

STATEMENT OF FINANCIAL ACTIVITIES 2017

(NOK '000)	Notes	2017	2016
INCOMING RESOURCES			
Institutional grants			
Norad - The Norwegian Agency for Development Cooperation		313,128	279,934
MFA - The Norwegian Ministry of Foreign Affairs		226,590	211,695
Other Norwegian government agencies		5,753	6,180
Administrative support from Norwegian government agencies		35,414	36,938
Subtotal Norwegian government agencies	2	580,885	534,748
UN - United Nations Programmes		46,234	33,736
ACT Alliance and other ACT sister organisations		51,928	53,640
Other organisations, foundations and governments		72,771	65,664
Administrative support from UN, ACT and other institutions		4,999	1,672
Subtotal UN, ACT and other institutions	3	175,932	154,712
Total institutional grants		756,817	689,460
Donations			
Unrestricted donations		148,027	145,864
Restricted donations		16,621	10,824
Testamentary donations and legacies		8,749	5,197
Total donations	4	173,397	161,885
Investment income		13,769	12,357
Other incoming resources		10,144	7,412
TOTAL INCOMING RESOURCES		954,127	871,113
RESOURCES EXPENDED			
Costs of generating other donations		47,120	42,815
Long-term development cooperation		499,091	496,577
Humanitarian assistance		314,374	300,363
Advocacy for global justice		63,409	56,392
Total international cooperation	5	876,874	853,333
Governance costs	6	50,790	66,440
TOTAL RESOURCES EXPENDED		974,785	962,587
NET INCOME (EXPENDITURE) FOR THE YEAR		(20,658)	(91,474)
Net movement in funds			
Transfer to (from) unrestricted funds		19,451	(14,133)
Transfer to (from) funds with internally imposed restrictions		0	0
Transfer to (from) funds with externally imposed restrictions		(40,109)	(77,341)
Total net movement in funds	13	(20,658)	(91,474)

BALANCE SHEET AS PER 31 DECEMBER 2017

(NOK '000)	Notes	31.12.2017	31.12.2016
ASSETS			
Tangible fixed assets	9	53,136	51,377
Subtotal fixed assets		53,136	51,377
Stocks	10	2,220	1,914
Debtors	11	71,841	98,371
Investments	12	288,851	226,213
Cash at bank and in hand		199,217	295,221
Subtotal current assets		562,129	621,720
TOTAL ASSETS		615,265	673,097
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds		160,921	141,470
Funds with externally imposed restrictions		103,681	143,790
TOTAL FUNDS	13	264,602	285,260
LIABILITIES			
Accruals for pension liabilities	14	56,863	52,916
Bank loan	15	0	20,045
Total long-term liabilities		56,863	72,961
Project balances, advances from donor		218,110	254,026
Other short-term liabilities	16	75,689	60,850
Total short-term liabilities		293,799	314,876
TOTAL LIABILITIES		350,663	387,837
TOTAL FUNDS AND LIABILITIES		615,265	673,097

Oslo, April 26th 2018

 Kjetil Aano Chair of the Board	 Sissel Vartdal Deputy chair of the Board	 Brita Bye Board member
 David Hansen Board member	 Tuva Krogh Widskjold Board member	 Ottar Mæstad Board member
 Jorunn Strand Askeland Board member	 Ingeborg S. Midttømme Board member	 Kjersti Thoen 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 2017

<i>(NOK '000)</i>	2017	2016
Cash flow from operating activities		
Net incoming (outgoing) resources	(20,658)	(91,474)
Depreciation of fixed assets	4,488	(1,797)
Difference between pension contribution and current service costs	3,947	22,518
Changes in other current balance sheet items	5,148	83,939
Net cash inflow from operating activities	(7,075)	13,186
Cash flow from investing activities		
Purchase of tangible fixed assets	(9,822)	(8,280)
Disposal of tangible fixed assets	3,575	10,775
Change in net investment in financial assets	(62,638)	93,850
Net cash flow from investing activities	(68,885)	96,346
Cash flow from financing activities		
Repayment of long-term and short-term loans	(20,045)	(2,005)
Net cash flow from financing activities	(20,045)	(2,005)
Net cash flow during the year	(96,004)	107,527
Cash at bank and in hand at Jan 1.	295,221	187,695
Cash at bank and in hand at Dec 31.	199,217	295,221
This consists of:		
Cash at bank and in hand	199,217	295,221

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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:

Consolidation of accounts

Norwegian Church Aid's Head Office is located in Oslo, Norway. The organisation number with the Brønnøysund Register Centre is 951 434 353. In addition, NCA has several Country Offices abroad and all the Country Offices' transactions are reflected in these consolidated financial statements.

Receivables and liabilities

Both long-term receivables and liabilities as well as 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.

Fixed assets at the Country Offices are 100% written down 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 risks involved both in the implementation of projects and the general context of the countries. It would therefore not be appropriate to depreciate the fixed assets over time.

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 recognised 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. institutional grants) 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 recognised 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 recognised 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 recognised in the balance sheet under "Project balances, advances from donor".

Foreign currencies

Accounts at the Country Offices are kept in local currency. When consolidating, NCA Country Offices' 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 2017, a total net currency gain of 27 MNOK has been credited 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 Country Offices 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	
	2017	2016	2017	2016	2017	2016	2017	2016
Norad Cooperation Agreement	165,274	167,434	925	737	11,906	13,323	178,105	181,494
Norad Special Programmes	8,105	6,440			466	499	8,572	6,939
Norad Embassies and Strategic Partnerships	133,792	102,198			8,737	8,149	142,529	110,347
Norad Information Support			5,032	3,125	300	179	5,332	3,304
Subtotal Norad	307,171	276,073	5,957	3,862	21,410	22,149	334,538	302,084
MFA Norway	193,670	189,621			12,865	14,190	206,535	203,811
MFA Embassies	32,920	22,075			992	402	33,912	22,477
Subtotal MFA	226,590	211,695	-	-	13,857	14,593	240,447	226,288
FK - The Norwegian Peace Corps	2,028	1,336					2,028	1,336
IN - Innovation Norway	2,499	4,158			73	196	2,573	4,354
FHI - Norwegian Institute of Public Health	395	-			74		469	-
BLD - The Ministry of Children, Equality and Social Inclusion			801	686			801	686
KLD - The Ministry of Climate and Environment			30	-			30	-
Subtotal other Norwegian government agencies	4,922	5,494	831	686	147	196	5,900	6,376
Total funding from Norwegian government agencies	538,684	493,262	6,788	4,548	35,414	36,938	580,885	534,748

NCA has a Cooperation Agreement with Norad covering the years 2016-2019. The four year agreement gives NCA NOK 188 mill per year. NCA also has agreements for Faith and Minorities in Pakistan (four years), Oil for Development in Angola (three years) and a Master programme in South Sudan (three years) giving a total of NOK 9 mill per year. In addition to these agreements, NCA has special yearly agreements supported by some local Embassies. For 2017, agreements for Afghanistan and Sudan were also included in this source. NCA has two cooperation agreements with MFA, one on WASH and one on GBV, both three year agreements. The thematic agreement on GBV ended in 2017.

NOTE 3

FUNDING FROM UN, ACT AND OTHER ORGANISATIONS

	<u>2017</u>	<u>2016</u>
UNICEF - United Nations Children's Fund	17,019	8,510
UNHCR - United Nations High Commissioner for Refugees	13,940	4,461
OCHA - United Nations Office for the Coordination of Humanitarian Affairs	9,114	8,848
UNDP - United Nations Development Programme	3,264	5,355
UNFPA - United Nations Population Fund	1,625	1,360
WFP - World Food Programme	1,265	2,883
FAO - Food and Agriculture Organization of the United Nations	7	1,233
UN Women	0	1,087
Subtotal UN - United Nations Programmes	46,234	33,736

DCA - DanChurchAid (Denmark)	29,745	28,153
CoS - Church of Sweden	8,589	8,139
ACT Alliance	6,815	6,061
CA - Christian Aid (UK)	2,991	3,296
Diakonia Sweden	2,260	6,398
BftW - Bread for the World (Germany)	1,457	322
Diaconia ECCB - Czech	71	908
ICCO - Interchurch Organisation for Development Cooperation	0	208
LWR - Lutheran World Relief	0	156
Subtotal ACT Alliance and other ACT sister organisations	51,928	53,640

Funding from other governments

Embassy of The Netherlands in Bamako, Mali	17,999	688
ECHO - European Commission Humanitarian Aid and Civil Protection	12,460	5,393
Ministry of Foreign Affairs Netherlands	10,572	180
European Commission (EC) - EuropeAid	7,020	5,670
DFID - Department for International Development UK	1,525	7,367
British Embassy Kabul	1,081	3,330
USAID/OFDA - United States Agency for International Development / Office of Foreign Disaster Assistance	363	0
SIDA - Swedish International Development Cooperation Agency	0	9
SDC - Swiss Agency for Development and Cooperation	0	(145)
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit	(256)	2,290

	2017	2016
Funding from organisations and foundations		
CAFOD - Catholic Agency for Overseas Development	7,189	9,141
HEKS/EPER Swiss Church Aid	6,448	12,800
Grundfos (Pouls Due Jensen) Foundation	1,566	0
Allan Family of Australia	1,431	2,985
NRGI - Natural Resource Governance Institute (RWI - Revenue Watch Institute)	1,055	1,332
DVV - Institute for International Cooperation of the German Adult Education Association	1,011	567
IFRC - International Federation of Red Cross and Red Crescent Societies	767	1,631
Strømme Foundation (Norway)	600	(98)
Tilitonse Fund (South Africa)	550	1,912
FORUT Campaign for development and solidarity (Norway)	462	442
Statoil	317	377
LNU - The Norwegian Children and Youth Council	283	273
ERD - Episcopal Relief & Development (USA)	174	385
OSISA - The Open Society Initiative for Southern Africa	172	0
Aidsfonds Netherlands	0	6,991
HEI - Human Education International	0	705
PCF - The Pestalozzi Children's Foundation	0	533
FOKUS - Forum for Women and Development	0	283
ASI - Agribusiness Systems International	0	262
CA - Crown Agents South Sudan	0	39
Sok Sabay Association	0	35
AcT - Accountability in Tanzania Programme	(0)	266
NAD/NHF - Norwegian Association of Disabled	(19)	21
Subtotal other organisations, foundations and governments	72,771	65,664
Administrative support from other organisations	4,999	1,672
Total funding from other organisations	175,932	154,712

NOTE 4 DONATIONS

Unrestricted donations	2017	2016
Regular donors	62,105	58,390
Donor letters	14,001	14,963
Changemaker donations and subscriptions	306	437
Web shop / alternative gifts	5,424	5,318
Other donations	8,469	8,473
Seasonal and remembrance gifts	1,295	1,222
Individual donors	91,600	88,802
Lenten campaign	36,587	34,079
Church offerings	13,762	13,793
Congregations and communities	50,348	47,872
Advertisements and corporate donations	3,854	5,454
Sponsor revenue	633	2,114
Project support	1,592	1,621
Private sector	6,079	9,189
Subtotal unrestricted donations	148,027	145,864
Restricted donations		
Sahel Drought 2017	3,026	0
Refugees Europe 2015	693	451
Ethiopia Drought 2016	9	1,620
Operation Day's work 2010	0	1,945
Haiti Hurricane Matthew 2016	0	953
Syria Emergency Response 2013	0	50
Gaza Crisis 2014	0	(20)
Nepal Earthquake 2015	(0)	13
Fundraising campaigns	3,728	5,012
Northern Iraq, WASH Assistance to conflict affected people	9,200	0
Afghanistan, Promoting youth leadership and a culture of peace through sports	799	988
Malawi, Medical equipment contribution from Haukeland University Hospital	730	0
Romania, Dignified living conditions, equal access to economic opportunities and improved citizen participation of Roma people	501	55
Ethiopia, Water Development Project	366	14
Haiti, Education/Youth (WASH), Green Schools	361	526
Ethiopia, Strengthened Climate Resilience for rural Ethiopian Communities (Food security, Samre)	211	550
Brazil, Football and citizenship	177	108
DR Congo, Support to Transit Centre Dorcas House	119	59
Romania, Strenghtening Roma inclusion in Romania	112	0
Palestine, Vocational training programme	110	0
Zambia, Community Schools in Livingstone	43	435
Malawi, Saving lives through quality health care - Christmas Campaign	39	17
Global, Emergency response partner	31	90
Brazil, Co-existence with the semi-arid	22	(119)
Tanzania, Support to Haydom Lutheran hospital	9	322
Changemaker various activities (earmarked)	8	67
Ethiopia, Accelerating change towards total abandonment of FGM	0	54
Somalia, Job creation, Anti-Piracy Project	0	2,489
Zambia, Climate, Mumbeji Climate Resilience Project	0	53
Other project donations (less than 50,000 NOK per project)	55	103
Project donations	12,893	5,812
Subtotal restricted donations	16,621	10,824
Testamentary donations and legacies	8,749	5,197
Total donations	173,397	161,885

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	2017	2016
Eastern Africa		
Burundi	19 108	15 846
Democratic Republic of the Congo	38 588	34 317
Eritrea	202	372
Ethiopia	59 634	66 151
Kenya	50	1 218
Somalia	70 677	53 863
South Sudan	64 294	48 016
Sudan (excl. Darfur)	13 141	15 320
Sudan (Darfur region)	26 028	48 693
Tanzania	39 804	45 728
Regional Eastern Africa	5 690	3 688
Total Eastern Africa	337 216	333 213
Southern Africa		
Angola	41 794	32 412
Malawi	37 739	30 222
Zambia	24 668	24 692
Regional Southern Africa	7 822	13 618
Total Southern Africa	112 023	100 944
West and Central Africa		
Mali	56 182	41 203
Western Sahara	4 675	3 480
Cameroon	1 539	0
Niger	1 180	0
Nigeria	6 493	0
Total West And Central Africa	70 070	44 684
Total Africa	519 308	478 840
Middle East		
Afghanistan	49 401	55 731
Iraq	38 580	28 938
Lebanon	16 326	10 923
Pakistan	30 124	47 116
Palestine	14 520	15 840
Syria	56 849	51 767
Total Middle East	205 801	210 316

South East Asia /South Asia		
Myanmar	10,522	14,135
Bangladesh	1,150	0
India	555	2,605
Laos	1,000	7,455
Nepal	162	438
Vietnam	3,712	6,892
Philippines	1,858	3,008
Total South East Asia	18,958	34,533
Total Middle East and South East Asia	224,759	244,849
Latin America		
Brazil	353	3,507
Dominican Republic	1,319	1,578
Guatemala	5,788	8,068
Haiti	21,557	14,682
Total Latin America	29,017	27,836
Europe (excluding Norway)		
Greece	2,119	6,060
Macedonia	0	1,000
Romania	1,813	1,922
Serbia	1,171	1,888
Regional Europe	376	397
Total Europe (excluding Norway)	5,479	11,267
Norway *	30,495	27,265
Global	67,816	63,276
Total International Cooperation	876,874	853,333

* 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

Analysis of governance costs by type of expenditure	2017	2016	<i>Note</i>
Personnel cost	32,504	50,911	a)
Depreciation of fixed assets	3,191	2,367	
Fees for auditors, legal advisors and consultants	2,082	1,832	
Travel expenses	1,511	1,579	
IT and communication expenses	6,091	5,568	
Office running cost and expenses related to premises	3,359	3,641	
Financial expenses	1,353	1,375	
Other expenses	699	(833)	
Total governance cost	50,790	66,440	

a) In addition to payroll costs this includes pension, insurance, trainings, recruitment costs and other personnel related costs. The reduction from 2016 to 2017 is due to the one-time additional expenses in 2016 connected to the change of pension scheme; from defined benefits to defined contribution.

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

	2017		2016		2015		2014		2013	
Share, governance costs	50,790	5.2 %	66,440	6.9 %	43,472	4.5 %	43,373	4.8 %	49,132	6.4 %
Share, international cooperation	876,874	90.0 %	853,333	88.6 %	883,809	91.0 %	782,283	87.3 %	690,671	89.6 %
Share, fundraising costs	47,120	4.8 %	42,815	4.4 %	44,333	4.6 %	70,557	7.9 %	30,701	4.0 %
Total resources expensed	974,785	100.0 %	962,587	100.0 %	971,614	100.0 %	896,214	100.0 %	770,504	100.0 %
Fundraising ratio	<u>72.8 %</u>		<u>73.6 %</u>		<u>79.3 %</u>		<u>82.6 %</u>		<u>79.7 %</u>	

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

NOTE 7 AUDITORS' REMUNERATION

Auditors' remuneration (incl. VAT)	2017	2016
Ordinary auditor's remuneration, Head Office	830	848
Project audits, Head Office	544	604
Other services and support from auditor	37	8
Ordinary auditor's remuneration and project audits at Country Offices	3,381	3,668
Total costs to auditors	4,792	5,129

NOTE 8 EMPLOYEE AND STAFF COSTS

Analysis of personnel costs	Head Office staff		National and expatriate staff at Country Offices		Total payroll costs all employees	
	2017	2016	2017	2016	2017	2016
Wages and salaries	79,373	73,010	139,061	153,628	218,434	226,638
Social security costs	12,587	12,021	2,097	3,127	14,685	15,148
Pension costs	7,919	29,890	6,768	8,935	14,687	38,825
Other remuneration	1,246	1,259	9,954	8,558	11,200	9,816
Payroll costs	101,126	116,179	157,879	174,248	259,006	290,427
Consultants	1,076	1,112	2,071	5,120	3,146	6,232
Other personnel related costs	4,062	4,467	2,589	5,030	6,651	9,497
Indirect personnel costs	5,138	5,579	4,659	10,150	9,797	15,729
Total personnel costs	106,264	121,757	162,538	184,398	268,803	306,156

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 Country Offices is mainly due to the phasing out of various NCA Country Offices, including merging of offices with other ACT partners. This has reduced both the number of staff and all personnel costs at the Country Offices.

Concerning personnel costs at Head Office, the major reduction compared to last year is pension costs, due to the one-time additional expenses in 2016 connected to the change of pension scheme; from defined benefits to defined contribution.

Staff numbers by location and type of employment	31.12.2017	31.12.2016
Permanent positions at Head Office	136.9	142.3
Temporary positions at Head Office	7.0	11.0
Expatriate positions at Country Offices	42.5	47.0
National staff at Country Offices	523.0	541.0
Total number of employees	709.4	741.3

Emoluments for executive managers (General Secretary)	2017	2016
Wages and salaries	980	973
Pension costs	105	141
Other remuneration including travel compensation	45	44
Total emoluments for executive managers (General Secretary)	1,130	1,158

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 furnitures (incl. Art)			Permanent building fixtures			IT equipment (hardware/software)			Office machines			Other investments			Total			
	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	Head Office	Country Offices	Total	
Cost price 01.01.17	49,042	15,458	64,499	30	26,310	26,340	5,192	4,121	9,312	18,986	18,986	12,221	7,993	20,214	302	9,838	10,140	11,041	11,041	85,772	74,760	160,532			
This year's additions	1,314	1,314	2,628	576	576	1,152	324	855	1,179	87	87	4,380	1,156	5,536	360	736	1,097	32	32	5,151	4,670	9,822			
This year's disposals	(1)	(1)	(2)	(1,457)	(1,457)	(2,914)	(707)	(707)	(707)	0	0	(816)	(816)	(816)	(533)	(533)	(61)	(61)	(61)	0	(3,575)	(3,575)			
Cost price 31.12.17	49,042	16,771	65,812	30	25,429	25,459	5,516	4,269	9,785	19,073	19,073	16,601	8,333	24,934	662	10,042	10,704	11,012	11,012	90,923	75,856	166,779			
Accumulated depreciation 01.01.17	(9,237)	(9,237)	(18,474)	(30)	(30)	(60)	(4,593)	(4,593)	(9,186)	(9,452)	(9,452)	(10,798)	(7,993)	(17,991)	(285)	(285)	(570)	(570)	(570)	(34,394)	0	(34,394)			
This year's depreciation	(1,026)	(1,026)	(2,052)	0	0	0	(154)	(154)	(154)	(1,056)	(1,056)	(1,110)	(1,110)	(2,220)	(47)	(47)	(47)	0	0	(3,392)	0	(3,392)			
Accumulated depreciation 31.12.17	(10,263)	(10,263)	(20,526)	(30)	(30)	(60)	(4,747)	(4,747)	(9,740)	(10,507)	(10,507)	(11,908)	(9,103)	(20,111)	(332)	(332)	(379)	0	0	(37,787)	0	(37,787)			
Accumulated impairment 01.01.17	(15,458)	(15,458)	(30,916)	(26,310)	(26,310)	(52,620)	(4,121)	(4,121)	(8,242)	0	0	(7,993)	(7,993)	(15,986)	(9,838)	(9,838)	(19,876)	(19,876)	(19,876)	0	(74,760)	(74,760)			
This year's impairment	(1,313)	(1,313)	(2,626)	881	881	1,762	(1,488)	(1,488)	(2,976)	0	0	(340)	(340)	(680)	(204)	(204)	(408)	28	28	0	(1,095)	(1,095)			
Accumulated impairment 31.12.17	(16,771)	(16,771)	(33,542)	(25,429)	(25,429)	(50,858)	(4,269)	(4,269)	(8,538)	0	0	(8,333)	(8,333)	(16,666)	(10,042)	(10,042)	(20,084)	(19,848)	(19,848)	0	(75,856)	(75,856)			
Booked value 31.12.17	38,779	0	38,779	0	0	0	769	0	769	8,565	8,565	4,693	0	4,693	330	0	330	0	0	53,136	0	53,136			
Economic lifetime	50 years			5 years			10 years/5years			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 Country Offices 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 2,2 MNOK as of 31.12.2017. 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; 4,3 MNOK); expensed at the time of purchase.

Stocks are also kept at several of Norwegian Church Aid's Country Offices. As stated in the accounting principles, these are expensed at the time of purchase. The total value as of 31.12.2017 was 6,6 MNOK.

NOTE 11 DEBTORS

	<u>31.12.2017</u>	<u>31.12.2016</u>
Receivables from donors	46,244	72,241
Receivables from partners	5,144	6,469
Receivables from employees	-454	678
Prepaid expenses	4,429	7,255
Deposits	535	593
Accrued income	10,425	7,029
Other short-term receivables	5,518	4,106
Total short-term receivables	71,841	98,371

NOTE 12 INVESTMENTS

Financial investments 31.12.2017	Cost price	Market value	Unrealised gain (loss)
	31.12.2017	31.12.2017	31.12.2017
Money market funds and investment funds, national and international	196,375	196,475	100
Quoted shares, national and international	81,499	91,584	10,085
Other shares	232	232	0
Investment properties	525	560	35
Total	278,631	288,851	10,220

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
Total	223,821	226,213	2,392

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 increase in total investments between 2016 and 2017 is due in part to a short-term investment of 50 MNOK temporary extra liquidity, and in part due to good results from our stock portfolio

NOTE 13 FUNDS

		Opening balance 01.01.17	Incoming resources	Resources expended	Closing balance 31.12.17
<i>Unrestricted funds</i>					
Foundation capital	1)	82,812	1,348		84,161
Unrestricted income funds		58,658	217,370	(199,268)	76,760
Subtotal unrestricted funds		141,470			160,921
<i>Funds with externally imposed restrictions</i>					
Earmarked project funds	2)	16,298	16,621	(15,073)	17,846
Telethon funds		127,492	2,383	(44,039)	85,835
Legacy income funds		0			0
Subtotal funds with externally imposed restrictions		143,790			103,681
Total funds		285,260	237,723	(258,381)	264,602

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 2017:

	Opening balance 01.01.17	Incoming resources	Resources expended	Closing balance 31.12.17
Refugees Europe	8,598	693	(5,554)	3,737
Ethiopia Drought	1,488	9	(1,399)	98
Haiti Hurricane Matthew	898		(898)	0
Typhoon Philippines	359		(194)	165
Haiti Earthquake	197		(197)	0
Syria Emergency Response	72		195	267
Draught in Sahel	39		(39)	0
Nepal Earthquake	18	(0)	(18)	0
North Iraq Emergency Response	0		49	49
Eastern Sahel Drought	0	3,026	(1,674)	1,352
Earmarked donations to projects (see note 4)	4,629	12,893	(5,344)	12,178
Earmarked project funds	16,298	16,621	(15,073)	17,846

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. A contractual pension scheme is included in addition.

The pension scheme insured through KLP covers 30 active persons, 468 previously active with deferred rights and a total of 99 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. Pension liabilities for 2017 are based on KLPs actuarial calculations, whereas amounts up to and including 2016 were based on Gabler's actuarial calculations.

The pension scheme insured through Gjensidige 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 is a defined contribution pension scheme. 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. This is invested according to an age adapted investment plan, where the distribution between share funds and bond funds is customized according to the employee's age at all times, with the option to individually customise the investment plan.

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

Pension expenses, defined benefit scheme (KLP)	2017	
Present value of pensions earned this year	2,816	
Interest expense on the pension commitment	4,319	
Return on pension funds	(5,175)	
Administrative expenses and interest rate guarantee	415	
Social security fees	335	
Net pension expenses, defined benefit scheme	2,710	

Pension liabilities	2017	2016
Defined benefit obligation (excl. social security fees) 31.12.	177,338	166,466
Pension funds valued at fair value 31.12.	(145,883)	(145,969)
Unrecognised actuarial gains (losses)	(6,625)	(2,260)
Social security fees	4,435	8,365
Net pension liabilities	29,265	26,602

Financial assumptions	2017	2016
Discount rate	2.40 %	2.51 %
Estimated salary increase	2.50 %	3.00 %
Estimated adjustment of social security base figure	2.25 %	3.00 %
Estimated adjustment of pension benefits	1.48 %	2.25 %
Expected return on funds	4.10 %	3.60 %
Expected remaining years of work, active insured employees	3.47	3.71

PENSION LIABILITIES FOR NATIONAL STAFF

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.

	2017	2016
Pension liabilities for employees at Head Office	29,265	26,602
Pension liabilities for national staff at Country Offices	27,598	26,314
Total pension liabilities for Norwegian Church Aid	56,863	52,916

NOTE 15 BANK LOAN

Norwegian Church Aid has in 2017 redeemed 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 the remaining principal was 18 MNOK. This was fully paid down in October 2017.

The mortgage placed on the property is being maintained with DNB to enable us to access liquidity quicker if needed.

NOTE 16 SHORT-TERM LIABILITIES

	<u>31.12.2017</u>	<u>31.12.2016</u>
Accrued, not due wages and salaries, other debt to employees	12,879	14,017
Public duties payable - Country Offices	943	1,527
Public duties payable - Norway *	7,208	7,537
Accounts payable	22,929	13,931
Accrued, not due expenses	13,936	12,185
Accounting provision project risk	2,101	1,902
Payable to donors	868	486
Payable to partners	6,898	2,684
Other short-term liabilities	7,928	6,583
Total current liabilities	75,689	60,850

* Included in the public duties payable in Norway are retained payroll taxes amounting to 3,6 MNOK. The amount is placed in a restricted bank account reserved for this purpose. The balance of the bank account is as of 31.12.2017 3,8 MNOK.