

REPORT OF THE BOARD OF DIRECTORS, 2015

1. THE NATURE OF ACTIVITIES AND OPERATIONS

Norwegian Church Aid is an ecumenical, diaconal organisation headquartered in Oslo with Representations in 21 countries. Norwegian Church Aid collaborates with civil society organisations, church-based organisations and other institutions in Africa, Asia, Latin America and Europe.

Norwegian Church Aid works with people and organisations around the world in their struggle to eradicate poverty and injustice. We provide emergency assistance in disasters and work with long-term development in local communities. In order to address the root causes of poverty, we advocate for just decisions by public authorities, businesses and religious leaders.

2015 has been characterised by many crises on a global scale: the earthquake in Nepal, the Syrian civil war, the flooding in Malawi, famine in Ethiopia and the refugee situation in Europe, to mention some. NCA has responded to all these crises; partially overlapping in time. Major works have been performed to enable NCA to respond in all these situations, NCA has lifted the status of emergency work within the organisation and it has become a central part of the new strategy. Other specific tasks have been accomplished toward the objective as the finalization of country strategies, the completion of the adjustment process at Head Office and the process of phasing out the country offices in Vietnam, Laos, Thailand, Kenya and South Africa.

2. WORKING ENVIRONMENT

Norwegian Church Aid strives for diversity and promotes inclusiveness across the boundaries of religion, ethnic origin, culture, gender, age, disability, sexual orientation and political views. Positions are established in the organisation in order to ensure the highest level of professionalism, and specialists at the Head Office work together with their counterparts at the Representations. This gives the staff an experience of working in a truly global organisation, while at the same time, reinforcing coordination across Norwegian Church Aid's operations. Norwegian Church Aid's technical infrastructure, such as the intranet, global ERP system, and document management system, ensures information sharing and supports our work around the world.

As of December 31st 2015, Norwegian Church Aid had 136,6 permanent and 8,4 temporary employees at the Head Office, compared to 144,2 permanent and 19 temporary employees 31.12.14. At the Representations, there were 45 employees on contract from Head Office at the end of 2015, compared to 53 at the same time in 2014. Local staff as of December 31st 2015 numbered 629 compared to 669 at the end of the previous year. There was a rate of 3,42% sick leave at the Head Office in 2015 compared to 3,2% in 2014.

3. EQUAL OPPORTUNITY

Norwegian Church Aid is committed to equal opportunity and equal rights for all employees, regardless of gender. We strive for gender balance at all levels, both at the Head Office and at the Representations. Women and men are provided the same opportunities for professional development and salary increases.

The gender breakdown of employees shows 60% women and 40% men at Head Office, and 47% women and 53% men at the Representations (including employees on contract from Head Office). The senior management team is made up of 50% women and 50% men and division leaders consist of 77% women and 23% men.

4. PROSPECTS FOR THE NEXT YEAR

During 2016, the organisation will focus on improving our humanitarian response by reaching a larger number of people at a faster rate than before. We will also work towards a more diversified income base through increased domestic fundraising and international funding. 2016 will be the first year of the new strategic period, so special attention will be paid to the implementation of the global strategy, country strategies and other related strategies and policies. All this will be achieved while at the same time increasing the cooperation and coordination of resources within the organisation.

5. GOING CONCERN EXPECTATION

The annual accounts are based on the assumption that Norwegian Church Aid is a going concern. The organisation has neither the intention nor the need to liquidate or curtail materially the scale of operations. This expectation is based on the forecast for 2016 and long-term strategic plans. The organisation is in a sound financial position.

6. ENVIRONMENTAL CONSIDERATIONS

The organisation is not engaged in production or other activity that adversely affects the Norwegian environment. One of the organisation's goals, however, is to promote positive environmental practices at all levels of project intervention.

7. RISK MANAGEMENT

Norwegian Church Aid's income is based on fundraising, grants from Norwegian public authorities and international donors. This means that Norwegian Church Aid's financial risks are strongly correlated with the organisation's ability to remain a relevant and credible actor in the humanitarian sector, particularly in the eyes of the Norwegian authorities, clients, partners, media and Norwegian public opinion. In this regard, the financial risks are closely connected to the reputational risks to which the organisation is exposed.

We strive for efficiency and quality starting from the planning phase through the implementation and reporting of all our projects. Moreover, we meet – and quickly resolve – challenges associated with corruption, fraud and mismanagement by putting in place strict procedures, carrying out external audits, as well as closely following up when these instances occur.

Norwegian Church Aid annually presents a report of fraud and corruption cases that the organisation has faced each year. The report titled "Norwegian Church Aid's Anti-Corruption Report" is distributed to Norwegian authorities as well as published on Norwegian Church Aid's website. Transparency is an important part of Norwegian Church Aids work against corruption, and also contributes to reducing the risks that fraud and corruption presents.

Norwegian Church Aid is also exposed to financial risk in the financial investment and currency markets.

8. THE ACCOUNTS FOR THE YEAR

The total incoming resources in 2015 were 958 MNOK. Ninety-five per cent of costs were used to fulfil NCA's mandate or obtain new funding. The annual accounts have been prepared in compliance with the Norwegian Accounting Act and Norwegian accounting standards for NGOs.

NCA has previously had a Carbon fund and an Emergency reserve separated from the unrestricted funds by internally imposed restrictions. These are now lifted and the balance has been reintegrated in the unrestricted income funds.

The annual result shows a negative result of 13,9 MNOK. This is mainly due to earmarked donations received in previous periods and spent during 2015, f.ex. TV Telethon funding. The unrestricted funds were strengthened by 8,8 MNOK (in addition to 11 MNOK transferred from funds with internally imposed restrictions) and the liquidity is good. The net cash inflow from operating activities differs from the annual result due to the reception and investment of TV Telethon funds, in addition to a reduction of other accruals.

9. CONCLUSION

The Board of Directors considers that the annual financial statements and accompanying notes and cash flow statement give sufficient information about operations and position at year-end. No event has occurred after year-end that is of significance in the assessment of the financial statements.

Oslo, April 25th 2016

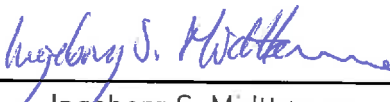

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Chairman of the Board


Brita Bye
Board member


Inger Marit Nygård
Board member


Ottar Mæstad
Board member

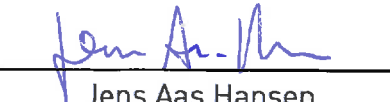

David Hansen
Board member

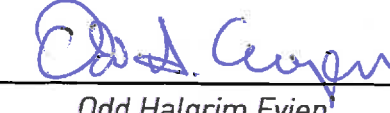

Ingeborg S. Midttømme
Board member

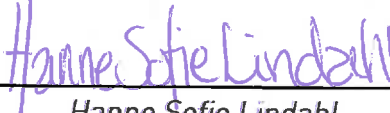

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