

# DANSK FLYGTNINGEHJÆLPS ÅRSRAPPORT 2005

DANISH REFUGEE COUNCIL ANNUAL REPORT 2005

## CONTENTS

---

1. Statement by the Management and Auditors' Report .....	3
1.1 Statement by the Management .....	3
1.2 Auditors' Report .....	4
2. Details of the organization .....	5
3. Financial highlights .....	6
4. Managements review 2005 .....	7
4.1 Main objective and activities of the Danish Refugee Council .....	7
4.1.1 Financial statements, activities and results for 2005 .....	7
4.2 The Danish Refugee Council's activities .....	8
4.2.1 Collected funds .....	8
4.2.2 Own funds .....	8
4.2.3 Donated funds .....	9
4.2.4 Government Budget appropriations etc. ....	11
4.3 Outlook .....	12
4.4 Particular risks .....	13
4.5 Human resources .....	13
5. Accounting policies .....	16
5.1 General .....	16
5.2 Income statement .....	16
5.3 Balance sheet .....	16
Income statement .....	18
Balance sheet .....	19
Assets .....	19
Equity and liabilities .....	20
Notes .....	21

The following is a translation of the Danish original text. The original Danish text shall be the governing text for all purposes, and in case of any discrepancy, the Danish wording shall be applicable.

## 1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

---

### 1.1 STATEMENT BY THE MANAGEMENT

The Executive Committee and the Management have today discussed and adopted the annual report for 2005 of the Danish Refugee Council.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act. We consider the accounting policies applied to be appropriate.

Accordingly, the annual report gives a true and fair view of the organizations assets, liabilities and financial position at 31 December 2005 as well as of the results of the organizations activities for the financial year ended 31 December 2005.

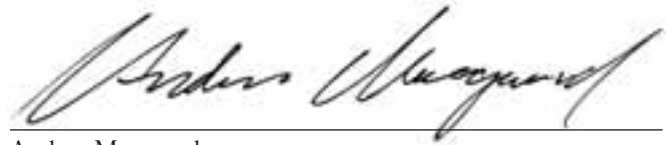
We recommend that the Council approves the annual report.

Copenhagen, 4 May 2006



---

Andreas Kamm  
Secretary General



---

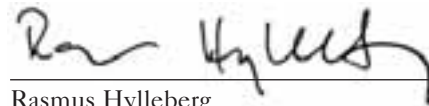
Anders Maegaard  
Head of Resources and Development

Executive Committee of the Danish Refugee Council



---

Knud Larsen (Chairman)



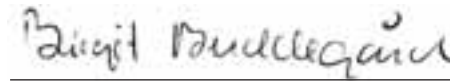
---

Rasmus Hylleberg



---

Klaus Løkkegaard



---

Birgit Buddegård



---

Torben Fischer



---

Bent Melchior

## 1. STATEMENT BY THE MANAGEMENT AND AUDITORS' REPORT

---

### 1.2 AUDITORS' REPORT

*To the Council of the Danish Refugee Council*

We have audited the annual report of the Danish Refugee Council for the financial year 1 January – 31 December 2005, prepared in accordance with the Danish Financial Statements Act.

The annual report is the responsibility of the organizations Management. Our responsibility is to express an opinion on the annual report based on our audit.

#### *Basis of opinion*

We conducted our audit in accordance with Danish Standards on Auditing and the principles of good auditing practice in the public sector. Those standards and principles require that we plan and perform the audit to obtain reasonable assurance

that the annual report is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual report. An audit also includes assessing the accounting policies used and significant estimates made by the Management, as well as evaluating the overall annual report presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not result in any qualification.


#### *Opinion*

In our opinion, the annual report gives a true and fair view of the organizations financial position at 31 December 2005 and of the results of its operations for the financial year 1 January – 31 December 2005 in accordance with the Danish Financial Statements Act.

Copenhagen, 4 May 2006


KPMG C. Jespersen

Statsautoriseret Revisionsinteressentskab



---

Jørgen W. Laursen  
State Authorised Public Accountant



---

Per Lund  
State Authorised Public Accountant

## 2. DETAILS OF THE ORGANIZATION

---

Name:	The Danish Refugee Council
Address:	Borgergade 10, DK-1300 Copenhagen K, Denmark
Telephone:	+45 3373 5000
Fax:	+45 3332 8448
Web site:	<a href="http://www.drc.dk">www.drc.dk</a>
E-mail:	<a href="mailto:drc@drc.dk">drc@drc.dk</a>
Registration No.:	2069 9310
Founded:	1956
Registered office:	Copenhagen, Denmark
Executive Committee:	Knud Larsen (Chairman) Rasmus Hylleberg (Deputy Chairman) Birgit Buddegård Torben Fischer Klaus Løkkegaard Bent Melchior
Management:	Andreas Kamm, Secretary General Anders Maegaard, Head of Resources and Development Lone Tinor-Centi, Head of Volunteers' Department Susse Maria Holst, Head of Communications Vibeke Bach Madsen, Head of DRC Integration Department (acting) Anne la Cour Vågen, Head of Asylum Department Arne Vågen, Head of International Department Paul Mackintosh, Head of Danish Demining Group
Patron:	Her Royal Highness Crown Princess Mary
Auditors:	KPMG C. Jespersen
Address:	Borups Allé 177, P.O. Box 250, 2000 Frederiksberg, Denmark
Council meeting:	The annual council meeting is to be held on 30 May 2006

### 3. FINANCIAL HIGHLIGHTS

The total activities of the Danish Refugee Council have developed as follows in the years 2001 - 2005:  
Expenditure expressed in DKKm

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Collected funds</b>					
Collected funds used	21	23	24	19	18
<b>Own funds</b>					
Integration work	37	30	27	24	25
Operation of language centres	76	85	80	65	61
Other	2	2	2	2	6
<b>Donated funds</b>					
Grants for international project work used <sup>3</sup>	391	277	261	345	396
Grants for other projects, funds etc. used	6	6	9	11	13
<b>Government Budget appropriations, etc.</b>					
All activities	39	35	33	30	29
<b>Total activities of the Danish Refugee Council</b>	<b>572</b>	<b>458</b>	<b>435</b>	<b>495</b>	<b>548</b>

#### Balance sheet items

Investment in property, plant and equipment	9	1	1	0	0
Total assets	154	151	133	190	197
Equity	40	28	21	26	36

#### Average number of employees

Headquarters in Borgergade, Copenhagen	145	130	126	126	127
Language centres	200	178	160	114	112
District employees, integration & volunteers <sup>1</sup>	62	78	70	52	39
Expatriates in international projects <sup>2</sup>	70	51	42	82	106
Local staff in international projects <sup>2</sup>	2,500	2,500	2,500	3,700	3,700
Volunteers in Denmark <sup>4</sup>	2,000	2,700	3,000	3,200	2,800

As from 2004, the computation of collected funds has been changed. Comparatives for 2003 have been adjusted.

- 1) Until 2002, employees in Volunteer work outside Borgergade were included in employees at the headquarter in Borgergade.
- 2) As from 2004, the amounts for expatriates and local staff also comprise DDG.
- 3) From 2005, DDG is included in the international activities as a department of the Danish Refugee Council. The amount for 2004 has been adjusted as comparative.
- 4) In 2005 volunteers' work in Denmark is equivalent to 713 man-years.

## 4. MANAGEMENT'S REVIEW 2005

### 4.1 MAIN OBJECTIVE AND ACTIVITIES OF THE DANISH REFUGEE COUNCIL

The Danish Refugee Council is a non-profit private humanitarian organization, the aim of which is to protect refugees against persecution and to promote viable solutions to refugee problems on the basis of humanitarian principles and human rights both internationally and in Denmark. The vision of the Danish Refugee Council is: Give refugees a future.

The Danish Refugee Council undertakes assignments both internationally and nationally. A number of assignments are undertaken on the basis of Government appropriations. The Refugee Council and the Ministry of Refugee, Immigration and Integration Affairs together agree on the assignments to be undertaken using these appropriations.

In its activities, the Refugee Council is seeking to ensure coherence between national and international refugee work.

#### 4.1.1 Financial statements, activities and results for 2005

The Danish Refugee Council's annual report is structured in a way that distinguishes between

- Funds collected by the Refugee Council, including funds from nationwide door-to-door collection campaigns, funds for special purposes, private and regular contributions, and funds for general purposes.
- The Refugee Council's own funds, including integration work in Denmark in the form of the sale of services to local authorities and private enterprises, Danish language courses and funded integration work and other income (membership fees from member organizations etc.).
- Donated funds, including grants for international and national project activities and pool funds.
- Government Budget appropriations that finance activities according to agreement with the Government. These funds are supplemented by local authority appropriations.

In 2005, the Danish Refugee Council's activities outside Denmark helped more than one and a half million people who have among other things received food, clothing, temporary shelter, seeds, water supplies, as well as assistance to return to their countries of origin, to reconstruct schools, to receive information about mine risks and access to areas that have been demined.

In 2005, funds from Danida made it possible to translate the Refugee Council's regional approach strategy into a major regional programme in East Africa, including Kenya, Somalia, Uganda and Southern Sudan and the establishment of a regional office in Nairobi. The humanitarian crisis in Darfur worsened in 2005, and the Danish Refugee Council extended its activities with funds from Danida, UNHCR and WFP in order to contribute to protecting and providing humanitar-

ian aid to the victims of the conflict. The humanitarian aid and reconstruction activities were continued in North Caucasus and still represent the Danish Refugee Council's largest project in the world. In the Balkans, the Danish Refugee Council has made contacts with new donors (Sweden/the Netherlands) which contribute to the continued comprehensive project activities in Bosnia, Kosovo and Serbia.

Danish Demining Group (DDG) is now a department of the Danish Refugee Council, and DDG's activities increased by 21% against 2004. The demining co-operation takes place in a so-called Advisory Board, including ASF Danish People's Aid, Caritas Denmark and the Danish Refugee Council.

In Denmark, volunteers from all over the country, assisted and co-ordinated by the Danish Refugee Council, have provided approximately 1.2 million hours in 2005, equivalent to more than 700 man-years, to help refugees with among other things language training and homework and to enter the job market. A special effort was made to establish contact families for refugees, and special activities have been initiated in socially exposed residential areas. More than 100 municipalities have also in 2005 subsidised these activities.

The Interpreter Service of the Danish Refugee Council has sold approximately 30,500 hours in 65 different languages. The four language centres have provided a total of approximately 600,000 Danish lessons. Integration activities in Denmark include an increasing number of psychosocial tasks and a broad variety of efforts to help refugees who are to begin a course of training or education or to enter the labour market, for instance in collaboration with enterprises. In 2005, the EU and others continued to fund the implementation of integration projects.

The Danish Refugee Council's homepage displays 14 updated profiles of countries producing asylum seekers and refugees in Denmark. They serve as a base of information in the Refugee Board's processing of applications for asylum.

Asylum seekers were given advice at 68 meetings held at asylum centres and in the open counselling service at the Danish Refugee Council's head office. Over the year, approximately 700 persons received individual counselling on repatriation from the Danish Refugee Council. Of these, 187 refugees returned to their countries of origin in 2005.

The activities of the Danish Refugee Council are expressed as expenditure. Total expenditure for 2005 amounted to DKK 548 million, which is a DKK 53 million improvement.

The result was DKK 10.4 million, corresponding to an improvement of DKK 5.8 million compared to 2004.

The improved result was achieved through a massive effort from employees at all levels which has increased revenue, including a significantly improved result for collected funds, and through stabilising costs. In this way, the trend from 2004 continued in 2005.

## 4. MANAGEMENT'S REVIEW 2005

The 2005 financial year was characterised by a significant 15% increase of the international project activities compared to 2004 and an almost unchanged level of activity in Denmark.

As regards the international project activities (incl. DDG), in 2005 the activities financed by donors amounted to DKK 396 million which is in line with expectations. Under the accounting policies used, the donated funds realised a nil result, as any non-budgetary expenses are covered by collected funds. The Danish Refugee Council's contributions amounted to DKK 6.8 million.

Collected funds amounted to a total of DKK 30.6 million, an improvement of DKK 7.5 million compared to 2004. With contributions to project activities etc., the Refugee Council has been able to carry forward an amount of DKK 12.6 million to activities in 2006.

The Language Centres have realised a profit of DKK 1.8 million while other integration activities in Denmark realised a loss of 0.5 million. Overall own funds realised a loss of 2.2 million, as reservations have been made to cover loss on projects etc.

Activities financed by Government Budget appropriations etc. realised a minor positive result.

### 4.2 THE DANISH REFUGEE COUNCIL'S ACTIVITIES

#### 4.2.1 Collected funds

Contributions from foundations and private individuals in Denmark are essential to the overall work of the Refugee Council, especially to the international aid programmes. The collected funds enable the Danish Refugee Council to respond quickly and efficiently when swift aid to refugees is needed in the hotspots around the world, such as Darfur. The funds are also very important for the implementation of international aid projects of long duration, which are co-funded by other donors.

In 2005, the Danish Refugee Council's national door-to-door collection took place on 13 November and the income from the collection was DKK 17.4 million. With expenses at DKK 3.7 million, the result amounted to DKK 13.7 million, which was an improvement of DKK 4.2 million over 2004.

The continuous fund-raising generated total income of DKK 13.2 million, which is an increase of DKK 2.7 million compared to the previous year. The contributions from private individuals to the Danish Refugee Council have increased in recent years. The number of contributors are now approximately 22,000.

From the collected funds, contributions have been made to international projects in among other places Darfur, Chechnya, Angola, Iraq and Pakistan.

A total amount of DKK 18 million of the collected funds has been used in 2005 which is the same amount as in 2004.

#### 4.2.2 Own funds

##### *Integration work in Denmark*

The main tasks of the integration work are Danish language courses, integration assignments for the municipalities and the interpretation service. Furthermore, a number of integration projects have been carried out in 2005 with grants from the European Social Fund or funded by other donors. The Danish language courses remained the main activity totalling 72%. Of all integration activities, other integration tasks amounted to approximately 13% and the interpretation service to 15%. Compared to 2004, the interpretation service and other integration tasks have increased.

In 2005, the Danish Refugee Council carried out integration tasks operating from its district offices located in Copenhagen, Roskilde and Randers and the language centres in Odense and Nyborg, Kolding, Herning and Ringsted.

Total revenue from the integration activities (incl. Danish language courses) decreased by DKK 1 million compared to 2004. The decrease in activities should be seen in the light of the closing of the language centre in Odense at 31 July 2005. In Own funds, a loss of DKK 2.2 million was recognised against a loss of DKK 0.4 million in 2004, as reservations have been made to meet losses on projects etc.

**Danish language courses** amounted to a total of 584,920 student lessons in 2005 against 702,878 in 2004. This is a decrease of 17%. Kolding language centre provided 36% of the lessons, Odense and Nyborg provided 27%, Herning 23% and Ringsted 13%.

Besides the Danish language courses, supplementary education has been provided for students with special needs, and funded integration project work has been carried out.

At 1 January 2005, the Danish Refugee Council took over the language centre in Herning.

The language centre in Odense closed at 31 July 2005. The Danish Refugee Council has carried on the Danish language courses on Funen at the language centre in Nyborg that was established as an independent language centre on 1 August 2005. As from 1 January 2006, the language centre in Nyborg is a department of the language centre in Kolding.

At 1 January 2006, the Danish Refugee Council took over the language centre in Århus.

A higher level of activity is expected in 2006 for the Danish language courses as a result of the take-over of the language centre in Århus.

**Integration work for the municipalities** includes activities aimed at supporting refugees and immigrants, including particularly vulnerable refugees.

## 4. MANAGEMENT'S REVIEW 2005

The **psychosocial work** represents a significant amount of the integration work. The psychosocial work concerns traumatised refugees, disabled refugees, socially exposed refugee families and vulnerable children and young people. Services are offered to assist refugees in their homes through support programmes for individuals or families with psychosocial problems. In 2005, the Danish Refugee Council provided approximately 10,000 hours under such support programmes all over the country.

The Activity Centres in Herlev and Mellem Broerne in Ringsted represent two of the Danish Refugee Council's most significant social activity services for refugees and immigrants with traumas and other complex psychosocial problems. In 2005, the municipalities became aware in earnest of the special services of the centres and frequently use the centres.

The Psychosocial Unit in the Danish Refugee Council continues to provide advice and courses (primarily for employees in municipalities) and guidance on psychosocial issues. The work is funded by the Ministry of Integration until the end of 2008. In the coming period, focus will particularly be on socially exposed and vulnerable families, children and young people.

Promoting the **integration of refugees into the labour market** includes qualification assessment for young people and grown-ups, special training for individuals with a higher education, job training, courses in job application techniques, contact with enterprises etc.

In 2005, funds from the European Social Fund and other donors have again enabled the Danish Refugee Council to develop, test and assess new ways of promoting refugees and immigrants into the education system and the labour market. In August 2005, the Danish Refugee Council held a conference in Odense at which the results of two successful projects on qualification assessment and job creation for individuals who are far from the labour market were presented.

Among the more general integration projects, "Parent training" courses are aimed at building up parents' abilities to support their children growing up in Denmark.

With revenue of DKK 13 million, **the Interpretation Service** amounts to approximately 15% of the total revenue of the integration activities in 2005. For the country as a whole, a total of 30,500 hours were sold by the Refugee Council's Interpretation Service in 2005 (against approximately 26,000 in 2004) performed by 250 interpreters, representing more than 65 languages.

### 4.2.3 Donated funds

#### *International project aid*

The Danish Refugee Council's international activities first and foremost contribute to establishing solutions for international refugee issues, including solutions for repatriation ac-

tivities and international humanitarian aid of long duration to refugees and internally displaced persons. In addition, the Danish Refugee Council carries out activities that contribute to emergency aid to refugees and internally displaced persons. The efforts are primarily concentrated in the regional areas of the refugees. As an umbrella organization for Danish organizations, the Danish Refugee Council often carries out the activities in collaboration with one or more member organizations or UNHCR.

In 2005, total funds of DKK 326 million were used, which is DKK 2 million more than the revenue budgeted for 2005 and DKK 39 million more than the revenue of 2004. A total amount of DKK 2.5 million of unused funds was returned in connection with the completion of projects in 2005.

In 2005, the major donors were the Danish Ministry of Foreign Affairs (including Danida) with DKK 147 million, the EU with a total of DKK 76 million and UNHCR with DKK 42 million. The Danish Refugee Council is the Danish partner of UNHCR. UNHCR holds the international protection mandate. On this basis, the Danish Refugee Council collaborates closely with UNHCR - both with the international project work and concerning asylum topics. The collaboration with other UN institutions such as WFP was further strengthened in 2005. The strategy is still to widen the group of institutional donors. Other donors in 2005 were countries such as the Netherlands, Canada, Sweden, Switzerland, Norway, the United Kingdom and the USA. In the Balkans, the Danish Refugee Council has made contacts with new donors (Sweden/Netherlands) which contribute to the continued comprehensive project activities in Bosnia, Kosovo and Serbia. In 2005, funds were also obtained from other public and private donors as well as private enterprises. Among the major private donors is Lisa & Gudmund Jørgensens Fond which contributes significantly to the Danish Refugee Council's programme in Lebanon (Legal Assistance). In addition, the Danish Refugee Council has granted DKK 4.6 million of collected funds through the Executive Committee's allocation from own funds to international project assistance.

Activities were continued in Europe (the Balkans, Russia, Caucasus), Central Asia (Tajikistan, Uzbekistan, Kyrgyzstan), Asia (Sri Lanka, Afghanistan), Africa (Angola, Liberia, Uganda, Somaliland) and the Middle East (Iraq and Lebanon). New activities have been established in East Africa (Kenya, Somalia, Uganda and South Sudan). The Danish Refugee Council remains a member of PCS (Project Counselling Service) which operates in Latin America.

In 2005, the Danish Refugee Council particularly focused on the activities in East Africa, Darfur in Sudan and the continued activities in North Caucasus.

## 4. MANAGEMENT'S REVIEW 2005

---

### *East Africa*

Through funds from Danida, the Danish Refugee Council's regional approach in 2005 was translated into a major regional programme in East Africa, including Kenya, Somalia, Uganda and Southern Sudan, and the establishment of a regional office in Nairobi. The regional approach aims at securing that cross-border, human rights-based assistance is provided to refugees, host countries and the local population in Kenya and Uganda. This also applies to refugees returning to their countries of origin, internally displaced persons and local communities in Somaliland, Puntland and Southern Sudan. The aid is provided in the form of support to improve general living conditions and to establish sustainable living conditions for the target groups, including education, farming and income generation. In addition, the Danish Refugee Council has supported local structures and authorities with building up infrastructure and refugee and civil rights.

### *Darfur*

The humanitarian crisis in Darfur worsened in 2005, and the Danish Refugee Council extended its activities with funds from Danida, UNHCR and WFP to comprise two regions in West Darfur, Jebel Marra and Zalingei. The principal objective of the programme has been to contribute to protecting and providing humanitarian aid to the victims of the conflict, including internally displaced persons, host countries and vulnerable groups among the local populations. The national door-to-door collection on 13 November 2005 had special focus on aid to Darfur, and therefore an amount of DKK 2 million could be allocated to Darfur immediately after the collection. The aid has contributed to improving the conditions of refugees and to providing basic necessities in the form of distribution of food and non-food items, distribution of seeds, assistance to reconstruct schools as well as distribution of school equipment.

### *North Caucasus*

The programme in North Caucasus remained the Refugee Council's main international activity in 2005. The aid is mainly relief to people who have been internally displaced in Ingushetia and people who have returned and local communities in Chechnya. During 2005, many have returned to Chechnya, and the Danish Refugee Council has provided assistance, including emergency relief as well as durable solutions to the problems of the refugees. The assistance has concentrated on support to build up infrastructure and houses, support to farmers and income-generating activities as well as capacity building. Approximately 250,000 people benefit from the activities in North Caucasus and Chechnya.

### *Asia*

The aid provided in Sri Lanka in connection with the Tsunami at the end of 2004 has been supplemented by further rehabilitation projects for internally displaced people and victims of the Tsunami.

The programmes in Sudan, Iraq, Afghanistan and North Caucasus still present special challenges in terms of security. Killings, kidnapping and politically or religiously motivated acts of violence still require special security measures.

In 2005, the Danish Refugee Council continued the co-operation with the Ministry of Foreign Affairs and the Ministry of Defence aimed at sorting out the relations between the activities of civilian and military organizations. This also concerns security and how to cope as a NGO with situations where there is a military presence.

A number of international projects are carried out in co-operation with member organizations of the Danish Refugee Council such as the Danish Association for International Co-operation, Danish People's Aid and ADRA-Denmark. The Refugee Council also co-operates with other international NGOs such as the Norwegian Refugee Council, the International Rescue Committee etc.

The international projects were carried out by 85 expatriate staff members along with approximately 2,500 local staff members in co-operation with local authorities and NGOs. 34 staff members at the Copenhagen head office of the Danish Refugee Council were assigned to this work.

The Emergency Roster continues to be frequently activated, especially by UNHCR and WFP. In 2005, 97 expatriate staff members carried out activities in primarily Sri Lanka, Southern Sudan and Darfur; especially in order to carry out activities regarding logistics and transportation, general humanitarian field work and protection of refugees and internally displaced persons. Close co-operation has been established with the United Nations' Office for the Coordination of Humanitarian Affairs (OCHA/PROCAP).

The majority of the activities continue to the same extent or will be extended in 2006. Especially the regional approach in Africa is expected to be strengthened, including Darfur, Southern Sudan/Uganda and Kenya.

### *Demining*

In 2005, the Board of Directors of Danish Demining Group (DDG) was transformed into an Advisory Board comprising Danish People's Aid, Caritas Denmark and the Danish Refugee Council. At the same time, DDG became a department of the Danish Refugee Council.

The work of Danish Demining Group comprises all five pillars in the Humanitarian Mine Action sector: Demining and removal of unexploded ordnance, mine risk education, assistance to mine victims, campaigns against the use of mines and destruction of inventories of mines and ordnance.

## 4. MANAGEMENT'S REVIEW 2005

Activities have increased by 23% compared to 2004. The level of activity in Afghanistan, Somaliland and Chechnya was maintained, while activities have been extended in Sri Lanka and Iraq. In 2005, Kyrgyzstan was added to the list of countries in the demining programme of DDG. DDG also sent two demining experts to UNHCR in Southern Sudan via The Emergency Roster.

Approximately 1.1 million people have received help through DDG's activities through information campaigns as well as through demining programmes.

The major donors are Danida (48%), SIDA (12%), the EU (4%), and others (36%). Funds have also been received from private donors, e.g. Rotary and Rockwoolfonden.

Revenue for 2005 amounted to DKK 71 million against DKK 58 million in 2004. In 2005, the Danish Refugee Council donated a total of DKK 2.2 million to projects via grants from the Executive Committee.

DDG's projects have been carried out by 22 expatriate staff members in co-operation with 1,200 local staff members. Five staff members at the head office have been assigned to this work.

In 2006, an increase in activities is expected. Particularly the programmes in Sri Lanka, Iraq and Afghanistan are expected to increase. It is also expected that activities will be initiated in at least one new programme country.

### 4.2.4 Government Budget appropriations etc.

The work financed directly through the Government Budget appropriations constituted approximately 5% of the Danish Refugee Council's total activities.

An appropriation (the secretariat appropriation) is made for the maintenance of a basic structure and a contingency that enables the Refugee Council to assume a co-ordinating role in national and international asylum work, information assignments and the development of international projects. In 2005, this appropriation amounted to DKK 4.1 million.

In addition, the Danish Refugee Council's main assignments in relation to these government appropriations in 2005 covered the following main objectives:

- Organization of volunteer work to encourage the integration of refugees in local communities, including cultural and information activities.
- Documentation work and counselling.
- Participation in quota work, mission planning, etc.
- Participation in the processing of cases regarding the manifestly unfounded procedure in connection with the Danish Immigration Service's processing of these cases.
- Repatriation activities.

The Danish Refugee Council is no longer subject to the rules on submission of annual report pursuant to the guidelines of the Agency for Financial Management and Administrative Affairs. Instead, guidelines have been agreed with the Danish Ministry of Refugee, Immigration and Integration Affairs for reporting performance objectives described in the performance contract entered into with the Ministry. From 2005, the reporting consists of a report submitted to the Ministry at the end of November with focus on actual results, activities and measures in relation to the performance objectives and a final report at the beginning of April, co-ordinated with the preparation of the annual report of the Danish Refugee Council.

The work in relation to the manifestly unfounded procedure and booking and reception regarding reunited family members is included in the framework agreement with the Danish Immigration Service. Counselling of refugees who wish to return to their countries of origin (repatriation) etc. is included in a special 3-year contract with the Ministry.

Overall, 95% of the objectives were fulfilled. This means that the Danish Refugee Council has maintained the high level from 2004 when the percentage was 98.6%. The result is regarded as very satisfactory. 21 objectives had been set up for 2005. Only one objective was not fulfilled. Four objectives were partly fulfilled.

Government Budget appropriations in 2005 totalled DKK 27.9 million. In addition to this are funds from municipalities of DKK 0.7 million.

### *Volunteer work*

The volunteer integration work has been continued and is firmly anchored in a number of activities: Activities directly and indirectly aimed at the labour market, assistance with homework, language training and support to children and youngsters. Efforts are still being made to extend the volunteer work to a broader target group. Newly accepted refugees used to be the primary target group, however, now activities are also aimed at refugees who have stayed in Denmark for a longer period and at immigrants. New activities of volunteers have been initiated in the form of contact family schemes, through special activities in socially exposed residential areas and in relation to traumatised refugees and their families.

Following thorough method work for the documentation of the volunteer work, reliable data now shows the number of refugees/immigrants comprised by the different volunteer integration activities. Approximately 10,000 individuals in Denmark belonging to ethnic minorities (children, youngsters and grown-ups) have been in contact with the Danish Refugee Council's volunteer networks.

## 4. MANAGEMENT'S REVIEW 2005

In 2005, almost 3,000 volunteers put in approximately 1.2 million hours of volunteer work, or more than 700 (net) man-years. The number of volunteer groups increased by 23, bringing the total number of groups to 216. The number of volunteer counselling centres is nine (two more than in 2004), including 130 volunteer counsellors. More than 100 municipalities have supported the volunteer work with funds for activities, premises, etc.

In relation to the Funds to disadvantaged for 2006, DKK 15 million has been allocated for each of the years 2007 to 2009 to guarantee the continuation and further development of the Danish Refugee Council's nationwide integration work carried out by volunteers.

### *Documentation, asylum counselling and quota work*

**The documentation work** was continued in 2005. Two new profiles of refugee-producing countries have been prepared of the Aceh province in Indonesia and Nigeria (with special focus on women) and a legal review on "Passports to minors born in Denmark of refugee parents". 11 profiles have been updated. All the profiles of refugee-producing countries can be seen at the Danish Refugee Council's homepage. In 2005, the Danish Refugee Council participated in one fact-finding mission which went to Russia (Chechnya).

**The counselling for asylum seekers** at the reception centres Sandholm and Avnstrup is still characterised by a great need for supplementary individual follow-up. In close co-operation with Red Cross, great efforts have been made to improve the counselling work in accordance with the changed needs. 68 counselling meetings were held at the centres in 2005. In addition to this, counselling is still offered at the weekly open counselling at the Danish Refugee Council's head office in Borgergade.

In 2005, **the quota area** was changed. Following an amendment to the act, the Danish Immigration Service has taken over the planning and reception of quota refugees. The Danish Refugee Council is responsible for the planning and reception of reunited family members in accordance with a framework agreement with the Danish Immigration Service.

Three selection trips were made, one to Malaysia, one to Jordan/Iraq (no-mans-land) and one to Uganda.

The Danish Refugee Council's work in respect of the **manifestly unfounded procedure** is regulated by a framework agreement with the Danish Immigration Service. In 2005, there were 362 cases against 540 in 2004. The income for 2005 was DKK 2.1 million against DKK 2.5 million in 2004.

### *Repatriation activities*

2005 was the second year of a 3-year contract between the Danish Refugee Council and the Ministry of Integration for repatriation activities in a total amount of DKK 7.3 million. The contract does not specify targets for the individual years, but covers general individual counselling of foreigners in Denmark who wish to repatriate, general information on repatriation and project assistance. In 2005, the funds were supplemented by special grants to counselling projects related to rejected asylum seekers from Afghanistan and special targeted support to repatriation to Iraq. In 2005, the Danish Refugee Council focused specially on counselling and support to elderly, repatriation to Iraq and rejected asylum seekers from Afghanistan.

In 2005, the Danish Refugee Council has provided individual personal counselling to approximately 565 individuals and individual interpreted telephone advice to approximately 170 individuals. General telephone advice to refugees among others via hotline in Arabic, Farsi and Bosnian has been provided in 675 cases. The Danish Refugee Council has also provided telephone advice to municipalities (850 cases) and other private individuals and institutions (85 cases). A total of 187 persons returned to their countries of origin. 35 individuals were supported with reintegration aid. In addition, meetings have been held with refugees, co-operative partners, representatives of associations, ministries, government agencies, the National Association of Local Authorities in Denmark and other organizations.

In 2005, the Danish Refugee Council also provided counselling assistance for project development, among others a project in Bosnia and project development with focus on Iraq and Afghanistan.

## 4.3 OUTLOOK

No events of significance to the annual report for 2005 have taken place after the end of 2005 that have not been mentioned in the annual report.

The total budget for 2006 shows activities of DKK 610 million.

The Danish Refugee Council's national door-to-door collection in 2006 will take place on 12 November.

In Denmark, the integration work and the language centre activities are still affected by the fact that fewer refugees are received in Denmark. It is expected that the language courses will also constitute an increasing part of the activities, not least as a result of the establishment of the language centre in Århus.

In the international area, total revenue of approximately DKK 416 million is budgeted, including demining activities amounting to DKK 75 million.

## 4. MANAGEMENT'S REVIEW 2005

It is expected that work financed by Government Budget appropriations will amount to approximately DKK 27.6 million, or about 4.5% of the total budget. This includes repatriation activities under the Refugee Council's 3-year contract with the ministry and framework agreement in respect of the manifestly unfounded procedure, quota trips and reunited refugees.

A performance contract has been made with the Ministry of Refugee, Immigration and Integration Affairs regarding a total of 21 performance targets for 2006. Targets comprise the volunteer and asylum work and the secretariat appropriation. The repatriation activities are subject to the conditions described in the contract on the tender of 2003. In December 2005, a framework agreement for 2006 regarding the manifestly unfounded procedure, booking and reception of reunited family members as well as quota trips has been entered into.

The overall level of results for 2006 will continue to be affected by developments in the refugee area, nationally as well as internationally, and by the conditions prevailing for the Refugee Council's work. The level of results for 2006 is expected to be the same as for 2005.

### 4.4 PARTICULAR RISKS

#### *General risks*

The Danish Refugee Council's activities are always subject to the special conditions applying to international emergency aid and reconstruction work. The administrative funds allocated in connection with donated funds are restricted to such an extent that it is not possible to cover unforeseen expenses, which inevitably arise in relation to the international activities.

A particular risk is a rapid change in the overall composition of activities, including the total level of activity. This requires flexibility and rapid adjustment and adaptation in relation to contracts, donor terms, personnel and leases.

#### *Financial risk*

Financial risk relates to the following areas:

- 1) Changes in exchange rates and interest terms
- 2) Uncertainty regarding banking and transfer conditions related to international activities.
- 3) Political decisions regarding refugee matters both nationally and internationally.

### 4.5 HUMAN RESOURCES

The Danish Refugee Council is continuously striving to strengthen and develop qualifications in national and international activities.

As a result of its qualifications, the Danish Refugee Council is on the board of several international organizations, including HAP-I (Humanitarian Accountability Partnership - International), ICVA (International Council of Volunteer Agencies) and ECRE (European Council on Refugees and Exiles).

#### *International project work*

As part of the continued professional development and the Danish Refugee Council's membership of HAP-I (Humanitarian Accountability Partnership - International), a professional process has been completed aimed at increasing focus on the Danish Refugee Council's accountability in the humanitarian work. A work schedule for uncovering strengths and weaknesses has been implemented. For 2005, there have been three focus areas: Complaints mechanism, Reporting and performance evaluation and Accountability in respect of partner organizations.

**Complaints mechanism.** The aim was to develop, introduce and implement simple procedures and mechanisms for complaints handling (complaints access and complaints processing) in the Danish Refugee Council's country programmes. The focus areas were approached in co-operation with the HAP secretariat in Geneva. The process comprised an evaluation of the Danish Refugee Council's performance in North Caucasus in respect of complaints mechanisms, subsequent adjustment of the concept to the Danish Refugee Council's programmes in general, as well as field-testing in a number of countries. The performance was followed with great interest by several major international NGOs under the auspices of HAP, and it has been planned to hold an international conference on complaints mechanisms at the end of 2006 in co-operation with HAP.

**Reporting and performance evaluation.** The aim was to develop and strengthen the Danish Refugee Council's institutional and operating capacity for monitoring and transparent reporting of results and effects to the target group, cooperative partners and donors. A comprehensive desk study and a field study of current practice and with recommendations for future activities have been carried out. It is expected that this activity will among other things result in the development and use of a mandatory reporting format that is in accordance with the project cycle of the programmes and that documents the effects of the Danish Refugee Council's activities in the countries in question.

## 4. MANAGEMENT'S REVIEW 2005

---

### Accountability in respect to partner organizations.

The aim was to introduce accountability principles (principles of accountability and transparency) in relation to partner organizations and to support local partners' reflection of their own accountability. Two workshops have been held in Caucasus and in the Balkans, respectively. The target group was local authorities, and focus was on good governance. Finally, a review has been made of the Danish Refugee Council's network programmes under this activity with focus on the Danish Refugee Council's advisory practice and transparency in its relations with local partners in the Balkans, in Caucasus and in Central Asia. Results and recommendations of this review are being prepared.

Through the described professional process, increased internal focus on accountability has been achieved in relation to the target group in the Danish Refugee Council's international work. Increased internal awareness of accountability and of the Danish Refugee Council's strengths and weaknesses has been achieved. In addition, the Danish Refugee Council's international profile is raised, and the Refugee Council is now considered an organization that places emphasis on accountability in its work and basic values.

**Capacity examination.** In 2005, Danida examined the Danish Refugee Council's capacity with focus on institutional and professional capacity in the international work. A desk study and a country study (Sri Lanka) were carried out. It was concluded that the Danish Refugee Council complies with the principles of good practice, that the international programmes are based on a well-working structure, and that strategy and policy development represents a strong component in the international work. The consultants expressed a number of recommendations to the Danish Refugee Council that will be assessed and handled during 2006.

### *The emergency roster*

The Danish Refugee Council's emergency roster provides special fixed-term assistance in emergency situations. Via the emergency roster, trained specialists are available for rapid secondment until the task can be solved in some other way.

The Danish Refugee Council has approximately 300 people on the emergency roster. They are primarily seconded to UNHCR and WFP. The persons included in the emergency roster are professionals within humanitarian areas. They should be familiar with the UN system and should preferably have experience in working in emergency situations.

In 2005, focus was on a further development of training courses in the areas "Protection" and "Early Recovery".

### *Demining*

Over the years, Danish Demining Group (DDG) has developed a great amount of knowledge and expertise in humanitarian demining and other clearing of explosive war debris. The activities aim at reducing the number of victims and at allowing displaced people to return home to safe surroundings and to stimulate and create economic growth and stability in the areas affected.

Safety, professionalism, well-tested routines and cost effectiveness are important parameters for DDG. Standard operations procedures (SOP) have been developed for all operations based on international demining regulations and training plans etc. to ensure that all aspects of the demining activities are being considered and that handling of explosives takes place in a proper and safe way. DDG has implemented and further developed simple, cheap technologies which have also proven very effective.

DDG works actively with clearing the "right" areas. As demining and ordnance clearing is costly and time consuming, it is very important that areas that are vital for the recovery of a community are cleared first. This is ensured through co-operation with the local mine action centres and through DDG's own socioeconomic analyses.

By participating in international demining networks, DDG has a role to play in the development of this area. DDG also participates in strategy developments under the auspices of the UN and in co-operation with Danida. In the equal rights area, DDG also plays an active role and is in the process of implementing the recommendations of the UN in its programmes.

### *International asylum law*

The Danish Refugee Council possesses a unique competence in asylum law with knowledge of Danish and international aliens legislation, on the legal positions of refugee-producing countries and the development of a European refugee policy. The Refugee Council's expertise is being exploited internationally in several connections, for example in countries needing training and education on international asylum and refugee law, including fulfilment of rights and obligations of the Refugee Convention. Nationally, the Danish Refugee Council's expertise is also used in different connections to offer training in national and international asylum and refugee law, in connection with counselling of asylum seekers and drafting of consultation responses in connection with new aliens legislation.

## 4. MANAGEMENT'S REVIEW 2005

---

The Danish Refugee Council is on the board of the European umbrella organization ECRE (European Council on Refugees and Exiles), which has some 80 member organizations. ECRE is concerned with European asylum and refugee questions and is seeking to influence EU's policy in this area. The Danish Refugee Council represents the Nordic countries, the Baltic countries and Russia.

The Danish Refugee Council has provided special counselling services to selected groups of rejected asylum seekers where ordinary asylum counselling has successfully been combined with repatriation counselling, e.g. to asylum seekers from Afghanistan and Kosovo.

In the Balkans, the Danish Refugee Council has a co-ordinating role in municipal co-operation and networking. The aim is to improve the conditions of refugees and internally displaced people returning to their countries of origin. As far as possible, Danish repatriation efforts are coupled with such international reintegration initiatives in the refugees' countries of origin. A network of refugee organizations is supported in developing the role of spokesman for improving the rights of refugees and internally displaced persons through legislation.

In Central Asia, the Refugee Council is working on developing and training a network of regional coaches from the authorities and the civil society. The aim is for these coaches to be able to improve the protection of asylum seekers and refugees in the region by spreading knowledge of rights and obligations to the relevant participants. The Refugee Council also supports the coaches through minor projects where they together develop publications and training manuals for relevant players in the region. In co-operation with the UNHCR, the Danish Refugee Council has created a basis that allows for an employee of the Danish aliens authorities to be lent out to aliens authorities in Central Asia. The Danish Refugee Council acts as advisor to this employee, whose role is to provide concrete support in the development of asylum case processing in the region which meets international standards.

### *Integration work*

In Denmark, The Danish Refugee Council has developed its special competences further to generally improve the level of qualifications in the integration area.

The work of helping refugees and immigrants to support themselves through assessing qualifications, starting training courses and entering into the labour market will be strengthened by means of projects that develop and promote new methods.

Integration assignments for municipalities are combined with the Danish Refugee Council's integration work carried out by volunteers. The Refugee Council's volunteer integration networks have succeeded in offering almost 4,000 individuals from ethnic minorities a contact family. The aim is to include refugees and immigrants in the active citizenship in the local community. Contact families offer to share their networks, resources and experience with refugees and immigrants which makes it easier for the refugees and immigrants to enter the labour market, to learn Danish and to acquire knowledge of the facilities of the local community. Also, volunteers from the Danish Refugee Council have assisted more than 5,000 children between the age of 6 and 15 with different ethnic backgrounds with their homework or language training.

In the coming years, the Danish Refugee Council's professional integration work based on volunteers will strive to develop methods and activities that will support the Danish Refugee Council's role as spokesman in the integration area.

In **the psychosocial field**, the Danish Refugee Council has for a number of years built up extensive qualifications and further developed its expertise. In addition to the Psychosocial Unit, established in 2002, which provides advice, courses and guidance on psychosocial issues, the Danish Refugee Council now has two activity centres for traumatised refugees. The special expertise of the Refugee Council is also reflected in the increasing number of psychosocial assignments for the municipalities.

Since its establishment, **the Interpreter Service of the Danish Refugee Council** has focused on ensuring qualified interpretation through the preparation of testing programmes for interpreters and through offering various interpreter training courses.

The Interpreter Service of the Danish Refugee Council is a national service and it is important for it to remain a serious provider of qualified, nationwide interpretation. The Danish Refugee Council has been successful in setting up collaboration with several major customers and has proven efficient in managing interpretation services in this context. The Refugee Council has approximately 700 free-lance interpreters representing more than 65 languages.

## 5. ACCOUNTING POLICIES

### 5.1 GENERAL

The annual report of the Danish Refugee Council for 2005 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act. In certain respects the accounting information exceeds those required for class B enterprises.

The accounting policies are consistent with those applied in 2004.

As from 1 January 2005, DDG is included as a department of the Danish Refugee Council. The effect of this has been incorporated in the financial highlights.

Terms and classifications have been adjusted to the Danish Financial Statements Act, taking into account the special structure of the organization.

#### *Foreign currency translation*

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement.

### 5.2 INCOME STATEMENT

Collected funds are recognised as income when received and recognised as expenses when used. Collected funds which the Executive Committee has earmarked as allocations for specific purposes are included in the restricted equity until used.

Costs concerning national door-to-door collections are recognised in the collection year.

Consulting services and interpretation hours are recognised when invoiced. School-related grants are recognised as earned. The result of these activities is recognised in equity as "own funds".

Donated funds are recognised as income when used. Any deficit on projects will be covered by an allocation from the Refugee Council's own funds and be included as an expense in collected funds. Income and expenses for the year on international project assistance will, consequently, be equal in size.

Costs incurred in generating the revenue for the year are recognised in the income statement, including depreciation and lease expenses.

Financial items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies and amortisation of financial assets and liabilities. Financial items are included in the specific main categories of the income statement.

### 5.3 BALANCE SHEET

#### *Property, plant and equipment*

Leasehold improvements, land and buildings, fixtures and fittings and equipment are measured at cost less accumulated depreciation. The land is not depreciated. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided according to the straight-line method, based on the following expected useful lives:

• Cars, international dept.	2 years
• Leasehold improvements	5 years
• Fixtures and fittings	5 years
• IT	3 years
• Properties	50 years

Depreciation is included in the income statement in own funds and donated funds, respectively.

Minor acquisitions with a cost of less than DKK 11,000 and as a main rule assets for international projects are written off in the year of acquisition.

Property, plant and equipment are written down to their recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are calculated as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement.

## 5. ACCOUNTING POLICIES

---

### *Publications and books*

Inventories are measured at the estimated value of materials expected to be sold the following year. Write-down is made for obsolescence. The inventory of new books acquired during the year for language school teaching is measured at cost.

### *Donated funds*

Donated funds received before the time of use (prepayments) are stated in the balance sheet as payables. Donated funds which have not been received at the time of use are stated as a receivable.

### *Receivables*

Receivables are measured at amortised cost. Write-down is made for bad debt losses according to an individual assessment.

### *Prepayments*

Prepayments comprise costs paid concerning subsequent financial years.

### *Securities*

Listed securities recognised as current assets are measured at fair value at the balance sheet date.

### *Cash at bank and in hand*

Cash at bank and in hand comprise cash and bank deposits etc., nationally and internationally.

### *Liabilities*

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

### *Deferred income*

Deferred income comprises payments received concerning income in subsequent years.

## INCOME STATEMENT

### INCOME STATEMENT FOR THE FINANCIAL YEAR 1 JANUARY - 31 DECEMBER

Note	2005 DKK'000	2004 DKK'000
<b>1 Collected funds</b>		
Collected funds - income	30,581	23,050
Collected funds used	17,948	17,948
<b>Result of collected funds</b>	<b>12,633</b>	<b>5,102</b>
<b>2 Own funds</b>		
Own funds - income	89,452	89,775
Own funds used	91,654	90,203
<b>Result of own funds</b>	<b>-2,202</b>	<b>-428</b>
<b>3 Donated funds</b>		
Donated funds - income	409,800	355,423
Donated funds used	409,800	355,423
<b>Result of donated funds</b>	<b>0</b>	<b>0</b>
<b>4 Activities funded by Government Budget appropriations etc.</b>		
Activities funded by Government Budget appropriations etc. - income	28,655	30,409
Activities funded by Government Budget appropriations etc. used	28,637	30,480
<b>Result of Government Budget appropriations etc.</b>	<b>18</b>	<b>-71</b>
<b>RESULT FOR THE YEAR</b>	<b>10,449</b>	<b>4,603</b>
Total income	558,488	498,657
Total costs	-548,039	-494,054
<b>Result for the year</b>	<b>10,449</b>	<b>4,603</b>

#### The result for the year is covered by/transferred to equity as follows

Total collected funds	12,633	4,013
Total own funds	-2,202	661
Total Government Budget appropriations etc.	18	-71
<b>Total treatment of result</b>	<b>10,449</b>	<b>4,603</b>

**BALANCE SHEET – ASSETS**

<b>BALANCE SHEET AT 31 DECEMBER 2005</b>		
Note	<u>2005</u> DKK'000	<u>2004</u> DKK'000
<b>ASSETS</b>		
<b>5</b>	<b>Property, plant and equipment</b>	
	Leasehold improvements	0
	Land and buildings	5,476
	Fixtures and fittings and equipment	240
	<b>Total property, plant and equipment</b>	<u>5,716</u>
	<b>Total fixed assets</b>	<u>5,716</u>
	<b>Current assets</b>	
	<b>Publications and books (inventories)</b>	<u>0</u>
	<b>Receivables</b>	
3	International project aid	42,781
3	Other project aid	4,635
	Trade receivables	11,092
	Other receivables	11,419
	Prepayments	1,195
	<b>Total receivables</b>	<u>71,122</u>
	<b>Securities</b>	<u>5,924</u>
<b>6</b>	<b>Cash at bank and in hand</b>	<u>114,644</u>
	<b>Total current assets</b>	<u>191,690</u>
	<b>TOTAL ASSETS</b>	<u><u>197,406</u></u>
		<u><u>189,912</u></u>

**BALANCE SHEET – EQUITY AND LIABILITIES**

<b>BALANCE SHEET AT 31 DECEMBER 2005</b>		
Note	<u>2005</u> DKK'000	<u>2004</u> DKK'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
	21,256	8,623
	14,356	16,558
	635	617
<b>7</b>	<b><u>36,247</u></b>	<b><u>25,798</u></b>
	<b><u>500</u></b>	<b><u>2,456</u></b>
	<b>Long-term liabilities other than provisions</b>	
<b>8</b>	<b><u>4,261</u></b>	<b><u>4,733</u></b>
	<b>Short-term liabilities other than provisions</b>	
	13,238	11,073
<b>3</b>	121,343	121,676
<b>3</b>	2,515	3,071
<b>8</b>	491	500
<b>9</b>	17,911	16,898
	900	3,707
	<b><u>156,398</u></b>	<b><u>156,925</u></b>
	<b><u>197,406</u></b>	<b><u>189,912</u></b>

Note 10: Financial items

Note 11: Contingent liabilities

Note 12: Wages and salaries

Note 13: Related parties

## NOTES

<b>NOTES</b>	<b>2005</b>	<b>2004</b>
<b>1 Collected funds</b>	<u>DKK'000</u>	<u>DKK'000</u>
National door-to-door collection	17,398	12,542
Special purposes, football pools and lottery	1,986	1,962
Special purposes, other	1,793	1,569
Private and regular contributions	8,318	6,019
Collected funds, general	504	387
New activities	582	571
<b>Total income</b>	<b><u>30,581</u></b>	<b><u>23,050</u></b>
<b>Collected funds used</b>		
Costs of collection, information and recruitment of volunteer workers	3,731	3,101
From national collection for international project activities	6,777	8,216
Reversed allocation from DRC own funds from previous years	0	11
For special purposes	2,809	2,752
Private and regular contributions	2,253	1,626
Collected funds, general	472	303
New activities	709	450
Information, development and campaign costs	1,197	1,489
<b>Collected funds used</b>	<b><u>17,948</u></b>	<b><u>17,948</u></b>
<b>Result of collected funds</b>	<b><u><u>12,633</u></u></b>	<b><u><u>5,102</u></u></b>
<b>2 Own funds</b>		
<b>Integration, language centres not included</b>		
Revenue, interpretation etc.	12,742	11,432
Revenue, sale of other consulting services	11,631	10,581
<b>Total revenue</b>	<b><u>24,373</u></b>	<b><u>22,013</u></b>
Wages and salaries	14,753	14,647
Other external costs	10,077	8,861
<b>Total expenses</b>	<b><u>24,830</u></b>	<b><u>23,508</u></b>
<b>Result</b>	<b><u><u>-457</u></u></b>	<b><u><u>-1,495</u></u></b>

## NOTES

2 Own funds	<u>2005</u>	<u>2004</u>
	DKK'000	DKK'000
<b>Language centre activities</b>		
Municipal grants	51,583	58,778
Project grants	0	3,783
Teaching services sold etc.	10,779	3,145
<b>Total primary income</b>	<u><b>62,362</b></u>	<u><b>65,706</b></u>
Wages and salaries	44,984	46,769
Other external costs	15,531	15,536
Depreciation	0	254
<b>Total expenses</b>	<u><b>60,515</b></u>	<u><b>62,559</b></u>
Result of ordinary activities	1,847	3,147
Non-recurring expense	0	2,246
<b>Result</b>	<u><u><b>1,847</b></u></u>	<u><u><b>901</b></u></u>
Other own funds		
Membership fees from other member organizations	312	295
Glamsbjerg, leasehold income	371	648
Financial income	2,034	0
Other	0	1,113
<b>Total income</b>	<u><b>2,717</b></u>	<u><b>2,056</b></u>
Property expenses	1,656	394
Other	4,653	1,496
<b>Total expenses</b>	<u><b>6,309</b></u>	<u><b>1,890</b></u>
<b>Result for the year</b>	<u><u><b>-3,592</b></u></u>	<u><u><b>166</b></u></u>
Own funds - total income	89,452	89,775
Own funds - total expenses	91,654	90,203
<b>Result</b>	<u><u><b>-2,202</b></u></u>	<u><u><b>-428</b></u></u>

## NOTES

<b>3 Donated funds</b>	<b>2005</b>	<b>2004</b>
	DKK'000	DKK'000
International projects		
Balance at 1 January	82,462	35,960
Grants received for international project aid	392,309	394,340
EU grants used	98,453	89,464
Danida grants used	145,531	122,222
UNHCR grants used	43,171	28,279
Min. of For. Affairs, the Neighbourhood Programme grants used	27,654	24,231
Other grants used	81,543	80,435
<b>Funds returned re. completed projects</b>	<b>2,503</b>	<b>3,206</b>
Provision for bad debt losses	-2,646	0
<b>Balance at 31 December</b>	<b>78,562</b>	<b>82,463</b>
<b>Balance at 31 December, international projects, is distributed on</b>		
Receivables	42,781	39,213
Payables, grants not used	121,343	121,676
<b>Other project grants and pool funds</b>		
Balance at 1 January	460	-235
Grants, projects and pool funds	10,869	11,487
Used, projects and pool funds	13,448	10,792
<b>Balance at 31 December</b>	<b>-2,119</b>	<b>460</b>
Balance at 31 December is distributed in the balance sheet as:		
Receivables	4,635	2,611
Payables, grants not used	2,515	3,071
<b>Donated funds - income</b>	<b>409,800</b>	<b>355,423</b>
<b>Donated funds - expenses</b>	<b>409,800</b>	<b>355,423</b>

## NOTES

4 Activities funded by Government Budget appropriations etc.	2005	2004
	DKK'000	DKK'000
<b>Secretariat work etc.</b>		
Secretariat work, General Secretariat and international department	4,100	3,300
Secretariat work, other departments	0	900
<b>Total income</b>	<b>4,100</b>	<b>4,200</b>
General Secretariat, international legal protection and information re. international refugee work	4,100	4,098
International asylum work	0	102
<b>Total expenses</b>	<b>4,100</b>	<b>4,200</b>
<b>Result</b>	<b>0</b>	<b>0</b>
<b>Volunteer and information work</b>		
Grants for volunteer and information work	15,200	15,600
Income from local authorities, own contributions etc.	730	647
<b>Total income</b>	<b>15,930</b>	<b>16,247</b>
Wages and salaries, incl. holiday allowance	7,846	8,135
Other external costs	8,081	8,182
<b>Total expenses</b>	<b>15,927</b>	<b>16,317</b>
<b>Result</b>	<b>3</b>	<b>-70</b>
<b>Asylum work</b>		
Ministry of Integration grant for asylum counselling etc.	2,500	2,600
Ministry of Integration grant for quota work, travel planning etc.	1,700	2,000
Danish Immigration Service grant for the manifestly unfounded procedure	2,098	2,529
<b>Total income</b>	<b>6,298</b>	<b>7,129</b>
Wages and salaries, incl. holiday allowance	3,863	4,437
Other external costs	2,423	2,693
<b>Total expenses</b>	<b>6,286</b>	<b>7,130</b>
<b>Result</b>	<b>12</b>	<b>-1</b>
<b>Repatriation work</b>		
Repatriation grant, Ministry of Integration	2,300	2,700
<b>Total income</b>	<b>2,300</b>	<b>2,700</b>
Wages and salaries, incl. holiday allowance	1,101	1,419
Other external costs	1,197	1,281
<b>Total expenses</b>	<b>2,297</b>	<b>2,700</b>
<b>Result</b>	<b>3</b>	<b>0</b>

## NOTES

4	Activities funded by Government Budget appropriations etc.	2005		2004	
		DKK'000		DKK'000	
	<b>Phasing out of integration programme</b>				
	Grant for phasing out of integration programme		27		133
	<b>Total income</b>		<b>27</b>		<b>133</b>
	Costs for phasing out the integration programme		27		133
	<b>Total expenses</b>		<b>27</b>		<b>133</b>
	<b>Result</b>		<b>0</b>		<b>0</b>
	<b>Government Budget appropriations etc. - income</b>		<b>28,655</b>		<b>30,409</b>
	<b>Government Budget appropriations etc. - expenses</b>		<b>28,637</b>		<b>30,480</b>
	<b>Result</b>		<b>18</b>		<b>-71</b>
5	<b>Property, plant and equipment</b>				
		Leasehold improvements	Land and buildings	Cars	Fixtures, fittings and IT
		DKK'000	DKK'000	DKK'000	DKK'000
	<b>Cost</b>				
	Balance at 1 January 2005	450	7,594	3,119	6,278
	Additions	0	0	153	41
	Disposals	-450	0	251	3,266
	Balance at 31 December	0	7,594	3,021	3,053
	<b>Depreciation</b>				
	Balance at 1 January 2005	450	484	3,089	5,819
	Depreciation and impairment for the year	0	1,634	327	263
	Reversed depreciation	-450	0	543	3,121
	Balance at 31 December	0	2,118	2,873	2,961
	<b>Carrying amount at 31 December 2005</b>	<b>0</b>	<b>5,476</b>	<b>148</b>	<b>92</b>

The official property valuation of the property in Glamsbjerg amounts to DKK 3,650 thousand at 1 January 2006. The property is mortgaged, cf. Note 8.

## NOTES

<b>6 Cash at bank and in hand</b>	<b>2005</b>	<b>2004</b>
	DKK'000	DKK'000
Project offices abroad	16,892	23,368
Language centres	14,419	9,758
Danish Refugee Council, other	83,333	76,149
<b>Total cash at bank and in hand</b>	<b>114,644</b>	<b>109,275</b>

<b>7 Equity</b>	<b>Balance 1 January</b>	<b>Transferred result for the year</b>	<b>Balance 31 December</b>
	DKK'000	DKK'000	DKK'000
Collected funds	8,623	12,633	21,256
Own funds	16,558	-2,202	14,356
Government Budget appropriations etc.	617	18	635
<b>Total equity</b>	<b>25,798</b>	<b>10,449</b>	<b>36,247</b>

<b>8 Mortgages</b>	<b>2005</b>	<b>2004</b>
	DKK'000	DKK'000
Long-term liability	4,261	4,733
Short-term liability	491	500
<b>Total</b>	<b>4,752</b>	<b>5,223</b>
<b>Long-term liability falling due five years from year end</b>	<b>2,156</b>	<b>2,117</b>

The loan is a variable-interest EURO loan with fixed instalments

<b>9 Other payables</b>		
Interest payable, Danida	627	505
Holiday allowances	14,127	13,617
Other	3,157	2,776
<b>Total</b>	<b>17,911</b>	<b>16,898</b>

## NOTES

10 Financial items	<u>2005</u>	<u>2004</u>
	DKK'000	DKK'000
Interest, banks	1,568	1,048
Capital gain on securities	3	-666
Other financial income	3,538	-1,105
<b>Total financial income</b>	<u><b>5,109</b></u>	<u><b>-723</b></u>
Interest, banks	11	31
Interest, mortgages and other creditors	126	143
Interest, projects	306	304
<b>Total financial expenses</b>	<u><b>443</b></u>	<u><b>478</b></u>
<b>Net financial items</b>	<u><u><b>4,666</b></u></u>	<u><u><b>-1,201</b></u></u>

### 11 Contingent liabilities

Operating leases for copiers, faxes, drink dispensers and alarm and telephone systems expiring in 2006-2010 amount to DKK 1.9 million over the lease term. Contingent rent liabilities (usual leases) amount to DKK 0.

12 Wage and salary costs	<u>2005</u>	<u>2004</u>
	DKK'000	DKK'000
Wages and salaries	99,566	88,661
Expat supplements	7,776	5,356
Wages, local project staff abroad	70,227	48,181
Salaries, language centres	45,138	46,850
Adjustment of holiday allowance reserve	-300	-235
<b>Total wages and salaries</b>	<u><b>222,407</b></u>	<u><b>188,813</b></u>
Pensions	7,409	6,095
Social security costs	496	537
<b>Total</b>	<u><u><b>230,312</b></u></u>	<u><u><b>195,445</b></u></u>
The average number of employees in Denmark and expats is	384	379
The average number of local staff abroad is	3,700	3,700

### 13 Related parties

The Danish Refugee Council is a confederation of a number of non-partisan, voluntary, nation-wide, humanitarian and international organizations.

Related parties are the Executive Committee and the organizational Management.

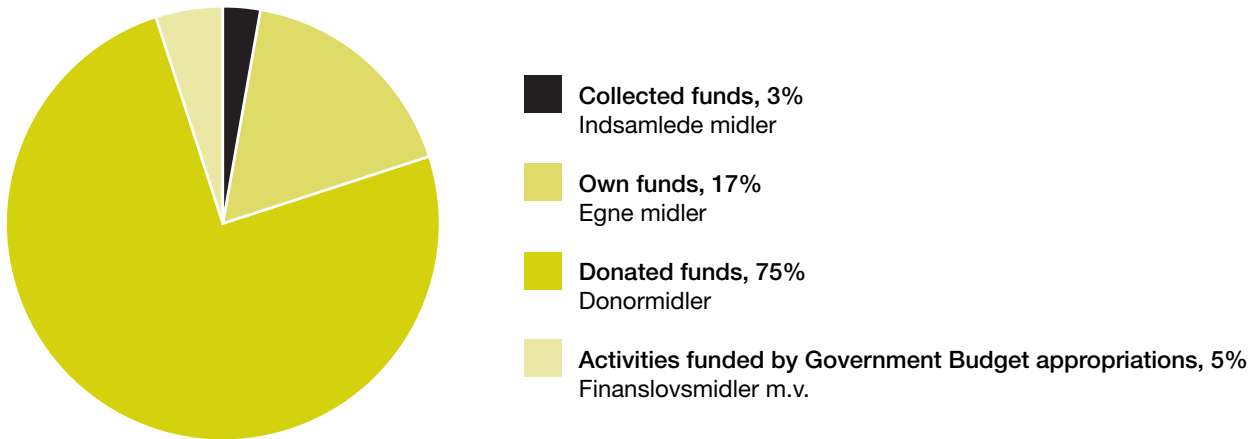
Transactions with the above comprise usual organizational Management remuneration.

The Executive Committee receives no remuneration.

**DRC ACTIVITIES / DANSK FLYGTNINGEHJÆLPS AKTIVITETER**

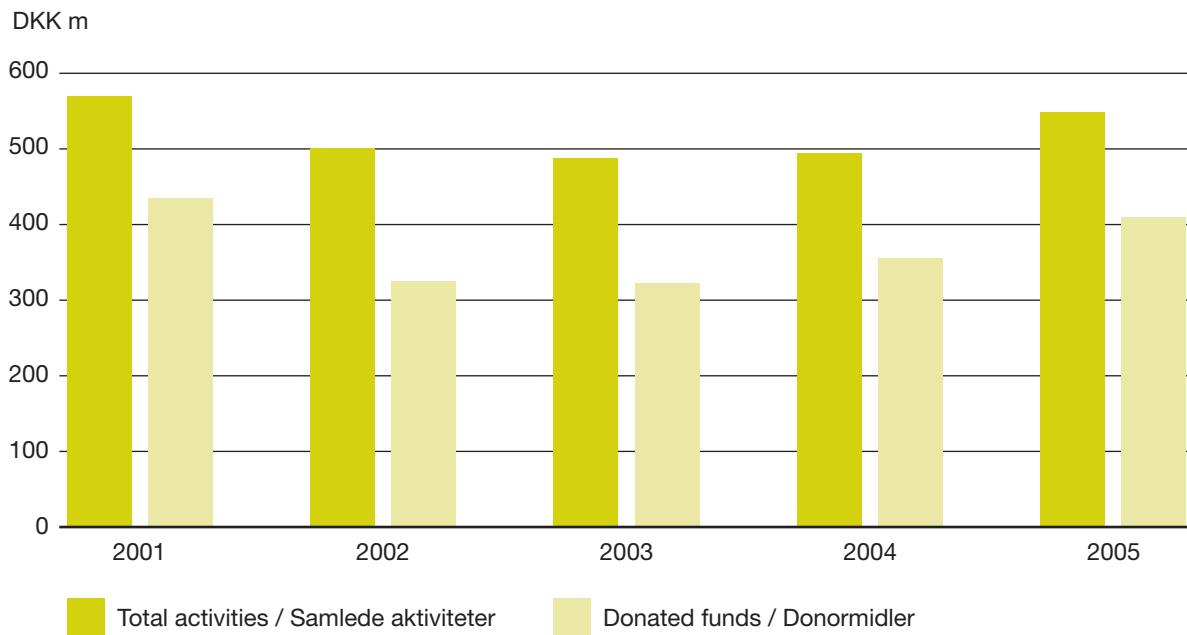
**TOTAL ACTIVITIES DRC, 2005**

**SAMLEDE AKTIVITETER DANSK FLYGTNINGEHJÆLP, 2005**



**TOTAL ACTIVITIES / DONATED FUNDS 2001-2005**

**SAMLEDE AKTIVITETER / DONORMIDLER 2001-2005**



## DRC OPERATES HERE / HER ARBEJDER DANSK FLYGTNINGEHJÆLP

