long term assets</b>			
Long term receivables	8	35	35
Fixed assets	6	15 307	4 340
<b>Total long term assets</b>		<b>15 342</b>	<b>4 375</b>
<b>Short term assets</b>			
Short term receivables, donors		579 572	581 855
Short term receivables		146 392	98 241
Money market & Bond Funds	7	837 122	612 046
Bank deposits and cash	9	959 818	989 552
<b>Total short term assets</b>		<b>2 522 905</b>	<b>2 281 693</b>
<b>Total assets</b>		<b>2 538 247</b>	<b>2 286 069</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Foundation capital		1 000	1 000
Equity with internal restrictions	10	103 400	110 666
Other equity	10	504 349	393 043
<b>Total equity</b>		<b>608 749</b>	<b>504 709</b>
<b>Short term liabilities</b>			
Trade accounts payable		22 765	14 380
Government fees		158 485	126 839
Project funds received as advances		1 478 099	1 381 458
Other short term liabilities		270 148	258 683
<b>Total short term liabilities</b>		<b>1 929 498</b>	<b>1 781 360</b>
<b>Total equity and liabilities</b>		<b>2 538 247</b>	<b>2 286 069</b>

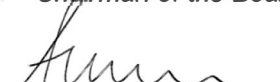
Geneva, May 9th 2022

  
Harald Norvik  
Chairman of the Board

  
Hege Norheim  
Deputy Chair

  
Sturla Ståseth  
Board member


  
Claus Sørensen  
Board member

  
Amira Malik Miller  
Board member

  
Kiran Aziz  
Board member

  
Walter Kälin  
Board member

  
Josephine Goube  
Board member

  
Anthony Nichols  
Board member elected by staff

  
MUKAR ADAN ABDI  
Board member elected by staff

  
Sofia Jänjua  
Board member elected by staff

  
Jan Egeland  
Secretary General

# Cash flow analysis

(All figures in NOK 1 000)

	<b>2021</b>	<b>2020</b>
<b>Cash flow generated by operations:</b>		
Net result	104 037	72 170
Depreciation of fixed assets	9 263	4 765
Increase(+) / Decrease(-) of project receivables and advancements	98 924	98 547
Change in other short term receivables & liabilities	3 346	36 791
<b>(A) Net cash flow from operations</b>	<b>215 569</b>	<b>212 272</b>
<b>Cash flow spent on investments:</b>		
	4	- 20 230
<b>(B) Net cash flow from investments</b>	<b>- 20 230</b>	<b>- 3 641</b>
<b>Cash flow from long term financing:</b>		
Increase(-) / Decrease(+) in long-term receivables	0	0
<b>(C) Net cash effect of long term financing</b>	<b>0</b>	<b>0</b>
A+B+C Net changes in cash flow during the year	195 340	208 631
Cash, Bank deposits and Money market & Bond Funds Jan 1	1 601 597	1 392 966
<b>Cash, Bank deposits and Money market &amp; Bond Funds Dec 31</b>	<b>1 796 937</b>	<b>1 601 597</b>

## NOTES TO THE ACCOUNTS

### Note 1 Accounting policies

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

Its activities are financed through project contributions from donors such as the Norwegian Ministry of Foreign Affairs (NMFA), the UN system, EU and governmental funding from Sweden, United Kingdom, USA, Germany, Switzerland, France, Netherlands and Canada.

In addition, own funds collected through fundraising.

In total 78% of project contributions from donors came from non-Norwegian donors.

In 2021, NRC-projects were conducted in 35 program countries, some of which experience considerable lack of stability. Consequently, a relatively high risk applies to human resources and to the foundation's assets. The financial risk, however, is rarely the responsibility of NRC.

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

NRC has established representation and fundraising offices in Austria, Belgium, Germany, Sweden, Switzerland, UK and in the USA. National regulations require that they are registered as separate legal entities. These entities are controlled by NRC, and revenues and costs are included in NRC's annual activity accounts. NRC does not prepare consolidated financial statement as the differences between such financial statements and NRC's financial statement would be immaterial.

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

On 13 March 1997, NRC was organized as a foundation, with a foundation capital of NOK 1 mill. Being a foundation, NRC's financial statements must be submitted to Regnskapsregisteret in Brønnøysund, Norway. The foundation is tax-exempt.

The Activity Accounts are presented in line with Norwegian Accounting Act as well as the Provisional Norwegian Accounting Standard on Generally Accepted Accounting Principles for Non-profit Organisations as of November 2008.

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

Humanitarian activities are split into our different activities.

### Policies of revenue-and cost recognition

Income from fundraising activities from private donors is considered earned when received and will be recognized as revenue, except funds with specific restrictions on usage.

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

Expenditures are recognized as costs on the day of the transaction; when the goods or services have been delivered and the activity is performed.

### Classification and evaluation of balance sheet items

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

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

Money market and bond funds are valued at their actual market value on the balance sheet day.

Emergency articles in stock are valued at cost.

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

The write-downs are reversed when the basis for write-downs no longer exists.

### Fixed assets

Material fixed assets with an expected financial life-span of more than three years, are capitalized in the balance sheet and depreciated over their financial life-span. Maintenance of fixed assets are charged directly as costs, while additional investments and/or improvements are added to the purchase price of the fixed asset and depreciated accordingly.

Fixed assets procured for usage in the field are charged directly as costs at the time of procurement, except for a few vehicles. This is done mainly because the purchase cost is covered in total by a donor, and the asset will then normally be at the donor's disposal at the end of the project. In addition, there is a rapid wear and tear and high risk of loss of the assets.

### Receivables

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

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

### Foreign currency exchange

Balance sheet items in foreign currencies are converted at the exchange rate at the balance sheet date.

Foreign exchange gains and losses are included as financial items in the Profit and Loss. This does not include foreign exchange gains and losses that are booked locally in our program countries, which are presented under Humanitarian Activities.

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

(All figures in NOK 1 000)

	<u>2021</u>	<u>2020</u>
Non-earmarked contribution from private sponsors, Norway	115 343	111 760
Non-earmarked contribution from corporations, networks and organisations, Norway	27 244	26 104
Non-earmarked contribution from private sponsors, abroad	57 561	38 293
Earmarked contributions from private sponsors, corporations, networks and organisations, Norway	<u>69 145</u>	<u>70 717</u>
Total contributions from private sponsors, corporations, networks and organisations	<b>269 292</b>	<b>246 874</b>

Non-earmarked contribution from private sponsors is mainly monthly payments from our approx. 37 000 and 22.000 sponsors, respectively in Norway and in Sweden. Earmarked and in-kind contributions in 2021 consists of mainly 55 mill NOK from Pluralsight, 7,7 mill NOK from BCG,

1,8 mill NOK from TrustLaw, 1,4 mill NOK from Watchcom and 1,3 mill NOK from Kluge law firm.

### **Note 3 Specification of operating costs**

(All figures in NOK 1 000)

#### **Specification of costs by type**

	<b>2021</b>		<b>2020</b>
Project materials etc	3 082 120		2 997 828
Salaries and social costs	2 300 182		2 196 421
Other operating costs	180 619		190 535
Depreciation of fixed assets	9 263		4 765
<b>Total operating costs</b>	<b>5 572 185</b>		<b>5 389 549</b>

#### **Specification of costs by activities**

	<b>2021</b>		<b>2020</b>	
Direct costs on Humanitarian activities	5 102 562	<b>91,6 %</b>	4 916 029	<b>91,2 %</b>
Indirect costs on Humanitarian activities	294 567	<b>5,3 %</b>	314 556	<b>5,8 %</b>
Administration costs	39 925	<b>0,7 %</b>	35 356	<b>0,7 %</b>
Fundraising	135 130	<b>2,4 %</b>	123 608	<b>2,3 %</b>
<b>Total operating costs</b>	<b>5 572 185</b>	<b>100%</b>	<b>5 389 549</b>	<b>100%</b>

Costs related to obtaining grants from donors are generally low and integrated in daily project support, both in the field and at the head office. It is therefore considered inappropriate to try to reallocate them from Humanitarian activities to Fundraising. Between 97% and 98% of all costs were spent on Humanitarian Activities for each of the years 2017-2021 and would only have been marginally lower if such a reallocation had been done.

Following Provisional Norwegian Accounting Standard on Generally Accepted Accounting Principles for Non-Profit Organisations, **costs for administration** are defined as the part of the costs for running the organisation that are not directly linked to specific activities. Administration costs include costs incurred by the Board, salary and shared costs for the Secretary General and his staff, for the Assisting Secretary General, Internal Audit staff, Finance management, the HR Director, Strategic/Compliance/Risk Advisers and fees to auditors and lawyers. In 2021, 14,4 mill NOK is included as pro bono from different companies, where Boston Consulting Group, TrustLaw, Watchcom and Kluge are the biggest contributors (see note 2). Costs spent on Administration has been stable at 1% for the last five years.

Indirect costs and administration costs are mainly **financed** by donors as percentage add-ons to direct project costs.

Fundraising includes salary and share of office-related costs for those employees working with collecting funds from sponsors; private, corporate and organisations. The Fundraising percentage (as referred to in Innsamlingskontrollens instructions) was 63, 79, 62, 54 and 67, respectively for the years 2021-2017. The change in percentage between 2020 and 2021 is related to higher fundraising costs in Norwegian market in 2021.

### **Note 4 Salaries etc**

(All figures in NOK 1 000)

	<b>2021</b>	<b>2020</b>
Salaries	1 977 886	1 890 184
Social security allowance	170 552	159 436
Pension	39 382	26 216
Other benefits	112 362	120 585
<b>Gross salary costs</b>	<b>2 300 182</b>	<b>2 196 421</b>

In 2021, NRC paid NOK 1,568,818 in salaries and NOK 42,338 in other allowances, totalling NOK 1,611,156, to the Secretary General. No remuneration was paid to the Board members in 2021.

The fee to our auditor in Norway is booked with NOK 512.338. In addition, NOK 12.805.227 was paid for project audits performed in Norway and abroad. These audits were performed by a number of different auditors. The audit fees are included under 'Administration costs' and 'Direct costs on Humanitarian activities', respectively.

The number of man-years worked by employees in 2021 was 8.839, calculated as an average of Jan 1st and Dec 31st. At the end of the year there were in total 9.464 employees working for NRC, of which 267 at the head office in Oslo. 7591 were local employees in our program countries and constituted 80% of the workforce. 1004 employees worked abroad but were paid from Oslo; 580 in NRCs own programmes and 424 as deployed to the UN etc. In addition we had 77 working as roving/emergency response. 91 were employed at NRCs representation offices, included 34 in IDMC.

All employees paying tax to Norway are members of The Norwegian Public Service Pension Fund; NRC's pension scheme. From July 1st 2017, international staff were included in pension scheme via interben (Zurich International Life Limited).



## Note 6 Fixed assets

(All figures in NOK 1 000)

Acquisition cost as per Jan 1st 2021	34 292
Investments in 2021	20 230
Divestments in 2021	..
<b>Acquisition cost as per Dec 31st 2021</b>	<b>54 522</b>
Accumulated depreciation/write-downs as per Jan 1st 2021	- 29 952
Depreciation in 2021	- 9 263
Divestments in 2021	
<b>Accumulated depreciation/write-downs Dec 31st 2021</b>	<b>- 39 215</b>
<b>Net book value at Dec 31st 2021</b>	<b>15 307</b>

Depreciation rate (linear) 33%

The rental agreement with Prinsensgt 2 Oslo DA expires Dec 31st 2027.  
The annual rent is just above NOK 10,3 million.

## Note 7 Money market and Bond Funds

(All figures in NOK 1 000)

Surplus liquidity are invested in the market through professional investors.  
NRC does not invest in the stock market.

Name	Value 31/12/2020	Inv./(sale) 2021	Yield 2021		Value 31/12/2021
			t NOK	% (annual)	
DNB Obligasjon E	207 442	76 190	- 356	-0,35%	283 276
DNB Obligasjon 20 E	214 559	78 554	- 895	-0,35%	292 217
DNB Likviditet D	88 991	32 928	741	0,53%	122 659
DNB Likviditet 20 E	101 054	37 328	587	0,53%	138 969
<b>Total Money market &amp; Bond funds</b>	<b>612 046</b>	<b>224 999</b>	<b>77</b>	<b>-0,08%</b>	<b>837 122</b>

Booked value equals market value both in 2020 and 2021.

## Note 8 Long-term receivables

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

In this connection, two companies were established:

"De 10 Humanitaere AS" where each organization paid NOK 15 000 for 10% of the share capital.

In addition, each organization granted a loan of NOK 100 000 to "De 10 Humanitaere AS", of which NOK 20 000 is still outstanding.

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

## Note 9 Bank deposits and cash

Of the bank deposits, NOK 13 mill is tied up on a separate account for tax deducted from employees

## Note 10 Equity

**Equity with internal restrictions** is totally NOK 103.400 mill at the end of 2021. It consist of three elements:

- Reserve fund at 49 MNOK. The Board has committed itself to implement extraordinary measures if only this fund and the Foundation capital should remain as equity.

-14 MNOK in collected/campaign funds internally allocated to concrete emergency actions, but not fully spent at yearend.

-40 MNOK in exchange rate gain from the end of the year closing exchange rates revaluations in the country offices.

This gain will be returned to the projects in 2022.

## Note 11 Currency risk

All project funds used in the field are converted to NOK and USD. The costs are booked to the rate that we actual exchange and therefore we minimize the currency risk. During periods with significant currency fluctuations, the foundation runs a certain risk of currency loss, as most of the donor funds are given in other currencies than NOK and in arrears. In addition donors have spesific claims when it comes to reporting.

The risk is reduced through usage of forward contracts. As per December 31 2021, NRC has no active forward contracts.

## Note 12 Related parties

The Norwegian Refugee Council (NRC) is a non-profit humanitarian foundation. For NRC the term 'related parties' applies to the Board members and the Management team. There have been no relevant transactions with these parties during 2021.

## Note 13 Covid-19 effects

NRC has been limited affected by the Covid-19 pandemic. In 2021 NRC has continued to receive funding for our activities and been able to implement during the the pandemic in all areas.

## Note 14 Payments received from FCDO UK (DFID)

(All figures in GBP)

FCDO (Foreign, Commonwealth & Development Office) claims an overview of funds given to their partners, in a separate note. See also note 5 where **usage** on FCDO-funded projects is shown per country.

Payments received directly from FCDO:	NRC Ref	DFID Ref	£
Afghanistan	AFFM1919	300420	1 646 620
Jordan	JOFM1802	300357	552 528
Somalia	SOFM1838	205128	16 306 477
Syria (SYFM2016 & SRFM2013)	SYFM2016	300488	753 919
Tanzania	TZFM1713	204805	1 719 199
Palestine (PSFM2016 & PSFM2116)			775 000
Iran	IRFM2018		20 000
Sub-total Field Operations			£21 773 743
ACAPS Humanitarian Intelligence NOSI1813 205255 & ACSY2005-301189 & ACSY2			669 470
Syria	SYSH1906	204515	51 546
Yemen (YESI1801-300680 & YESH2102-300417)		300680	1 140 669
Lebanon (LBSH2022 & LBSH2122)	LBSH2022		36 345
South Sudan	SSSH1911	204019	65 679
Libya	LYSH1901		50 234
Chad (TDSH1909 & TDSH2002)	TDSH1909		35 975
Malawi	MWSH1906		23 271
Turkey	TRSH2002		21 760
Venezuela	VESH2001		6 089
Albania	ALSH1903		33 456
Yemen	YESH2006		20 783
Fiji	FJSH2004		34 568
No reference			10 347
Sub-total NORCAP			£2 200 192
<b>Payments received directly from FCDO in 2021</b>			<b>£23 973 935</b>
<b>Payments FCDO from Consortium partners (NRC is not LEAD):</b>			
From Mercy Corps Europe	CDFM2022		2 378 860
From Mercy Corps Europe	IQFM1939		283
From IRC	LBFM1805		338 652
From Crown Agents Ltd	MMFM2118		327 972
From IRC	NGFM1904		1 057 949
From IOM	SOFM1841		1 213 728
From Integrity Research and Consultancy	PSFM2110		804 383
From Care International UK	YEFM2022		4 443 883
Payments FCDO from Consortium partners (NRC is not LEAD)			£10 565 710
<b>Payments received directly from FCDO and partners in 2021</b>			<b>£34 539 645</b>
<b>Payments distributed to Consortium partners (NRC is LEAD):</b>			
ACAPS - Mercy Corps	ACSY2005		-78 191
Afghanistan	AFFM1919		-692 101
Lebanon	LBFM2006		-107 583
Lebanon	LBFM2037		-112 176
Palestine	PSFM2016		-1 036 610
Somalia	SOFM1838		-11 468 154
Yemen	YESI1801		-65 769
Payments distributed to Consortium partners (NRC is LEAD)			-£13 560 583
<b>Net payments received from FCDO in 2021</b>			<b>£20 979 061</b>