# Table of Contents

The NIS Approach ......................................................................................................................... 2  
Letter from the Senior Partners ................................................................................................. 3  
Project Case: Stabilising Through Sports, Somalia ................................................................. 4  
Project Case: Gaining Access to an Enclaved City, Somalia .................................................... 6  
Project Case: Solar Streetlights in Gao, Mali ............................................................................ 7  
Project Case: Peace Support Fund, Myanmar .......................................................................... 8  
Funding: Charts ......................................................................................................................... 10  
Activity Account ....................................................................................................................... 11  
Balance Sheet ............................................................................................................................ 12  
Notes to the Accounts at 31 December 2015 .......................................................................... 13
The NIS Approach

NIS works with international donors and key national stakeholders to support the state-building and reconciliation processes necessary to stabilise fragile conflict and post-conflict environments. First and foremost, NIS seeks to achieve stabilising effects, in addition to any humanitarian or development benefits. This is done by working closely with key stakeholders – primarily the national, regional and local authorities – to ensure the delivery of Political, Relevant, Opportune, Verified and Expedited (PROVE) projects:

- **Political** – projects must be implemented in close cooperation with the authorities in ways that boost their legitimacy and political reputation among the population.
- **Relevant** – projects must provide benefits that cater to the most immediate needs of the people, including security, basic amenities/infrastructure, and livelihoods.
- **Opportune** – in terms of timing, partners and location, projects should be implemented in ways that provide maximum strategic stabilisation benefits that respond to – and counter – the loss of trust in the ability of the state to meet essential needs.
- **Verified** – projects must meet a genuine need of the local population, including security, basic amenities/infrastructure, and livelihoods, and thus must be verified with the local community and authorities.
- **Expedited** – once identified and verified, projects must be implemented quickly and with minimal time lag between initial discussions and actual project implementation.

NIS’ projects are in line with the PROVE principles. The PROVE projects bring authorities and communities closer together by providing concrete benefits to conflict-affected societies in conjunction with the authorities. Please visit our website www.nis-foundation.org to read more about the NIS approach.
Letter from the Senior Partners

Since the establishment of the Nordic International Support Foundation (NIS) in 2011, NIS has completed over 60 projects with support from 10 donors in four countries. Our operations in 2015 were primarily focussed on the extension and consolidation of our existing programmes in Somalia, Mali and Myanmar. We also reached an important milestone by securing more than 50% of our total funding from non-Norwegian donors in 2015, a key organisational goal since 2011.

During 2015 we were able to expand our activities to more newly liberated areas in south central Somalia, delivering stabilisation programming in some of the most vulnerable districts. Operations remain challenging, not least from a security perspective, but our partnership with the African Union’s AMISOM peacekeeping mission makes it possible to get the people and equipment necessary for project implementation into areas with limited access. As a result of this cooperation, NIS was the first international organisation to carry out projects in cooperation with the authorities in enclaved cities like Wajid and Barawe. In addition to these projects, we assisted the authorities to implement sports projects to engage youth and foster community activities across social divides, as well delivering solar street lighting projects to several new cities across Somalia.

In Mali, we established a partnership with the United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA), and completed phase 2 of our solar streetlights project in Gao, the largest city in the north, with funding from both MINUSMA and the Government of Norway. To date, more than 20 km have been illuminated with the help of renewable solar energy, with all the advantages this entails for the population, especially women and children. NIS signed an agreement with the Energy Ministry in Mali to anchor the ownership of the solar streetlights project at the national level. Our solar programmes help demonstrate the advantages of solar technology in conflict and post-conflict environments, where there is often limited or no infrastructure.

In Myanmar, NIS completed the first phase of the Peace Support Fund (PSF). The first phase of the PSF was commissioned by the United Kingdom to support projects related to the peace process. However, during 2015 Sweden and Australia also joined the PSF, making it a multi-donor fund. NIS has now signed agreements with all three donors for a second phase planned for three years. In 2015, as a direct result of NIS’ work on the PSF, we were selected by a donor group to establish and operate the technical secretariat of the newly created, and much larger, Joint Peace Fund (JPF), in Myanmar. The activities of this fund are expected to begin in 2016, before scaling up in 2017.

Looking ahead, 2016 will be a year of continuing our longer-term programming in Myanmar and Somalia, extending coverage in these countries and focussing on documenting impacts and lessons learned. Our work in Mali will also be continuing with MINUSMA throughout the year, with a view to agreeing a longer-term, more strategic vision for our cooperation going forward. However, donor and operational environments are expected to remain challenging, as security risks are high and donor programming continues to struggle with the balance between policies that seek to minimise risk while at the same time engaging in the highest-risk environments.

Sincerely,

Eric Sevrin & Christopher Eads
Senior Partners
NIS designed and implemented the youth-focused project, New Engagement Through Sport (NETS), in order to help stabilise the city of Kismayo in southern Somalia. This was done by working with the Interim Juba Administration (IJA) which administers the region, to create opportunities for the city’s youth to engage in positive, inter-communal sports activities. Previously, NIS had already rehabilitated the Kismayo football stadium, and NETS was a natural follow-on to that project. The improvement to sports grounds, distribution of sports materials, including kits and other equipment, training on sports activities and assistance in the organisation and management of a local football league, all helped to engage Kismayo youth from 4 different districts. This created a positive point of interaction between the clans in Kismayo. The project also helped provide business opportunities for vendors, including female vendors who sell snacks and drinks at the stadium. At the same time, the project served to strengthen the linkages between the community and the regional administration, as IJA helped facilitate the project.

NIS designed baseline and endline questionnaires to help evaluate the effects of the project. 212 household surveys, 12 key informant interviews and 4 focus group discussions were conducted with project stakeholders, local authorities, football players and spectators, as well as female vendors.

“Most of us are there whenever there is a match. This is because that where we earn our livelihoods. We sell snacks and drinks there. So we are a happy lot every time there is a game to be played. We make money from matches. We would be very happy if there were matches throughout.”

— Female vendor
“The youth have become a bridge that brings different sub-clans together. There were some sections that were not on talking terms before the refurbishment of these sports fields. When they saw their children playing together and visiting each other’s homes, they wept and embraced each other. They felt that their children were better human beings than themselves.”

- Sports official

84% say the project is stabilising the area

95% say the project has improved the overall sports environment in Kismayo

How would you rate the local government’s involvement in the Kismayo NETS project?
Project Case: Gaining Access to an Enclaved City, Somalia

NIS implemented the Wajid District Intervention in order to help stabilise the Wajid district in the Bakool region of Somalia. Wajid was liberated from al-Shabaab in March 2014 by the Somali National Army and AMISOM forces, but remains enclaved and therefore hard to gain access to for most organisations. The Wajid district authorities contacted NIS and the Somalia Stability Fund to ask for support to reconstruct and rehabilitate key infrastructure which had suffered under al-Shabaab control. Thanks to NIS’ Memorandum of Understanding with AMISOM, dedicated local staff, robust security systems and the selection of qualified/committed contractors and implementing partners, NIS was able to deliver support to the authorities in Wajid with funding from the Somalia Stability Fund.

Among other things, Al-Shabaab had removed generators, pumps and casings from shallow wells in the city. In consultation with key local stakeholders, NIS and the Somalia Stability Fund decided to rehabilitate these wells. There was also a need to reconstruct the local courthouse and the District Commissioner office building in order to support the return of government services to the population. In addition, NIS rehabilitated a market in the same area with support from DFID. A key component of these activities was the community engagement activities carried out to help strengthen the linkages between government authorities, community leaders, and local populations.

Perceptions are important indicators of stabilisation. NIS carries out surveys to capture such perceptions and measure the effects of our stabilisation projects. For the Wajid District Intervention, NIS surveyed 152 households and interviewed 10 key stakeholders in-depth. The chart to the right shows some of the results.

In short, the project helped improve stability in Wajid. We believe this is primarily due to the differing components complementing one another, creating the combined effect of improving the local population’s economic situation, sense of security and their perceptions of the local authorities.
Project Case: Solar Streetlights in Gao, Mali

The city of Gao is the largest city in northern Mali, situated in a key location on the main route linking the northern territories with the rest of the country. Since the liberation of the occupied territories in the north of Mali in 2013, the region of Gao has been marked by conflict and ongoing operations by the UN, French and Malian forces, against insurgent groups, Islamic militia and criminal elements. The unstable security situation has contributed to a slow return of Malian authorities and a lack of basic public services at a time when both tensions and expectations are high after the authorities signed a peace accord with rebel groups.

During 2015, NIS installed a second phase of 282 streetlights in Gao, bringing the total number of poles to 482, covering nearly 20 km of streets in the regional capital. The labour intensive installation secured temporary work for 256 workers who received training in construction and maintenance. The project greatly increased freedom of movement and new social and economic opportunities by opening up public spaces that were previously dark during evening hours. The project was anchored with local, regional and national authorities by agreement with the Ministry of Energy, and funded jointly by the Norwegian Ministry of Foreign Affairs section for Peace and Reconciliation and the UN mission to Mali (MINUSMA).

“Gao sera la ville lumière du Nord.”
— Conseiller Communal, City Council Representative

Top 5 impacts of the solar street lighting project in Gao

- Children are able to play outside at night: 64%
- Shops are open longer: 55%
- Women are able to walk at night more easily: 53%
- It is safer: 38%
- New shops have opened: 24%

84% say the project has improved women’s freedom of movement
In March 2014, NIS established the Peace Support Fund (PSF), a flexible, responsive and demand-driven fund which aims to increase the likelihood of sustainable peace in Myanmar. The PSF’s mission is to provide financial and technical support to nationally-led initiatives that increase trust, dialogue and effective participation in the peace process, as well as initiatives aimed at building intercommunal harmony. Myanmar has been affected by internal conflict since independence in 1948. A formal peace process aimed at ending conflict with armed organisations representative of ethnic interests commenced in 2011 under the Thein Sein Government.

Phase 1 of the project, funded by the Government of the United Kingdom’s Department for International Development (DFID) and Government of Australia’s Department of Foreign Affairs and Trade (DFAT), concluded in October 2015, directly benefited approximately 10,000 people closely involved in the peace process and efforts to reduce intercommunal tensions. A total of 24 projects were funded, nine implemented directly by national organisations, eight through international organisations, and seven through partnerships between national and international organisations. Projects supported a range of activities including dialogue facilitation, technical support, mentoring and training, ceasefire monitoring, public consultation, outreach and awareness raising, combating hate-speech, and building local resilience mechanisms. PSF partners work across stakeholder groups including community and religious leaders, Ethnic Armed Organisations (EAO), Civil Society Organisations (CSO), and with a range of government representatives.

A key example of first phase funding was the support for over 18 months for the National Ceasefire
Coordination Team (NCCT), enabling ethnic armed organisations to prepare for and participate in negotiations in support of the Nationwide Ceasefire Agreement. Together with the Nyein Foundation, an experienced Myanmar NGO, PSF provided technical and logistical support to the EAOs. In October 2014, eight groups signed the NCA. Both ceasefire and political negotiations continue. Another project supported the establishment of the Centre for Diversity and National Harmony, designing a civic education curriculum promoting tolerance and social harmony now in place in more than 100 schools. In addition, the PSF supported the enhancement of local resilience and capacities for peace in partnership with several national organisations.

26 per cent of PSF funding goes directly to gender responsive programmes and projects, like the establishment of the Alliance for Gender Inclusion in the Peace Process (AGIPP). Bringing key national organisations together to secure greater participation of women in the peace process, negotiations and implementation arrangements, is an effort to ensure gender inclusive process outcomes. As a part of this, PSF also produced a report on Women, Peace and Security in Myanmar (http://www.peacesupportfund.org/publications).

Phase 2 of the PSF is set to run for three years from November 2015, with Sweden as an additional donor, and an increasing focus on support to civil society as part nationally driven efforts towards peace and reconciliation.

“...Our intention is to have more trust and love among ethnic youth to help build federalism, to solve the problems that have been happening in ethnic regions. We also want to help the peace process. The most important aim is to get youth included in the decision making process.”

—a member of the Ethnic Youth Alliance

PEACE SUPPORT FUND

www.peacesupportfund.org
Funding: Charts

Funds Acquired by Year (NOK)

2011 2012 2013 2014 2015

160,000,000
140,000,000
120,000,000
100,000,000
80,000,000
60,000,000
40,000,000
20,000,000
0

Funds Acquired by Project Type in 2015

- Government infrastructure 9%
- Dialogue and networking 9%
- Solar street lighting and hospital electrification 28%
- Other 9%
- Fund management 45%

159M NOK

NIS Donors by Year

2011

2012

2013

2014

2015
## Activity Account

<table>
<thead>
<tr>
<th>Acquired Funds</th>
<th>Notes</th>
<th>Results 2015</th>
<th>Results 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidies</td>
<td>3</td>
<td>135 042 967</td>
<td>86 783 537</td>
</tr>
<tr>
<td>Subsidy administration</td>
<td>3</td>
<td>8 144 229</td>
<td>8 443 390</td>
</tr>
<tr>
<td>Consultancy revenues</td>
<td>3</td>
<td>973 870</td>
<td>746 438</td>
</tr>
<tr>
<td><strong>Total acquired funds</strong></td>
<td></td>
<td><strong>144 161 066</strong></td>
<td><strong>95 973 365</strong></td>
</tr>
<tr>
<td>Financial revenues</td>
<td>2</td>
<td>450 795</td>
<td>240 229</td>
</tr>
<tr>
<td><strong>Total acquired funds</strong></td>
<td></td>
<td><strong>144 611 861</strong></td>
<td><strong>96 213 594</strong></td>
</tr>
</tbody>
</table>

## Consumed Funds

<table>
<thead>
<tr>
<th>Expenses for organisational purpose</th>
<th>Notes</th>
<th>Results 2015</th>
<th>Results 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relief work</td>
<td>4, 6</td>
<td>139 126 396</td>
<td>90 428 865</td>
</tr>
<tr>
<td><strong>Total expenses for organisational purposes</strong></td>
<td></td>
<td><strong>139 126 396</strong></td>
<td><strong>90 428 865</strong></td>
</tr>
<tr>
<td>Administrative costs</td>
<td>4</td>
<td>9 273 580</td>
<td>4 254 227</td>
</tr>
<tr>
<td><strong>Total consumed funds</strong></td>
<td>2, 5</td>
<td><strong>148 399 976</strong></td>
<td><strong>94 683 092</strong></td>
</tr>
</tbody>
</table>

### Activity result for the year

-3 788 115  

1 530 503

### Additions/reductions to organisational capital (equity)

<table>
<thead>
<tr>
<th>Transferred to/from equity</th>
<th>Notes</th>
<th>Results 2015</th>
<th>Results 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>-3 788 115</td>
<td>8</td>
<td></td>
<td>1 530 503</td>
</tr>
<tr>
<td><strong>Total additions/reductions to organisational capital</strong></td>
<td>8</td>
<td><strong>-3 788 115</strong></td>
<td><strong>1 530 503</strong></td>
</tr>
</tbody>
</table>
## Balance Sheet

<table>
<thead>
<tr>
<th>Notes</th>
<th>31 December 2015</th>
<th>31 December 2014</th>
</tr>
</thead>
</table>

### ASSETS

#### Fixed assets

<table>
<thead>
<tr>
<th>Inventory</th>
<th>6</th>
<th>1 438 963</th>
<th>0</th>
</tr>
</thead>
</table>

**Total fixed assets** 1 438 963 0

#### Current assets

**Receivables**

<table>
<thead>
<tr>
<th>Accounts receivables</th>
<th>81 019</th>
<th>2 688 967</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other short-term receivables</td>
<td>1 864 888</td>
<td>439 430</td>
</tr>
</tbody>
</table>

**Total receivables** 1 945 906 3 128 397

<table>
<thead>
<tr>
<th>Cash and bank deposits</th>
<th>7</th>
<th>41 663 347</th>
<th>20 603 310</th>
</tr>
</thead>
</table>

**Total current assets** 43 609 254 23 731 707

**Total assets** 45 048 217 23 731 707

### Organisational capital and liabilities

#### Contributed capital

<table>
<thead>
<tr>
<th>Endowment capital</th>
<th>100 000</th>
<th>100 000</th>
</tr>
</thead>
</table>

**Total contributed capital** 100 000 100 000

#### Accrued organisational capital

<table>
<thead>
<tr>
<th>Other equity</th>
<th>1,888,633</th>
<th>5 676 748</th>
</tr>
</thead>
</table>

**Total accrued organisational capital** 1,888,633 5 676 748

**Total organisational capital** 8 1 988 633 5 776 748

### Liabilities

#### Short-term liabilities

<table>
<thead>
<tr>
<th>Accounts payable</th>
<th>14 496 878</th>
<th>4 858 465</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public taxes due</td>
<td>479 785</td>
<td>422 480</td>
</tr>
<tr>
<td>Other short-term liabilities</td>
<td>28 082 921</td>
<td>12 674 015</td>
</tr>
</tbody>
</table>

**Total current liabilities** 43 059 584 17 954 960

**Total organisational capital and liabilities** 45 048 217 23 731 707
Notes to the Accounts at 31 December 2015

NOTE 1 ACCOUNTING PRINCIPLES
The annual accounts are presented in accordance with regulations in the Norwegian Accounting Act and generally accepted accounting principles for idealistic organisations, which consist of the following:
- The Activity Account
- The Balance Sheet
- The Notes

Subsidies
Subsidies are recorded as income proportionate with use in the project for which they have been allocated. Unused subsidies which apply to future periods are recorded as a liability on the balance sheet.

Recognition of Revenue
Services are recognised as income as they are delivered/carry out. The share of sales revenues which is linked to future services is recognised in the balance sheet as a deferred earning on the sale and thereafter recognised as income as the services are carried out.

Financial revenues
Interest income is recognised as income as it is earned.

Tax
The foundation’s activities are not taxable, cf. Section 2-32 of the Taxation Act.

Current assets/Current liabilities
Current assets and current liabilities normally include items that are due for payment within one year of balance sheet date, as well as items related to the circulation of goods. Current assets are assessed at the lowest of procurement cost and assumed fair value.

Fixed assets/Long-term liabilities
Fixed assets include assets specified for permanent ownership and use. Fixed assets are assessed at procurement cost. Tangible fixed assets are recognised in the balance sheet and written off over the economic life of the asset. Tangible fixed assets are depreciated at the recoverable amount when the reduction in value is not expected to be temporary. Recoverable amounts are the highest of net sales value and value in use. Value in use is the present value of future cash flows associated with the asset. A depreciation is reversed when the basis for the depreciation no longer exists.

NOTE 2 EXPENSES BY TYPE
Operating expenses specified by type:

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods &amp; services from sub-suppliers</td>
<td>114 392 079</td>
<td>67 136 015</td>
</tr>
<tr>
<td>Cost of labour</td>
<td>23 150 638</td>
<td>14 994 277</td>
</tr>
<tr>
<td>Reversed depreciations on fixed assets</td>
<td>-1 438 963</td>
<td>387 705</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>11 984 328</td>
<td>11 747 346</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>148 088 082</strong></td>
<td><strong>94 265 343</strong></td>
</tr>
</tbody>
</table>

Financial revenues and financial expenses

| Financial revenues | 450 795 | 240 229 |
| Financial expenses | 311 895 | 417 749 |

**Net financial items**

| 138 901 | -177 520 |

Revenues and expenses are distributed by activity in the Activity Account as far as that is possible. That also includes financial items. Consumed funds consist of the total for all operating expenses and the financial expenses. Financial revenues are recorded in the item for Financial Revenues.
NOTE 3 SUBSIDIES

Subsidies
The Ministry of Foreign Affairs, including the Royal Norwegian Embassy 45 985 455
UK, EU, SSF World Bank, Sweden (SIDA), Canada, Australia (DFAT), FAO & Minusma 58 346 901
DFID 54 063 063
Accrued subsidies -15 208 223
Consultancy services 973 870
Total 144 161 066

Unused funds at the end of the project shall be refunded in full.
Unused funds and funds not yet received, which are recorded at net value; NOK 27 355 766 as of 31.12.2015. Similar amounts are recorded in the balance sheet as other short-term liabilities.

NOTE 4 REMUNERATIONS/ALLOWANCES TO GENERAL MANAGER, BOARD OF DIRECTORS AND AUDITOR

<table>
<thead>
<tr>
<th>Cost of labour</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>17 821 330</td>
<td>11 887 936</td>
</tr>
<tr>
<td>Employers’ contribution</td>
<td>1 001 162</td>
<td>758 554</td>
</tr>
<tr>
<td>Pension costs</td>
<td>230 247</td>
<td>156 834</td>
</tr>
<tr>
<td>Other pay-related benefits</td>
<td>4 097 899</td>
<td>2 190 953</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>23 150 638</strong></td>
<td><strong>14 994 277</strong></td>
</tr>
<tr>
<td>Averages for full-time equivalents</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td><strong>General manager</strong></td>
<td><strong>678 409</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Other remunerations</strong></td>
<td><strong>1 838</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>680 247</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

A total of 39 687 kroner were recorded as expenses in 2015 for ordinary auditor remunerations, and 314 282 kroner for other services provided by the auditor which were mainly audits on projects. (Figures include VAT).

The company is obligated to have an occupational pension scheme for its employees, according to the Norwegian Mandatory Occupational Pension Act. The foundation has a pension scheme that satisfies official requirements pursuant to that Act.

NOTE 5 KEY FIGURES

Percentages for organisational funds and administration costs are calculated as funds used for organisational purposes, for running the foundation in relation to the total for all consumed funds.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational percentage</td>
<td>93.8 %</td>
<td>95.5 %</td>
</tr>
<tr>
<td>Administrative percent</td>
<td>6.2 %</td>
<td>4.5 %</td>
</tr>
</tbody>
</table>

Percentages for organisational funds and administration costs are calculated as funds used for organisational purposes, for running the foundation in relation to the total for all consumed funds.

The fundraising percent is calculated according to guidelines set by the Norwegian Control Committee for Fundraising to calculate the share of funds raised for running the organisation. The foundation’s only source of income is subsidies, based on the guidelines for such provided by The Norwegian Control Committee for Fundraising, which means the subsidies do not form a part of the basis for calculations of the fundraising percent.

That is why the foundation does not record any fundraising percentages.
**NOTE 6 TANGIBLE FIXED ASSETS**

<table>
<thead>
<tr>
<th>Tangible fixed assets</th>
<th>Vehicles</th>
<th>Plant, machinery and inventory</th>
<th>Total tangible fixed assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement cost as of 01.01.15</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corrected amounts for capital equipment</td>
<td>1 034 116</td>
<td>393 230</td>
<td>1 427 346</td>
</tr>
<tr>
<td>Acquisition of purchased capital equipment</td>
<td>367 719</td>
<td>264 185</td>
<td>631 904</td>
</tr>
<tr>
<td>Disposal of sold capital equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Procurement cost as of 31.12.15</td>
<td>1 401 836</td>
<td>657 415</td>
<td>2 059 250</td>
</tr>
<tr>
<td>Accumulated depreciations as of 31.12.15</td>
<td>-329 451</td>
<td>-290 836</td>
<td>-620 287</td>
</tr>
<tr>
<td><strong>Balance sheet value as of 31.12.15</strong></td>
<td><strong>1 072 385</strong></td>
<td><strong>366 579</strong></td>
<td><strong>1 438 963</strong></td>
</tr>
<tr>
<td>Reversed write-offs</td>
<td>1 085 509</td>
<td>353 454</td>
<td>1 438 963</td>
</tr>
</tbody>
</table>

All capital equipment purchased by the Foundation is written off immediately in order to render relevant project costs visible. This rule was changed in 2015, so assets for capital equipment are now used beyond a project's economic lifetime. We have therefore reversed the write-offs for 2015 to make the value of the capital equipment visible in the accounts.

**NOTE 7 BANK DEPOSITS**

<table>
<thead>
<tr>
<th>Restricted bank deposits</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposits in the tax withholding account</td>
<td>284 886</td>
<td>255 243</td>
</tr>
<tr>
<td>Initial capital</td>
<td>104 755</td>
<td>103 537</td>
</tr>
<tr>
<td>Subsidies account</td>
<td>41 273 706</td>
<td>20 244 529</td>
</tr>
<tr>
<td>Deposits for property rentals/leases</td>
<td>275 055</td>
<td>275 055</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41 938 402</strong></td>
<td><strong>20 878 364</strong></td>
</tr>
</tbody>
</table>

**NOTE 8 EQUITY/ ORGANISATIONAL CAPITAL**

<table>
<thead>
<tr>
<th></th>
<th>Initial capital</th>
<th>Other EQ</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity as of 31.12.2014</td>
<td>100 000</td>
<td>5 676 748</td>
<td>5 776 748</td>
</tr>
<tr>
<td>Profit/loss for the year</td>
<td>-3 788 115</td>
<td>-3 788 115</td>
<td></td>
</tr>
<tr>
<td><strong>Equity as of 31.12.2015</strong></td>
<td><strong>100 000</strong></td>
<td><strong>1 888 633</strong></td>
<td><strong>1 988 633</strong></td>
</tr>
</tbody>
</table>
INDIPENDENT AUDITOR’S REPORT

Report on the Financial Statements

We have audited the financial statements of Nordic International Support Foundation - NIS, showing a loss of NOK 3 788 115. The financial statements comprise the balance sheet as at December 31, 2016, and the income statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors and the Managing Director’s Responsibility for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian accounting act and accounting standards and practices generally accepted in Norway, and for such internal control as the Board of Directors and the Managing Director 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 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 are prepared in accordance with the law and regulations and give a true and fair view of the financial position of Nordic International Support Foundation - NIS as at December 31, 2015, and of its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Norge AS is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
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, and the going concern assumption and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on 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.

Opinion regarding the distributions and management

Based on our audit of the financial statements as described above, and control procedures we have found necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, we believe the foundation is managed in accordance with law, the Foundation's purpose and bylaws.

Oslo, July 8, 2016
RSM Norge AS

Translation, not to be signed

Trine Angell-Hansen
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.
Headquarters:
Oslo, Norway

Visiting address:
Brenneriveien 5 (2nd floor), 0182 Oslo

Postal address:
PO Box 9025 Grønland, 0133 Oslo

Telephone: +47 21 39 60 37
E-mail: post@nis-foundation.org
Twitter: NIS_F

Working in conflict and post-conflict environments, we lay the utmost importance in conducting our work to the highest ethical standards. If you wish to raise a concern, please see our whistleblowing form on our website at www.nis-foundation.org