

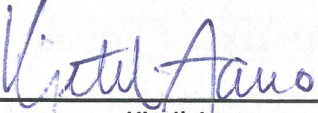
# STATEMENT OF FINANCIAL ACTIVITIES 2016

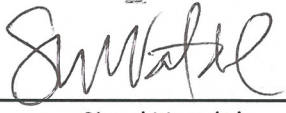
<i>(NOK '000)</i>	Notes	2016	2015
<b>INCOMING RESOURCES</b>			
<b>Institutional grants</b>			
Norad - The Norwegian Agency for Development Cooperation		279,934	311,515
MFA - The Norwegian Ministry of Foreign Affairs		211,695	246,728
Other government agencies		6,180	2,881
Administrative support from government agencies		36,938	34,633
<b>Subtotal Norwegian government agencies</b>	<b>2</b>	<b>534,748</b>	<b>595,758</b>
UN - United Nation Agencies		33,736	32,803
ACT Alliance and other ACT sister organisations		53,640	36,868
Other organisations		65,664	65,671
Administrative support from UN, ACT and other organisations		1,672	6,768
<b>Subtotal UN, ACT and other organisations</b>	<b>3</b>	<b>154,712</b>	<b>142,110</b>
<b>Total institutional grants</b>		<b>689,460</b>	<b>737,869</b>
<b>Donations</b>			
Unrestricted donations		145,864	142,661
Restricted donations		10,824	54,883
Donations from Telethon 2014		0	1,117
Testamentary donations and legacies		5,197	15,029
<b>Total donations</b>	<b>4</b>	<b>161,885</b>	<b>213,691</b>
<b>Investment income</b>		<b>12,357</b>	<b>5,207</b>
<b>Other incoming resources</b>		<b>7,412</b>	<b>959</b>
<b>TOTAL INCOMING RESOURCES</b>		<b>871,113</b>	<b>957,725</b>
<b>RESOURCES EXPENDED</b>			
<b>Costs of generating other donations</b>		<b>42,815</b>	<b>44,333</b>
Long-term development cooperation		496,577	538,046
Humanitarian assistance		300,363	271,732
Advocacy for global justice		56,392	74,031
<b>Total international cooperation</b>	<b>5</b>	<b>853,333</b>	<b>883,809</b>
<b>Governance costs</b>	<b>6</b>	<b>66,440</b>	<b>43,472</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>962,587</b>	<b>971,614</b>
<b>NET INCOME (EXPENDITURE) FOR THE YEAR</b>		<b>(91,474)</b>	<b>(13,889)</b>
<b>Net movement in funds</b>			
Transfer to (from) unrestricted funds		(14,133)	19,838
Transfer to (from) funds with internally imposed restrictions		0	(10,998)
Transfer to (from) funds with externally imposed restrictions		(77,341)	(22,729)
<b>Total net movement in funds</b>	<b>13</b>	<b>(91,474)</b>	<b>(13,889)</b>

# BALANCE SHEET AS PER 31 DECEMBER 2016

(NOK '000)	Notes	31.12.2016	31.12.2015
<b>ASSETS</b>			
Tangible fixed assets	9	51,377	52,076
<b>Subtotal fixed assets</b>		<b>51,377</b>	<b>52,076</b>
Stocks	10	1,914	3,460
Debtors	11	98,371	100,660
Investments	12	226,213	320,063
Cash at bank and in hand		295,221	187,695
<b>Subtotal current assets</b>		<b>621,720</b>	<b>611,878</b>
<b>TOTAL ASSETS</b>		<b>673,097</b>	<b>663,954</b>
<b>FUNDS AND LIABILITIES</b>			
<b>FUNDS</b>			
Unrestricted funds		141,470	155,603
Funds with externally imposed restrictions		143,790	221,131
<b>TOTAL FUNDS</b>	13	<b>285,260</b>	<b>376,734</b>
<b>LIABILITIES</b>			
Accruals for pension liabilities	14	52,916	30,398
Bank loan	15	20,045	22,050
<b>Total long-term liabilities</b>		<b>72,961</b>	<b>52,448</b>
Project balances, advances from donor		254,026	170,190
Other short-term liabilities	16	60,850	64,581
<b>Total short-term liabilities</b>		<b>314,876</b>	<b>234,771</b>
<b>TOTAL LIABILITIES</b>		<b>387,837</b>	<b>287,219</b>
<b>TOTAL FUNDS AND LIABILITIES</b>		<b>673,097</b>	<b>663,954</b>

Oslo, April 27<sup>th</sup> 2017

  
Kjetil Aano  
Chairman of the Board

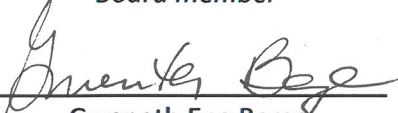
  
Sissel Vartdal  
Board member

  
Brita Bye  
Board member

  
David Hansen  
Board member

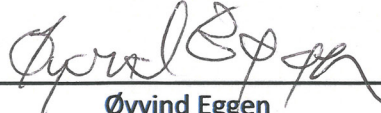
  
Tuva Krøgh Wid skjold  
Board member

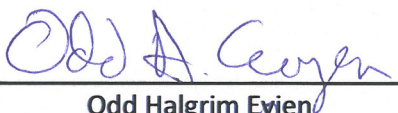
  
Ottar Mæstad  
Board member

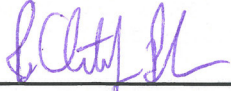
  
Gweneth Eng Berge  
Board member

  
Ingeborg S. Midttømme  
Board member

  
Kjersti Toen  
Board member

  
Øyvind Eggen  
Board member

  
Odd Halgrim Evjen  
Board member

  
Bo Christoffer Iwar Brekke  
Board member

  
Anne-Marie Helland  
General Secretary

# CASH FLOW STATEMENT 2016

<i>(NOK '000)</i>	<b>2016</b>	<b>2015</b>
<b>Cash flow from operating activities</b>		
Net incoming (outgoing) resources	(91,474)	(13,889)
Depreciation of fixed assets	(1,797)	6,683
Difference between pension contribution and current service costs	22,518	4,218
Changes in current balance sheet items related to the Telethon 2014	0	213,766
Changes in other current balance sheet items	83,939	(21,996)
<b>Net cash inflow from operating activities</b>	<b>13,186</b>	<b>188,782</b>
<b>Cash flow from investing activities</b>		
Purchase of tangible fixed assets	(8,280)	(11,503)
Disposal of tangible fixed assets	10,775	7,574
Change in net investment in financial assets	93,850	(249,023)
<b>Net cash flow from investing activities</b>	<b>96,346</b>	<b>(252,952)</b>
<b>Cash flow from financing activities</b>		
Repayment of long-term and short-term loans	(2,005)	(1,050)
<b>Net cash flow from financing activities</b>	<b>(2,005)</b>	<b>(1,050)</b>
<b>Net cash flow during the year</b>	<b>107,527</b>	<b>(65,219)</b>
Cash at bank and in hand at Jan 1.	187,695	252,914
<b>Cash at bank and in hand at Dec 31.</b>	<b>295,221</b>	<b>187,695</b>
This consists of:		
<b>Cash at bank and in hand</b>	<b>295,221</b>	<b>187,695</b>

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## NOTE 1 **ACCOUNTING PRINCIPLES**

The annual accounts have been prepared in compliance with the Norwegian Accounting Act and Norwegian accounting standards for NGOs.

The main principles are:

### **Representations abroad**

At NCA Representations abroad there are assets as capital, inventory and other assets. All Representations' transactions are reflected in the NCA's consolidated financial statements.

### **Receivables and liabilities**

Long-term receivables and liabilities are valued at nominal value at the time of establishment. Current liabilities are valued at nominal value at the time of establishment.

### **Fixed and current assets**

Investments in tangible fixed assets at Head Office are capitalized upon acquisition. Fixed assets are valued at historical cost less depreciation. Direct maintenance costs are expensed when incurred, while improvements are capitalized and depreciated accordingly. Booked value of assets are written down if the fair value is estimated to be lower than the booked value and the impairment is not expected to be temporary.

Representations abroad follow other principles for accounting of their assets. The fixed assets are expensed upon purchase; reference is made to impairments in note 9. The reason for this is that the projects are short-term in nature and that there are certain risks involved in the implementation of projects, and it would therefore not be appropriate to depreciate the fixed assets in accordance with ordinary principles.

### **Financial investments**

NCA's investments are subject to active management and are regarded as current assets carried at fair value as of 31.12.

### **Tax**

In accordance to Norwegian Tax Law Norwegian Church Aid is not considered taxable.

### **Incoming resources**

Incoming resources consist of institutional grants, donations, investment income and other incoming resources. Donations, both restricted and unrestricted, are recognized as income in the same period that they are earned. Restricted funds that are not spent in the accounting period are accounted as funds with externally imposed restrictions. Restricted funds from previous years used this accounting period are booked from funds with externally imposed restrictions; see note 13.

Funding with repayment requirements (i.e. public funding) is not recognized as income when received. Received funding is booked as a liability in the balance sheet until the funds are used for the activity the grant was intended for. The funding is recognized as income when the recipient has the legal right to the grant which will be when the funds are actually used for the activity for which the funding was granted. The grant income is recognized gross when the conditions are met.

## **Resources expended**

Expenses are to the greatest possible extent directly attributed to the activities to which they belong. Resources expended on international cooperation are fulfilling the organisation's purpose, and include distributions and allocations to partner organisations, costs associated with the Department for International Programmes and Development Policy at Head Office, as well as operational costs in the countries where programmes are implemented. Costs are expensed in the period in which the activity took place.

Governance costs cover the activities necessary to run the organisation; including planning, management and evaluation of the organisation's activities. Governance costs include depreciation, fees paid to external auditors, lawyers and consultants, personnel costs of the HR department, finance department and the General Secretariat, travel, IT costs and financial costs.

Costs of generating donations include personnel costs related to fundraising, advertising and media campaigns and distribution of materials.

All personnel costs related to the Department for Fundraising, the Department for Communications, the Department for International Programmes and the Department for Development Policy are classified as respectively costs of generating donations and expenses related to international cooperation. This is in accordance with the guidelines from the Norwegian Control Committee for Fundraising.

Unused project funds as of 31.12 are recognized in the balance sheet under "Project balances, advances from donor".

## **Foreign currencies**

Accounts at the Representations are kept in local currency. When consolidating, NCA Representations' statements of financial activities are converted to NOK at the average rate for the year. Balance sheets - including assets and liabilities in foreign currencies - are converted at the exchange rate at the balance sheet date. Exchange differences relating to income and balance sheet are booked directly against funds.

Agio/disagio is reported as an integral part of the total resources expended, classified according to the class of the project they relate to. During 2016, a total net currency gain of 11,8 MNOK has been charged to the accounts.

## **Pensions**

Norwegian Church Aid has pension schemes that meet the requirements of the law on compulsory occupational pension and are covered through KLP and Gjensidige. All employees above the age of 55 as of 1st May 2016 at Head Office have a defined future benefit plan insured through KLP. All other employees with NAV coverage have a defined contribution plan insured through Gjensidige, and expatriate personnel without NAV have private pension insurances. A contractual pension scheme is included for the different groups.

For the defined future benefit plan, pension costs and pension liabilities are calculated using linear method based on assumptions about discount rates, future salary increases, pensions and social security benefits, the expected return on plan assets and actuarial assumptions on mortality, attrition, etc. Pension assets are valued at fair value and deducted from net pension liabilities balance. For more information about pensions, please refer to note 14.

Pension schemes for employees at Representations are based on pension schemes in the countries where Norwegian Church Aid operates. If favourable, a provident fund scheme is applied.

## NOTE 2 FUNDING FROM NORWEGIAN GOVERNMENT AGENCIES

	International cooperation		Activities in Norway		Administrative support		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Norad Cooperation Agreement	167,434	146,107	737	1,869	13,323	12,292	181,494	160,268
Norad Special Programmes	6,440	13,517			499	382	6,939	13,899
Norad Embassies and Strategic Partnerships	102,198	146,399			8,149	8,948	110,347	155,347
Norad Information Support			3,125	3,623	179	95	3,304	3,718
<b>Subtotal Norad</b>	<b>276,073</b>	<b>306,024</b>	<b>3,862</b>	<b>5,492</b>	<b>22,149</b>	<b>21,716</b>	<b>302,084</b>	<b>333,231</b>
MFA Norway	189,621	191,576			14,190	10,017	203,811	201,592
MFA Embassies	22,075	55,152			402	2,465	22,477	57,617
<b>Subtotal MFA</b>	<b>211,695</b>	<b>246,728</b>	<b>0</b>	<b>0</b>	<b>14,593</b>	<b>12,482</b>	<b>226,288</b>	<b>259,210</b>
FK - The Norwegian Peace Corps	1,336	402					1,336	402
BLD - The Ministry of Children, Equality and Social Inclusion			686	710			686	710
HOD - The Ministry of Health and Care Services	-	(1)					-	(1)
IN - Innovation Norway	4,158	1,771			196	420	4,354	2,191
LNU - The Norwegian Children and Youth Council						16	-	16
<b>Subtotal other Government Agencies</b>	<b>5,494</b>	<b>2,172</b>	<b>686</b>	<b>710</b>	<b>196</b>	<b>436</b>	<b>6,376</b>	<b>3,317</b>
<b>Total funding from Norwegian Government Agencies</b>	<b>493,262</b>	<b>554,924</b>	<b>4,548</b>	<b>6,201</b>	<b>36,938</b>	<b>34,633</b>	<b>534,748</b>	<b>595,758</b>

NCA has a Cooperation Agreement with Norad covering the years 2016 -2019. The new four year agreement gives NCA NOK 188 mill per year. In addition to the Cooperation Agreement, NCA has special agreements supported by some local Embassies. These agreements are from 2016 one year agreements, and the reduction from 2015 to 2016 is mainly because Afghanistan and Sudan did not receive funds from this source. NCA has two cooperation agreements with MFA, one on WASH and one on GBV, both three year agreements, for GBV 2017 is the last year.

## NOTE 3 FUNDING FROM UN, ACT AND OTHER ORGANISATIONS

	<u>2016</u>	<u>2015</u>
OCHA - United Nations Office for the Coordination of Humanitarian Affairs	8,848	9,590
UNICEF - United Nations Children's Fund	8,510	4,357
UNDP - United Nations Development Programme	5,355	10,700
UNHCR - United Nations High Commissioner for Refugees	4,461	1,242
WFP - World Food Programme	2,883	3,207
UNFPA - United Nations Population Fund	1,360	3,096
FAO - Food and Agriculture Organization of the United Nations	1,233	229
UN Women	1,087	96
WHO - World Health Organisation	0	300
UNEP - United Nations Environment Programme	0	(13)
<b>Subtotal UN - United Nation agencies</b>	<b>33,736</b>	<b>32,803</b>
DCA - DanChurchAid	28,153	17,010
CoS - Church of Sweden	8,139	3,042
Diakonia Sweden	6,398	5,985
ACT Alliance - Action by Churches Together	6,061	5,407
CA - Christian Aid	3,296	4,379
Diaconia ECCB - Czech	908	0
BftW - Bread for the World	322	0
ICCO - Interchurch Organisation for Development Cooperation	208	0
LWR - Lutheran World Relief	156	0
PWRDF - Primate's World Relief and Development Fund	0	406
United Church of Canada	0	387
FCA - Finn Church Aid	(0)	252
<b>Subtotal ACT Alliance and other ACT sister organisations</b>	<b>53,640</b>	<b>36,868</b>
HEKS - Hilfswerk der Evangelischen Kirchen Schweiz	12,800	7,084
CAFOD - Catholic Agency for Overseas Development	9,141	10,757
DFID - Department for International Development UK	7,367	6,475
Aids Fonds Netherlands	6,991	297
EU - EuropeAid	5,670	1,578
ECHO - European Commission's Humanitarian Aid and Civil Protection department	5,393	4,274
British Embassy Kabul	3,330	1,758
Allan Family of Australia	2,985	2,698
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit	2,290	5,816
Tilitonse	1,912	1,412
IFRC - International Federation of Red Cross and Red Crescent Societies	1,631	255
NRGI - Natural Resource Governance Institute (RWI - Revenue Watch Institute)	1,332	1,205
HEI - Human Education International	705	447
Embassy of The Netherlands in Bamako, Mali	688	5,208
DVV - Institute for International Cooperation of the German Adult Education Association	567	0
PCF - The Pestalozzi Children's Foundation	533	635
FORUT Campaign for development and solidarity	442	270
ERD - Episcopal Relief & Development	385	153
Statoil	377	18
FOKUS - Forum for Women and Development	283	232
LNU - The Norwegian Children and Youth Council	273	291
Act - Accountability in Tanzania Programme	266	3,987



	<u>2016</u>	<u>2015</u>
ASI - Agribusiness Systems International	262	0
Ministry of Foreign Affairs of the Netherlands	180	0
CA - Crown Agents South Sudan	39	2,017
Sok Sabay Association	35	53
NAD/NHF - Norwegian Association of Disabled	21	157
SIDA - Swedish International Development Cooperation Agency	9	(225)
Strømme Foundation	(98)	120
SDC - Swiss Agency for Development and Cooperation	(145)	1,893
The Global Fund to Fight AIDS, Tuberculosis and Malaria	0	2,584
Royal Danish Embassy Dar es Salaam	0	1,856
J/P Haitian Relief Organization	0	1,766
ACT! - Act Change Transform	0	472
Charities Aid Foundation	0	172
DM Thomas Foundation for Young People	0	125
NFF - Football Association of Norway	0	28
Christian Study Association	0	2
Royal Danish Embassy Bamako	0	(21)
KCF - The Kadoorie Charitable Foundation	0	(67)
DRC - Danish Refugee Council	0	(111)
<b>Subtotal other organisations</b>	<b>65,664</b>	<b>65,671</b>
<b>Administrative support from other organisations</b>	<b>1,672</b>	<b>6,768</b>
<b>Total funding from other organisations</b>	<b>154,712</b>	<b>142,110</b>

## NOTE 4 DONATIONS

Unrestricted donations	2016	2015
Regular donors	58,390	53,037
Donor letters	14,963	15,248
Changemaker donations and subscriptions	437	353
Web shop / alternative gifts	5,318	4,542
Other donations	8,473	8,490
Seasonal and remembrance gifts	1,222	1,044
<b>Individual donors</b>	<b>88,802</b>	<b>82,714</b>
Lenten campaign	34,079	36,824
Church offerings	13,793	13,114
<b>Congregations and communities</b>	<b>47,872</b>	<b>49,939</b>
Advertisements and corporate donations	5,454	7,465
Sponsor revenue	2,114	838
Project support	1,621	1,705
<b>Private sector</b>	<b>9,189</b>	<b>10,009</b>
<b>Subtotal unrestricted donations</b>	<b>145,864</b>	<b>142,661</b>
<b>Restricted donations</b>		
Operation Day's work 2010	1,945	0
Ethiopia Drought 2016	1,620	0
Haiti Hurricane Matthew 2016	953	0
Refugees Europe 2015	451	35,812
Syria Emergency Response 2013	50	1,355
Nepal Earthquake 2015	13	12,755
South Sudan Crisis 2014	0	70
Typhoon Philippines 2013	0	5
Horn of Africa 2011	0	3
North Iraq Emergency Response 2014	0	2
Gaza Crisis 2014	(20)	5
<b>Fundraising campaigns</b>	<b>5,012</b>	<b>50,007</b>
Somalia, Job creation, Anti-Piracy Project	2,489	294
Afghanistan, Promoting youth leadership and a culture of peace through spor	988	373
Ethiopia, Strengthened Climate Resilience for rural Ethiopian Communities (Food security, Samre)	550	129
Haiti, Education/Youth (WASH), Green Schools	526	522
Zambia, Community Schools in Livingstone	435	0
Tanzania, Support to Haydom Lutheran hospital	322	0
Brazil, Football and citizenship	108	104
Global, Emergency response partner	90	95
Changemaker various activities (earmarked)	67	0
DR Congo, Support to Transit Centre Dorcas House	59	188
Romania, Dignified living conditions, equal access to economic opportunities :	55	0
Ethiopia, Accelerating change towards total abandonment of FGM	54	0
Zambia, Climate, Mumbeji Climate Resilience Project	53	94
Malawi, Saving lives through quality health care - Christmas Campaign	17	128
Ethiopia, Water Development Project	14	78
Afghanistan, Football for Peace and Stability in Faryab	0	700
Ethiopia, WASH, Trond Mohn Water Project	0	1,172
Guatemala, Clean Energy in Zona Reyna	0	474
Haiti, Water harvesting and biodigestors	0	289
Innsikt stipend Changemaker	0	156
Brazil, Co-existence with the semi-arid	(119)	0
Other project donations (less than 50.000 NOK per project)	103	82
<b>Project donations</b>	<b>5,812</b>	<b>4,877</b>
<b>Subtotal restricted donations</b>	<b>10,824</b>	<b>54,883</b>
<b>Donations from Norwegian Broadcasting Cooperation Telethon 2014</b>	<b>0</b>	<b>1,117</b>
<b>Testamentary donations and legacies</b>	<b>5,197</b>	<b>15,029</b>
<b>Total donations</b>	<b>161,885</b>	<b>213,691</b>

## NOTE 5 INTERNATIONAL COOPERATION

Norwegian Church Aid provides emergency assistance in disasters, works for long-term development in local communities and advocates for just decisions by public authorities, business and religious leaders.

These activities can be directly implemented by NCA or in cooperation with our local partners.

Region/Country	2016	2015
<b>Eastern Africa</b>		
Burundi	15,846	14,422
Democratic Republic of the Congo	34,317	32,556
Eritrea	372	418
Ethiopia	66,151	27,376
Kenya	1,218	12,092
Somalia	53,863	50,650
South Sudan	48,016	76,372
Sudan (excl. Darfur)	15,320	17,017
Sudan (Darfur region)	48,693	50,149
Tanzania	45,728	46,586
Regional Eastern Africa	3,688	1,643
<b>Total Eastern Africa</b>	<b>333,213</b>	<b>329,281</b>
<b>Southern Africa</b>		
Angola	32,412	30,614
Malawi	30,222	54,758
Zambia	24,692	21,761
Regional Southern Africa	13,618	24,854
<b>Total Southern Africa</b>	<b>100,944</b>	<b>131,986</b>
<b>West and Central Africa</b>		
Mali	41,203	34,536
Western Sahara	3,480	2,749
Regional West and Central Africa	0	64
<b>Total West And Central Africa</b>	<b>44,684</b>	<b>37,348</b>
<b>Total Africa</b>	<b>478,840</b>	<b>498,616</b>
<b>Middle East</b>		
Afghanistan	55,731	58,609
Iraq	28,938	23,007
Lebanon	10,923	10,800
Pakistan	47,116	23,699
Palestine	15,840	20,149
Syria	51,767	21,835
Regional Middle East	0	7,135
<b>Total Middle East</b>	<b>210,316</b>	<b>165,234</b>

<b>South East Asia</b>		
Myanmar	14,135	16,008
India	2,605	4,075
Laos	7,455	11,736
Nepal	438	25,417
Thailand	0	2,026
Vietnam	6,892	9,694
Philippines	3,008	3,554
Regional South East Asia	0	795
<b>Total South East Asia</b>	<b>34,533</b>	<b>73,303</b>
<b>Total Middle East and South East Asia</b>	<b>244,849</b>	<b>238,538</b>
<b>Latin America</b>		
Brazil	3,507	9,767
Cuba	0	566
Dominican Republic	1,578	1,987
Guatemala	8,068	8,669
Haiti	14,682	16,943
Regional Latin America	0	4,192
<b>Total Latin America</b>	<b>27,836</b>	<b>42,124</b>
<b>Europe (excluding Norway)</b>		
Armenia	0	563
Greece	6,060	500
Macedonia	1,000	1,000
Romania	1,922	1,787
Serbia	1,888	4,983
Regional Europe	397	359
<b>Total Europe (excluding Norway)</b>	<b>11,267</b>	<b>9,193</b>
<b>Norway</b>	<b>27,265</b>	<b>28,272</b>
<b>Global</b>	<b>63,276</b>	<b>67,066</b>
<b>Total International Cooperation</b>	<b>853,333</b>	<b>883,809</b>

\* Activities in Norway include costs related to NCA's youth organisation Changemaker, the exchange programme Communication for Change, as well as the awareness raising work carried out by the regional coordinators in Norway.

## NOTE 6 GOVERNANCE COSTS

<b>Analysis of governance costs by type of expenditure</b>	<b>2016</b>	<b>2015</b>	<b>Note</b>
Personnel cost	50,911	26,774	a)
Depreciation of fixed assets	2,367	2,676	
Fees for auditors, legal advisors and consultants	1,832	3,276	
Travel expenses	1,579	1,779	
IT and communication expenses	5,568	6,422	
Office running cost and expenses related to premises	3,641	3,987	
Financial expenses	1,375	(1,548)	b)
Other expenses	(833)	105	c)
<b>Total governance cost</b>	<b>66,440</b>	<b>43,472</b>	

a) In addition to payroll costs this includes pension, insurance, trainings, recruitment costs and other personnel related costs. The increase from 2015 to 2016 is due to the recognition of actuarial losses on pensions for the group of employees experiencing a change of pension scheme in 2016.

b) This includes 0,5 MNOK currency loss recognised in the income and expense statement as governance cost (2015: 2,9 MNOK gain)

c) A previously recognised liability from 2008 was written off in 2016 after confirmation from the creditor of no claim from their side

### Key figures and ratios according to guidelines from the Norwegian Control Committee for Fundraising

	<b>2016</b>		<b>2015</b>		<b>2014</b>		<b>2013</b>		<b>2012</b>	
Share, governance costs	66,440	6.9 %	43,472	4.5 %	43,373	4.8 %	49,132	6.4 %	47,942	6.5 %
Share, international cooperation	853,333	88.6 %	883,809	91.0 %	782,283	87.3 %	690,671	89.6 %	668,888	90.2 %
Share, fundraising costs	42,815	4.4 %	44,333	4.6 %	70,557	7.9 %	30,701	4.0 %	24,499	3.3 %
<b>Total resources expensed</b>	<b>962,587</b>	<b>100.0 %</b>	<b>971,614</b>	<b>100.0 %</b>	<b>896,214</b>	<b>100.0 %</b>	<b>770,504</b>	<b>100.0 %</b>	<b>741,329</b>	<b>100.0 %</b>
Fundraising ratio	<u>73.6 %</u>		<u>79.3 %</u>		<u>82.6 %</u>		<u>79.7 %</u>		<u>82.5 %</u>	

The fundraising ratio shows the proportionality between donations received and the costs of generating voluntary income.

## NOTE 7 AUDITORS' REMUNERATION

<b>Auditors' remuneration 2016</b>	<b>2016</b>	<b>2015</b>
Ordinary auditor's remuneration, Head Office	848	565
Project audits, Head Office	604	470
Other services and support from auditor	8	68
Ordinary auditor's remuneration and project audits at Representatio	3,668	3,284
<b>Total costs to auditors</b>	<b>5,129</b>	<b>4,387</b>

Audit expenses at HO are in 2016 represented with their gross amount, including VAT, whereas they up to and including 2015 were represented net of VAT. This is due to a change of principle from net to gross concerning the compensation scheme for value-added tax for non-profit organisations.

## NOTE 8 EMPLOYEE AND STAFF COSTS

Analysis of personnel costs	Head Office staff		National and expatriate staff at Representations		Total payroll costs all employees	
	2016	2015	2016	2015	2016	2015
Wages and salaries	73,010	74,559	153,628	160,549	226,638	235,108
Social security costs	12,021	13,139	3,127	10,549	15,148	23,688
Pension costs	29,890	8,589	8,935	9,912	38,825	18,501
Other remuneration	1,259	1,702	8,558	1,036	9,816	2,738
<b>Payroll costs</b>	<b>116,179</b>	<b>97,988</b>	<b>174,248</b>	<b>182,046</b>	<b>290,427</b>	<b>280,035</b>
Consultants	1,112	2,732	5,120	6,396	6,232	9,128
Other personnel related costs	4,467	3,307	5,030	5,648	9,497	8,955
<b>Indirect personnel costs</b>	<b>5,579</b>	<b>6,039</b>	<b>10,150</b>	<b>12,044</b>	<b>15,729</b>	<b>18,083</b>
<b>Total personnel costs</b>	<b>121,757</b>	<b>104,027</b>	<b>184,398</b>	<b>194,091</b>	<b>306,156</b>	<b>298,118</b>

Other personnel related costs include trainings and seminars, invoices from hotels, costs related to advertisements for vacant positions, canteen running cost, etc.

The decrease in payroll cost at the Representations is mainly due to the phasing out of various NCA Representations, started or completed during 2016. This has reduced both the number of national staff and all personnel costs at the Representations.

Concerning personnel costs at Head Office, all categories except pension costs and other personnel related costs have seen a reduction in 2016. The increase in pension cost from 2015 to 2016 is due to the recognition of actuarial losses on pensions for the group of employees experiencing a change of pension scheme in 2016.

Staff numbers by location and type of employment	31.12.2016	31.12.2015
Permanent positions at Head Office	142.3	136.6
Temporary positions at Head Office	11.0	8.4
Expatriate positions at Representations	47.0	45.0
National staff at Representations	541.0	629.0
<b>Total number of employees</b>	<b>741.3</b>	<b>819.0</b>

Emoluments for executive managers (General Secretary)	2016	2015
Wages and salaries	973	935
Pension costs	19	18
Other remuneration including travel compensation	44	60
<b>Total emoluments for executive managers (General Secretary)</b>	<b>1,035</b>	<b>1,013</b>

No fees are paid to the Board of Directors or the Board of Delegates. The General Secretary has no agreements for severance pay, bonuses etc.

# NOTE 9 FIXED ASSETS

	Buildings			Motor Vehicles			Office and staff house furniture (incl. Art)			Permanent building fixtures			IT equipment (hardware/software)			Office machines			Other investments			Total		
	Head Office	Representations	Total	Head Office	Representations	Total	Head Office	Representations	Total	Head Office	Representations	Total	Head Office	Representations	Total	Head Office	Representations	Total	Head Office	Representations	Total	Head Office	Representations	Total
Cost price 01.01.16	49,042	15,525	64,566	30	36,274	36,304	4,960	5,545	10,505	18,986	18,986	10,683	9,166	19,850	302	9,570	9,872	11,623	11,623	84,002	87,704	171,706		
This year's additions	973	973	1,946	1,602	1,602	3,204	232	934	1,166	0	0	1,537	980	2,517	0	1,218	1,218	804	804	1,769	6,510	8,280		
This year's disposals	(1)	(1)	(2)	(7,937)	(7,937)	(15,874)	(697)	(697)	(1,394)	0	0	(1,063)	(1,063)	(2,126)	(794)	(794)	(282)	(282)	0	0	(10,775)	(10,775)		
Cost price 31.12.16	49,042	16,496	65,538	30	29,939	29,969	5,192	5,782	10,973	18,986	18,986	12,221	9,083	21,304	302	9,994	10,296	12,145	12,145	85,772	83,439	169,210		
Accumulated depreciation 01.01.16	(8,208)	(8,208)	(16,416)	(30)	(36,274)	(36,274)	(4,387)	(4,387)	(8,774)	(8,396)	(8,396)	(10,661)	(10,661)	(21,057)	(245)	(245)	(245)	(245)	0	(3,926)	0	(31,926)		
This year's depreciation	(1,029)	(1,029)	(2,058)	0	0	0	(206)	(206)	(412)	(1,056)	(1,056)	(137)	(137)	(274)	(40)	(40)	(40)	(40)	0	(2,468)	0	(2,468)		
Accumulated depreciation 31.12.16	(9,237)	(9,237)	(18,474)	(30)	(36,274)	(36,274)	(4,593)	(4,593)	(9,186)	(9,452)	(9,452)	(10,798)	(10,798)	(21,331)	(285)	(285)	(285)	(285)	0	(6,394)	0	(34,394)		
Accumulated impairment 01.01.16	(15,525)	(15,525)	(31,050)	(36,274)	(36,274)	(72,548)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
This year's impairment	(971)	(971)	(1,942)	6,335	6,335	12,670	84	84	168	(425)	(425)	(522)	(522)	(1,044)	(425)	(425)	(425)	(425)	(522)	0	4,265	4,265		
Accumulated impairment 31.12.16	(16,496)	(16,496)	(32,992)	(29,939)	(29,939)	(59,878)	(5,782)	(5,782)	(11,464)	(9,877)	(9,877)	(11,320)	(11,320)	(22,640)	(9,994)	(9,994)	(9,994)	(9,994)	(12,145)	0	(83,439)	(83,439)		
Booked value 31.12.16	39,805	0	39,805	0	0	0	599	0	599	9,534	9,534	1,423	0	1,423	17	0	17	0	0	51,377	0	51,377		
Economic lifetime	50 years			5 years			10 years/5 years			20 years			3 years			3 years			n/a					

Equipment and facilities with a cost price of more than NOK 15 000 per unit and estimated economic lifetime of more than one year are capitalised in the balance sheet. The assets are depreciated over their economic lifetime unless otherwise stated. Reference is also made to accounting principles for assets used by representations abroad included in note 1.

1) PROPERTY BERNHARD GETZ GATE 3 (BGS)  
 Norwegian Church Aid owns the office building situated in Bernhard Getz Gate 3 in Oslo. The building is divided into units and NCA's owns 63.97% of the total building stock, and the Norwegian Bible Society owns the remaining share.

## NOTE 10 STOCKS

Norwegian Church Aid's emergency stock contains various water and sanitation equipment ready to be dispatched on short-term notice to crisis areas. Examples of equipment are latrines, water purification, storage and distribution equipment and tents.

The main stock is located at Frogner, close to Gardermoen airport and contains values for 1,9 MNOK as of 31.12.2016. In addition, Norwegian Church Aid stores equivalent equipment at the World Food Programme's United Nation Humanitarian Response Depots (UNHRD) in the United Arab Emirates (Dubai; 4,2 MNOK); expensed at the time of purchase. The stock previously held in Malaysia has been phased out during 2016.

Stocks are also kept at several of Norwegian Church Aid's Representations. As stated in the accounting principles, these are expensed at the time of purchase. The total value as of 31.12.2016 was 8,7 MNOK.

## NOTE 11 DEBTORS

	<b>31.12.2016</b>	<b>31.12.2015</b>
Receivables from donors	72,241	66,355
Receivables from partners	6,469	5,386
Receivables from employees	678	1,301
Prepaid expenses	7,255	6,977
Deposits	593	619
Accrued income	7,029	12,022
Other short-term receivables	4,106	7,999
<b>Total short-term receivables</b>	<b>98,371</b>	<b>100,660</b>

## NOTE 12 INVESTMENTS

Financial investments 31.12.2016	Cost price	Market value	Unrealised gain (loss)
	31.12.2016	31.12.2016	31.12.2016
Money market funds and investment funds, national and international	182,589	182,204	(385)
Quoted shares, national and international	40,300	43,021	2,721
Other shares	273	273	0
Investment properties	659	715	55
<b>Total</b>	<b>223,821</b>	<b>226,213</b>	<b>2,392</b>

Financial investments 31.12.2015	Cost price	Market value	Unrealised gain (loss)
	31.12.2015	31.12.2015	31.12.2015
Money market funds and investment funds, national and international	278,643	274,796	(3,848)
Quoted shares, national and international	39,089	38,354	(735)
Other shares	282	282	0
Investment properties	7,174	6,631	(543)
<b>Total</b>	<b>325,188</b>	<b>320,063</b>	<b>(5,126)</b>

NCA will within the ethical guidelines and the framework for proper risk management, risk diversification and liquidity seek to achieve the best return on financial investments. Investments will be made in accordance with the Board's guidelines. The investments are considered as current assets and are valued at market value as of 31.12.

The reduction in total investment between 2015 and 2016 is mainly due to transfer of funds to the WASH projects related to TV Telethon collected funds. The decrease in the Investment Properties is due to our gradual disengagement in this area of investment.



## NOTE 13 FUNDS

		<b>Opening balance 01.01.16</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Closing balance 31.12.16</b>
<i>Unrestricted funds</i>					
Foundation capital	1)	80,036	2,776		<b>82,812</b>
Unrestricted income funds		75,568	201,215	(218,124)	<b>58,658</b>
<b>Subtotal unrestricted funds</b>		<b>155,603</b>			<b>141,470</b>
<i>Funds with externally imposed restrictions</i>					
Earmarked project funds	2)	34,515	10,824	(29,041)	<b>16,298</b>
Telethon funds		184,329	5,436	(62,273)	<b>127,492</b>
Legacy income funds		2,287	15	(2,302)	<b>(0)</b>
<b>Subtotal funds with externally imposed restrictions</b>		<b>221,131</b>			<b>143,790</b>
<b>Total funds</b>		<b>376,734</b>	<b>220,265</b>	<b>(311,740)</b>	<b>285,260</b>

1) NCA - being an organisation and not a trust - does not have a legally bound foundation capital; hence the classification as unrestricted funds. The Board of Directors has in a resolution adopted guidelines for the allocation of funds to and from the Foundation capital. The balance is each year increased according to the consumer price index.

2) NCA regularly organises fundraising campaigns when a humanitarian crisis occurs. These funds are accounted for as earmarked project funds with externally imposed restrictions. As these funds are collected from a large group of donors, a reimbursement to donors of funds not used in accordance with the restrictions would not be feasible. This situation has not been relevant in the past, and is thought unlikely to occur in the future.

Details of movements in earmarked project and campaign funds 2016:

	<b>Opening balance 01.01.16</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Closing balance 31.12.16</b>
Operation Day's Work 2010	(822)	1,945	(1,124)	<b>(0)</b>
Typhoon Philippines	1,703		(1,344)	<b>359</b>
Haiti Earthquake	680		(483)	<b>197</b>
Horn of Africa	2,015		(2,015)	<b>0</b>
Draught in Sahel	39		0	<b>39</b>
South Sudan Crisis	321		(321)	<b>(0)</b>
Gaza Crisis	20	(20)	0	<b>0</b>
North Iraq Emergency Response	229		(229)	<b>0</b>
Syria Emergency Response	507	50	(485)	<b>72</b>
Nepal Earthquake	11	13	(6)	<b>18</b>
Refugees Europe	26,283	451	(18,136)	<b>8,598</b>
Ethiopia Drought	0	1,620	(132)	<b>1,488</b>
Haiti Hurricane Matthew	0	953	(55)	<b>898</b>
<b>Earmarked donations to projects (see note 4)</b>	<b>3,527</b>	<b>5,812</b>	<b>(4,710)</b>	<b>4,629</b>
<b>Earmarked project funds</b>	<b>34,515</b>			<b>16,298</b>

## NOTE 14 ACCRUALS FOR PENSION LIABILITIES

### PENSION LIABILITIES FOR EMPLOYEES IN NORWAY

The pension schemes meet the requirements of the law on compulsory occupational pension and are covered through KLP and Gjensidige.

The pension scheme insured through KLP covers 60 active persons, 557 previously active with deferred rights and a total of 87 retired persons. The schemes give right to defined future benefits. These are mainly dependent on the number of qualifying employment years, salary level at pension age, and the amount of benefits from the National Insurance Scheme. A contractual pension scheme is included.

The Board decided on the 7th of March 2016 on a transition to a defined contribution pension scheme, effective as of 1st of May 2016. This pension scheme is applied for all employees in Norway and Expatriates with NAV-membership younger than 55 years of age as of May 1st, 2016, as well as all new employees. This pension scheme is insured by Gjensidige Pensjonsforsikring. The contribution savings amount paid by NCA every month are invested in a fund named «Alderstilpasset Profil», where the distribution between share funds and bond funds is customized according to the employee's age at all times. The contributions for the retirement savings is 7% of the pensionable salary up to 12 G - of which the employee contributes 2% - and an additional 18,1% for pensionable salary between 7,1 and 12G.

Expatriates without NAV have private pension arrangements, to which they contribute a minimum of 2% of their pensionable salary and NCA contributes an additional 8%.

	2016		Sum
	Insured	Uninsured	
<b>Net pension expenses, defined benefit scheme</b>			
Present value of pensions earned this year	3,425	793	4,219
Interest expense on the pension commitment	4,280	330	4,610
Return on pension funds	(4,629)	0	(4,629)
Estimate changes	32,475	(8,502)	23,974
Social security fees	483	112	595
<b>Net pension expenses, defined benefit scheme</b>	<b>36,035</b>	<b>-7,266</b>	<b>28,768</b>

	2016		2015	
	Insured	Uninsured	Insured	Uninsured
<b>Net pension liabilities</b>				
<b>Defined benefit obligation (excl. social security fees) 31.12.</b>	<b>160,166</b>	<b>6,300</b>	<b>158,314</b>	<b>15,893</b>
Pension funds valued at fair value 31.12.	(145,969)	0	(132,386)	0
Unrecognised actuarial gains (losses)	(3,164)	904	(47,883)	(1,389)
Social security fees	6,090	2,275	3,656	2,241
<b>Net pension liabilities</b>	<b>17,123</b>	<b>9,479</b>	<b>(18,299)</b>	<b>16,745</b>

<b>Financial assumptions</b>	<b>2016</b>	<b>2015</b>
Discount rate	2.51 %	2.62 %
Estimated salary increase/pension increase/social security base figure adjustment	3.00 %	3.10 %
Expected return on funds	3.60 %	3.30 %
Expected retirement according to AFP at 62 years old	25.00 %	25.00 %
Expected retirement according to AFP at 67 years old	75.00 %	75.00 %
Expected payment percentage early retirement scheme (less than 45 years old)	3.50 %	3.50 %
Expected payment percentage early retirement scheme (45 to 60 years old)	0.50 %	0.50 %
Expected payment percentage early retirement scheme (60 years old and older)	0.00 %	0.00 %

### PENSION LIABILITIES FOR NATIONAL STAFF AT REPRESENTATIONS

National staff has pension schemes in accordance with local laws and regulations or Norwegian Church Aid's guidelines for provident funds. The most favourable scheme will be applied. Norwegian Church Aid's pension schemes will normally imply that 17% of the monthly salary will be set aside on a suspended account of which the employee pays 5% and Norwegian Church Aid 12%. When the employee quits, this amount will be disbursed.

	<b>2016</b>	<b>2015</b>
Pension liabilities for employees at Head Office	26,602	(1,554)
Pension liabilities for national staff at Representations	26,314	31,952
<b>Total pension liabilities for Norwegian Church Aid</b>	<b>52,916</b>	<b>30,398</b>

## NOTE 15 BANK LOAN

Norwegian Church Aid has a long-term mortgage loan entered into in 2005 to finance the purchase of the Head Office building placed in Bernhard Getz' gate 3, Oslo. The original size of the loan was 42 MNOK, and as of 31.12.2016 the remaining principal amounts to 20,05 MNOK. The interests are NIBOR-regulated market-price. The loan has a 25-year repayment schedule. The mortgage placed as security amounts to 42 MNOK, and the balance sheet value of the property is 39,8 MNOK.

## NOTE 16 SHORT-TERM LIABILITIES

	<b><u>31.12.2016</u></b>	<b><u>31.12.2015</u></b>
Accrued, not due wages and salaries, other debt to employees	14,017	13,919
Public duties payable - Representations	1,527	1,365
Public duties payable - Norway *	7,537	7,663
Accounts payable	13,931	15,979
Accrued, not due expenses	12,185	14,553
Accounting provision project risk	1,902	2,735
Payable to donors	486	3,325
Payable to partners	2,684	4,686
Other short-term liabilities	6,583	356
<b>Total current liabilities</b>	<b>60,850</b>	<b>64,581</b>

\* Included in the public duties payable in Norway are retained payroll taxes amounting to 4 MNOK. The amount is placed in a restricted bank account reserved for this purpose. The balance of the bank account is as of 31.12.2016 4 MNOK