

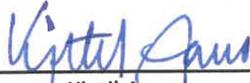
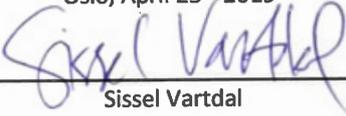
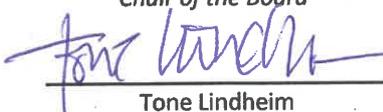
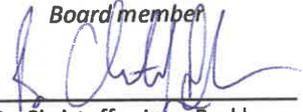
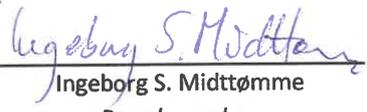
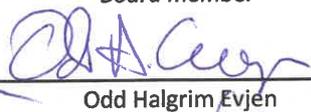
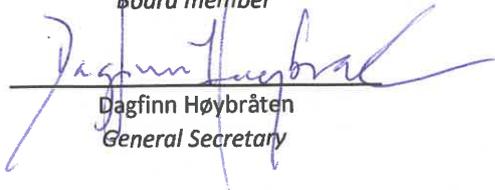
STATEMENT OF FINANCIAL ACTIVITIES 2018

<i>(NOK '000)</i>	Notes	<u>2018</u>	<u>2017</u>
INCOMING RESOURCES			
Institutional grants			
Norad - The Norwegian Agency for Development Cooperation		333,396	313,128
MFA - The Norwegian Ministry of Foreign Affairs		209,861	226,590
Other Norwegian government agencies		7,806	5,753
Administrative support from Norwegian government agencies		33,950	35,414
Subtotal Norwegian government agencies	2	585,013	580,885
UN - United Nations Programmes		42,791	46,234
ACT Alliance and other ACT sister organisations		37,754	51,928
Other organisations, foundations and governments		77,472	72,771
Administrative support from UN, ACT and other institutions		11,723	4,999
Subtotal UN, ACT and other institutions	3	169,740	175,932
Total institutional grants		754,753	756,817
Donations			
Unrestricted donations		140,653	148,027
Restricted donations		6,286	16,621
Testamentary donations and legacies		14,238	8,749
Total donations	4	161,177	173,397
Investment income		1,648	13,769
Other incoming resources		10,343	10,144
TOTAL INCOMING RESOURCES		927,921	954,127
RESOURCES EXPENDED			
Costs of generating other donations		47,044	47,120
Long-term development cooperation		516,955	499,091
Humanitarian assistance		321,860	314,374
Advocacy for global justice		57,662	63,409
Total international cooperation	5	896,477	876,874
Governance costs	6	52,191	50,790
TOTAL RESOURCES EXPENDED		995,713	974,785
NET INCOME (EXPENDITURE) FOR THE YEAR		(67,791)	(20,658)
Net movement in funds			
Transfer to (from) unrestricted funds		(9,301)	19,451
Transfer to (from) funds with internally imposed restrictions		0	0
Transfer to (from) funds with externally imposed restrictions		(58,491)	(40,109)
Total net movement in funds	13	(67,791)	(20,658)

BALANCE SHEET AS PER 31 DECEMBER 2018

(NOK '000)	Notes	31.12.2018	31.12.2017
ASSETS			
Tangible fixed assets	9	49,476	53,136
Subtotal fixed assets		49,476	53,136
Stocks	10	1,710	2,220
Debtors	11	94,763	71,841
Investments	12	166,381	288,851
Cash at bank and in hand	15	221,809	199,217
Subtotal current assets		484,662	562,129
TOTAL ASSETS		534,138	615,265
FUNDS AND LIABILITIES			
FUNDS			
Unrestricted funds		151,620	160,921
Funds with externally imposed restrictions		45,190	103,681
TOTAL FUNDS	13	196,811	264,602
LIABILITIES			
Accruals for pension liabilities	14	43,847	56,863
Total long-term liabilities		43,847	56,863
Project balances, advances from donor		201,868	218,110
Other short-term liabilities	15	91,612	75,689
Total short-term liabilities		293,480	293,799
TOTAL LIABILITIES		337,327	350,663
TOTAL FUNDS AND LIABILITIES		534,138	615,265

Oslo, April 25th 2019

 Kjetil Aano Chair of the Board	 Sissel Vartdal Deputy chair of the Board	 Kjetil Drangsholt Board member
 Tone Lindheim Board member	 Anne Bergljot Skoglund Board member	 Ottar Mæstad Board member
 Bo Christoffer Iwar Brekke Board member	 Ingeborg S. Midttømme Board member	 Kjersti Thoen Board member
 Embla Regine Mathisen Board member	 Odd Halgrim Evjen Board member	 Gunn Inger Røkke Ruud Board member
	 Dagfinn Høybråten General Secretary	

CASH FLOW STATEMENT 2018

<i>(NOK '000)</i>	2018	2017
Cash flow from operating activities		
Net incoming (outgoing) resources	(67,791)	(20,658)
Depreciation of fixed assets	2,944	4,488
Difference between pension contribution and current service costs	(13,016)	3,947
Changes in other current balance sheet items	(22,731)	5,148
Net cash inflow from operating activities	(100,595)	(7,075)
Cash flow from investing activities		
Purchase of tangible fixed assets	(5,690)	(9,822)
Disposal of tangible fixed assets	6,407	3,575
Change in net investment in financial assets	122,470	(62,638)
Net cash flow from investing activities	123,187	(68,885)
Cash flow from financing activities		
Repayment of long-term and short-term loans	0	(20,045)
Net cash flow from financing activities	0	(20,045)
Net cash flow during the year	22,592	(96,004)
Cash at bank and in hand at Jan 1.	199,217	295,221
Cash at bank and in hand at Dec 31.	221,809	199,217
This consists of:		
Cash at bank and in hand	221,809	199,217

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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 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. 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 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.

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 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.

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 2018, a total net currency gain of 12 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 the 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Norad Cooperation Agreement	168,759	165,274	761	925	12,281	11,906	181,801	178,105
Norad Special Programmes	17,344	8,105			1,361	466	18,705	8,572
Norad Embassies and Strategic Partnerships	143,513	133,792			9,365	8,737	152,878	142,529
Norad Information Support			3,019	5,032	209	300	3,229	5,332
Subtotal Norad	329,616	307,171	3,781	5,957	23,217	21,410	356,613	334,538
MFA Norway	187,979	193,670			10,082	12,865	198,061	206,535
MFA Embassies	21,882	32,920			510	992	22,392	33,912
Subtotal MFA	209,861	226,590	-	-	10,592	13,857	220,453	240,447
FK - The Norwegian Peace Corps	934	2,028					934	2,028
IN - Innovation Norway	2,918	2,499			22	73	2,940	2,573
FHI - Norwegian Institute of Public Health	1,632	395			73	74	1,705	469
SIU - Senter for internasjonalisering av utdanning	2,321				47		2,368	
BLD - The Ministry of Children, Equality and Social Inclusion				801			-	801
KLD - The Ministry of Climate and Environment				30			-	30
Subtotal other Norwegian government agencies	7,806	4,922	-	831	142	147	7,948	5,900
Total funding from Norwegian government agencies	547,282	538,684	3,781	6,788	33,950	35,414	585,013	580,885

NCA has a four year Cooperation Agreement with Norad covering the period 2016 -2019, funding NCA's activities with NOK 188 mill per year. NCA also has agreements with Norad for Faith and Minorities in Pakistan (four years), Oil for Development in Angola (three years) and a Master programme in South Sudan (three years) funding a total of NOK 9 mill per year. In addition to these agreements, NCA has special yearly agreements supported by some local Embassies.

NCA has two cooperation agreements with MFA, one on WASH and one on GBV, both ended in 2018. In addition, several humanitarian interventions receive funding every year.

The government agencies funding for activities in Norway was mainly for Changemaker, who are now their own organisation since July 2017.

NOTE 3

FUNDING FROM UN, ACT AND OTHER ORGANISATIONS

	<u>2018</u>	<u>2017</u>
UNHCR - United Nations High Commissioner for Refugees	19,738	13,940
UNICEF - United Nations Children's Fund	12,903	17,019
OCHA - United Nations Office for the Coordination of Humanitarian Affairs	4,844	9,114
UNFPA - United Nations Population Fund	2,682	1,625
WFP - World Food Programme	1,887	1,265
UNDP - United Nations Development Programme	738	3,264
FAO - Food and Agriculture Organization of the United Nations	0	7
UN Women	0	0
Subtotal UN - United Nations Programmes	42,791	46,234
DCA - DanChurchAid (Denmark)	16,785	29,745
CoS - Church of Sweden	9,213	8,589
ACT Alliance	7,409	6,815
CA - Christian Aid (UK)	2,456	2,991
BftW - Bread for the World (Germany)	1,184	1,457
Diakonia Sweden	584	2,260
Act for Peace - National Council of Churches in Australia	174	0
LWF - Lutheran World Federation	8	0
Diaconia ECCB - Czech	(60)	71
Subtotal ACT Alliance and other ACT sister organisations	37,754	51,928
Funding from other governments		
European Commission (EC) - EuropeAid	16,076	7,020
Embassy of The Netherlands in Bamako, Mali	15,608	17,999
Ministry of Foreign Affairs Netherlands	13,227	10,572
USAID/OFDA - United States Agency for International Development / Office of Foreign	8,345	363
ECHO - European Commission Humanitarian Aid and Civil Protection	7,831	12,460
DFID - Department for International Development UK	1,243	1,525
British Embassy Kabul	154	1,081
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit	8	(256)

	<u>2018</u>	<u>2017</u>
<u>Funding from organisations and foundations</u>		
CAFOD - Catholic Agency for Overseas Development	4,827	7,189
Tilitonse Fund (South Africa)	2,492	550
Strømme Foundation (Norway)	1,994	600
Allan Family of Australia	1,623	1,431
AcT - Accountability in Tanzania Programme	1,253	(0)
DVV - Institute for International Cooperation of the German Adult Education Association	844	1,011
IOM - International Organization for Migration	683	0
FORUT Campaign for development and solidarity (Norway)	522	462
Bright Products AS	343	0
ACT for Peace Australia	202	0
NRGI - Natural Resource Governance Institute (RWI - Revenue Watch Institute)	200	1,055
OSISA - The Open Society Initiative for Southern Africa	22	172
Grundfos (Pouls Due Jensen) Foundation	3	1,566
HEKS/EPER Swiss Church Aid	0	6,448
IFRC - International Federation of Red Cross and Red Crescent Societies	0	767
LNU - The Norwegian Children and Youth Council	0	283
ERD - Episcopal Relief & Development (USA)	0	174
NAD/NHF - Norwegian Association of Disabled	0	(19)
Statoil	(29)	317
Subtotal other organisations, foundations and governments	77,472	72,771
Administrative support from other organisations	11,723	4,999
Total funding from other organisations	169,740	175,932

NOTE 4 DONATIONS

Unrestricted donations	2018	2017
Regular donors	67,420	62,105
Donor letters	11,430	14,001
Changemaker donations and subscriptions	(9)	306
Web shop / alternative gifts	5,282	5,424
Other donations	9,028	8,469
Seasonal and remembrance gifts	877	1,295
Individual donors	94,028	91,600
Lenten campaign	31,465	36,587
Church offerings	12,573	13,762
Congregations and communities	44,038	50,348
Advertisements and corporate donations	945	3,854
Sponsor revenue	395	633
Project support	1,247	1,592
Private sector	2,588	6,079
Subtotal unrestricted donations	140,653	148,027
Restricted donations		
Sahel Drought 2017	448	3,026
Refugees Europe 2015	615	693
Ethiopia Drought 2016	0	9
Fundraising campaigns	1,063	3,728
Ethiopia, Water Development Project	1,199	366
Haiti, Education/Youth (WASH), Green Schools	739	361
Global, Emergency response partner	394	31
Ethiopia, Strengthened Climate Resilience for rural Ethiopian Communities (Food security, Samre)	384	211
Malawi, Saving lives through quality health care - Christmas Campaign	360	39
Somalia, Job creation, Anti-Piracy Project	317	0
Afghanistan, Promoting youth leadership and a culture of peace through spor	277	799
Somalia, Improved access to water, sanitation and hygiene services for Garow	276	0
Ethiopia, Safe Space: Accelerating action to ensure the wellbeing of adolescen	270	0
Somalia, Provision of clean water and livelihood support to drought affected communities in Budunbuto Village, Dangorayo District	250	0
Brazil, Football and citizenship	202	177
DR Congo, Support to Transit Centre Dorcas House	187	119
Zambia, Community Schools in Livingstone	143	43
Tanzania, Support to Haydom Lutheran hospital	104	9
Palestine, Vocational training programme	50	110
Zambia, Antioch School Project	46	0
Zambia, Climate, Mumbeji Climate Resilience Project	22	0
Romania, Dignified living conditions, equal access to economic opportunities :	21	501
Brazil, Co-existence with the semi-arid	20	22
Northern Iraq, WASH Assistance to conflict affected people	0	9,200
Malawi, Medical equipment contribution from Haukeland University Hospital	0	730
Romania, Strenghtening Roma inclusion in Romania	0	112
Changemaker various activities (earmarked)	(7)	8
Other project donations (less than 50.000 NOK per project)	(32)	55
Project donations	5,223	12,893
Subtotal restricted donations	6,286	16,621
Testamentary donations and legacies	14,238	8,749
Total donations	161,177	173,397

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.

The distribution of expenses per country of operation is as follows:

Region/Country	2018	2017
Eastern Africa		
Burundi	9,052	19,108
Democratic Republic of the Congo	46,700	38,588
Eritrea	572	202
Ethiopia	61,773	59,634
Kenya	0	50
Somalia	53,783	70,677
South Sudan	75,550	64,294
Sudan (excl. Darfur)	13,301	13,141
Sudan (Darfur region)	36,091	26,028
Tanzania	37,877	39,804
Regional Eastern Africa	6,399	5,690
Total Eastern Africa	341,098	337,216
Southern Africa		
Angola	48,386	41,794
Malawi	42,038	37,739
Zambia	24,697	24,668
Regional Southern Africa	7,528	7,822
Total Southern Africa	122,649	112,023
West and Central Africa		
Mali	51,506	56,182
Western Sahara	3,150	4,675
Cameroon	569	1,539
Niger	5,760	1,180
Nigeria	16,954	6,493
Total West And Central Africa	77,939	70,070
Total Africa	541,686	519,308

Middle East		
Afghanistan	54,310	49,401
Iraq	37,950	38,580
Lebanon	21,817	16,326
Pakistan	21,528	30,124
Palestine	20,304	14,520
Syria	35,827	56,849
Total Middle East	191,735	205,801
South East Asia		
Myanmar	7,500	10,522
Bangladesh	18,096	1,150
India	0	555
Laos	597	1,000
Nepal	0	162
Vietnam	2,793	3,712
Philippines	0	1,858
Total South East Asia	28,986	18,958
Total Middle East and South East Asia	220,722	224,759
Latin America		
Brazil	202	353
Dominican Republic	376	1,319
Guatemala	4,959	5,788
Haiti	12,674	21,557
Total Latin America	18,211	29,017
Europe (excluding Norway)		
Greece	0	2,119
Romania	2,354	1,813
Serbia	420	1,171
Regional Europe	339	376
Total Europe (excluding Norway)	3,112	5,479
Norway*	23,677	30,495
Global	89,069	67,816
Total International Cooperation	896,477	876,874

* 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	2018	2017	<i>Note</i>
Personnel cost	32,695	32,504	a)
Depreciation of fixed assets	4,233	3,191	
Fees for auditors, legal advisors and consultants	1,669	2,082	
Travel expenses	1,726	1,511	
IT and communication expenses	6,741	6,091	
Office running cost and expenses related to premises	3,628	3,359	
Financial expenses	179	1,353	
Other expenses	1,319	699	
Total governance cost	52,191	50,790	

a) In addition to payroll costs this includes pension, insurance, trainings, recruitment costs and other personnel related costs.

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

	2018		2017		2016		2015		2014	
Share, governance costs	52,191	5.2 %	50,790	5.2 %	66,440	6.9 %	43,472	4.5 %	43,373	4.8 %
Share, international cooperation	896,477	90.0 %	876,874	90.0 %	853,333	88.6 %	883,809	91.0 %	782,283	87.3 %
Share, fundraising costs	47,044	4.7 %	47,120	4.8 %	42,815	4.4 %	44,333	4.6 %	70,557	7.9 %
Total resources expensed	995,713	100.0 %	974,785	100.0 %	962,587	100.0 %	971,614	100.0 %	896,214	100.0 %
Fundraising ratio	<u>70.8 %</u>		<u>72.8 %</u>		<u>73.6 %</u>		<u>79.3 %</u>		<u>82.6 %</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)	2018	2017
Ordinary auditor's remuneration, Head Office	703	830
Project audits, Head Office	1,110	544
Other services and support from auditor	1,044	37
Ordinary auditor's remuneration and project audits at Country Offices	4,691	3,381
Total costs to auditors	7,548	4,792

In 2018, BDO was chosen as NCA's new group auditor.

Ordinary auditor's remuneration includes both final invoices for the 2017 audit as well as on account invoices for the 2018 audit

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	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Wages and salaries	79,113	79,373	141,685	139,061	220,798	218,434
Social security costs	12,615	12,587	2,548	2,097	15,163	14,685
Pension costs	6,516	7,919	7,255	6,768	13,771	14,687
Other remuneration	2,010	1,246	8,347	9,954	10,356	11,200
Payroll costs	100,253	101,126	159,835	157,879	260,088	259,006
Consultants	2,987	1,076	2,352	2,071	5,340	3,146
Other personnel related costs	5,784	4,062	3,686	2,589	9,470	6,651
Indirect personnel costs	8,772	5,138	6,038	4,659	14,810	9,797
Total personnel costs	109,025	106,264	165,873	162,538	274,898	268,803

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

Staff numbers by location and type of employment	<u>31.12.2018</u>	<u>31.12.2017</u>
Permanent positions at Head Office	132.0	136.9
Temporary positions at Head Office	17.0	7.0
Expatriate positions at Country Offices	42.0	42.5
National staff at Country Offices	613.0	523.0
Total number of employees	804.0	709.4

Emoluments for executive managers (General Secretary)	<u>2018</u>	<u>2017</u>
Wages and salaries	913	980
Pension costs	100	105
Other remuneration including travel compensation	41	45
Total emoluments for executive managers (General Secretary)	1,054	1,130

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

The position was filled by Anne Marie Helland from January to May, and Lisa Sivertsen from June to December. The amounts above reflect this. The position is remunerated by salary scale level 86.

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 01.01.18	49,042	17,689	66,730	30	25,960	25,990	5,516	4,637	10,152	19,073	19,073	16,601	8,291	24,892	662	10,346	11,008	0	11,176	11,176	90,923	78,098	169,021				
This year's additions	86	86	172	892	892	1,784	0	720	720	32	32	755	1,312	2,067	0	1,552	1,552	91	252	342	877	4,813	5,690				
This year's disposals	(24)	(24)	(48)	(4,125)	(4,125)	(8,250)	(656)	(656)	(1,312)	(1,312)	(1,312)	(664)	(664)	(1,328)	(788)	(788)	(788)	(149)	(149)	(149)	(6,407)	(6,407)	(6,407)				
Cost price 31.12.18	49,042	17,750	66,792	30	22,727	22,757	5,516	4,700	10,216	19,104	19,104	17,356	8,939	26,295	662	11,109	11,772	91	11,279	11,370	91,800	76,504	168,304				
Accumulated depreciation 01.01.18	(10,263)	(10,263)	(20,526)	(30)	(30)	(60)	(4,746)	(4,746)	(9,492)	(10,507)	(10,507)	(11,908)	(11,908)	(23,816)	(332)	(332)	(332)	0	0	0	(37,787)	0	(37,787)				
This year's depreciation	(1,026)	(1,026)	(2,052)	0	0	0	(150)	(150)	(300)	(300)	(300)	(2,091)	(2,091)	(4,182)	(120)	(120)	(120)	0	0	0	(4,447)	0	(4,447)				
Accumulated depreciation 31.12.18	(11,288)	(11,288)	(22,576)	(30)	(30)	(60)	(4,897)	(4,897)	(10,792)	(11,567)	(11,567)	(13,999)	(13,999)	(28,000)	(453)	(453)	(453)	0	0	0	(42,233)	0	(42,233)				
Accumulated impairment 01.01.18	(17,689)	(17,689)	(35,378)	(25,960)	(25,960)	(51,920)	(4,637)	(4,637)	(9,274)	0	0	(8,291)	(8,291)	(16,582)	(10,346)	(10,346)	(10,346)	0	(11,176)	(11,176)	0	(78,098)	(78,098)				
This year's impairment	(62)	(62)	(124)	3,233	3,233	6,466	(63)	(63)	(126)	0	0	(648)	(648)	(1,296)	(764)	(764)	(764)	(91)	(103)	(193)	(91)	1,594	1,503				
Accumulated impairment 31.12.18	(17,750)	(17,750)	(35,500)	(22,727)	(22,727)	(45,454)	(4,700)	(4,700)	(9,400)	0	0	(8,939)	(8,939)	(17,878)	(11,109)	(11,109)	(11,109)	(91)	(11,279)	(11,370)	(91)	(76,504)	(76,504)				
Booked value 31.12.18	37,753	0	37,753	0	0	0	619	0	619	7,538	7,538	3,357	0	3,357	210	0	210	0	0	0	49,476	0	49,476				
Economic lifetime	50 years			5 years			10 years/5 years			20 years			3 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.

2018 exchange rates used for incoming balances, which explains why they differ from closing balances 2017 in last year's financial statements.

1) PROPERTY BERNHARD GETZ GATE 3 (BGS)

Nonwegian Church Aid owns the office building situated in Bernhard Getz Gate 3 in Oslo. The building is divided into units, where NCA owns 63,97% of the total building stock and the Norwegian Bible Society owns the remaining share. DNB has a mortgage on the building valued at 42 MNOK, although no loan is currently using this as security.

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 1,7 MNOK as of 31.12.2018. 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, 0,3 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 31.12.2018 was 5,9 MNOK.

NOTE 11 DEBTORS

	<u>31.12.2018</u>	<u>31.12.2017</u>
Receivables from donors	64,835	46,244
Receivables from partners	7,674	5,144
Receivables from employees	1,194	-454
Prepaid expenses	6,789	4,429
Deposits	487	535
Accrued income	7,837	10,425
Other short-term receivables	5,949	5,518
Total short-term receivables	94,763	71,841

NOTE 12 INVESTMENTS

Financial investments 31.12.2018	Cost price	Market value	Unrealised gain (loss)
	31.12.2018	31.12.2018	31.12.2018
Money market funds and investment funds, national and international	91,981	91,528	(453)
Quoted shares, national and international	77,607	73,964	(3,643)
Other shares	382	382	0
Investment properties	413	507	93
Total	170,384	166,381	(4,003)

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

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 investments between 2017 and 2018 is due in part to the sale of a short-term investment of 50 MNOK temporary extra liquidity, and in part due to selling the last of the funds from the TV Telethon campaign

NOTE 13 FUNDS

		Opening balance 01.01.18	Incoming resources	Resources expended	Closing balance 31.12.18
<i>Unrestricted funds</i>					
Foundation capital	1)	84,161	2,935		87,096
Unrestricted income funds		76,760	208,878	(221,114)	64,525
Subtotal unrestricted funds		160,921			151,620
<i>Funds with externally imposed restrictions</i>					
Earmarked project funds	2)	17,846	6,286	(15,626)	8,506
Telethon funds		85,835	742	(49,893)	36,685
Legacy income funds		0			0
Subtotal funds with externally imposed restrictions		103,681			45,190
Total funds		264,602	218,841	(286,633)	196,811

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 2018:

	Opening balance 01.01.18	Incoming resources	Resources expended	Closing balance 31.12.18
Refugees Europe	3,737	615	(1,334)	3,018
Eastern Sahel Drought	1,352	503	(983)	871
Syria Emergency Response	267		(29)	238
Typhoon Philippines	165			165
Ethiopia Drought	98	0		98
North Iraq Emergency Response	49			49
Horn of Africa Drought	0	(55)	55	0
Earmarked donations to projects (see note 4)	12,178	5,223	(13,336)	4,065
Earmarked project funds	17,846	6,286	(15,626)	8,505

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 29 active persons, 466 previously active with deferred rights and a total of 105 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 2018 and 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 per default invested in an age adapted investment plan, where the distribution between shares and bonds follows 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)	2018	2017
Present value of pensions earned this year	2,423	2,816
Interest expense on the pension commitment	4,271	4,319
Return on pension funds	(6,013)	(5,175)
Administrative expenses and interest rate guarantee	444	415
Social security fees	159	335
Net pension expenses, defined benefit scheme	1,283	2,710

Pension liabilities	2018	2017
Defined benefit obligation (excl. social security fees) 31.12.	178,894	177,338
Pension funds valued at fair value 31.12.	(150,578)	(145,883)
Unrecognised actuarial gains (losses)	(8,147)	(6,625)
Social security fees	3,993	4,435
Net pension liabilities	24,162	29,265

Financial assumptions	2018	2017
Discount rate	2.60%	2.40%
Estimated salary increase	2.75%	2.50%
Estimated adjustment of social security base figure	2.50%	2.25%
Estimated adjustment of pension benefits	1.73%	1.48%
Expected return on funds	4.30%	4.10%

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.

	2018	2017
Pension liabilities for employees at Head Office	24,052	29,265
Pension liabilities for national staff at Country Offices	19,795	27,598
Total pension liabilities for Norwegian Church Aid	43,847	56,863

NOTE 15 **SHORT-TERM LIABILITIES**

	<u>31.12.2018</u>	<u>31.12.2017</u>
Accrued, not due wages and salaries, other debt to employees	13,967	12,879
Public duties payable - Country Offices	1,065	943
Public duties payable - Norway *	7,801	7,208
Accounts payable	28,303	22,929
Accrued, not due expenses	20,356	13,936
Accounting provision project risk	0	2,101
Payable to donors	332	868
Payable to partners	2,010	6,898
Other short-term liabilities	17,778	7,928
Total current liabilities	<u>91,612</u>	<u>75,689</u>

* 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.