



Directors' Report
2015



Brunstad
Christian Church

Brunstad Christian Church – Directors' Report for 2015

Activities and operation

Brunstad Christian Church

Brunstad Christian Church is an association with Christian objectives. We undertake mission and humanitarian work in a number of countries in all continents. The administrative headquarters are in leased offices at Ryenstubben 2 in Oslo. The association also has a contract with Oslofjord Convention Center AS at Brunstad in Stokke, where several large international events are conducted each year. We refer to the annual report on the association's website www.bcc.no for more information about the association's operations.

Group

The group consists of the association Brunstad Christian Church its subsidiary company BKM Holding AS and its subsidiaries.

Going Concern

The annual accounts of Brunstad Christian Church for 2015 are prepared with a going concern basis, and the board confirms that this assumption is valid.

Development, financial results and position

Brunstad Christian Church

The financial statements show results and equity as follows:

	2015	2014
Result	kr. 158,561,721	kr. 159,148,656
Equity	kr. 447,825,494	kr. 289,287,552

In the board's opinion, the financial statements with accompanying notes give a true and fair view of the financial performance for 2015 and the financial position as at 31.12.2015. No events have occurred after the close of the financial year that have significance for assessment of the association. The association's normal depreciation is essentially the difference between the entity's cash flow and the accounting profit.

Group

The consolidated group accounts show results and equity as follows:

	2015	2014
Result	kr. 161,051,639	kr. 161,433,380
Equity	kr. 452,663,518	kr. 291,586,244

Taxation

Brunstad Christian Church is established as a charitable association and is tax exempt in accordance with Taxation Code § 2-32. Brunstad Christian Church is also approved by the Taxation department as an association covered by the tax deductibility provisions relating to charitable organisations in accordance with the Tax Code § 6-50.

Work Environment

The work environment and general job satisfaction is good. There have been no accidents or injuries in 2015 and employee sick leave has been insignificant.

Equity

Brunstad Christian Church aims to have a workplace with full equality between women and men. The association had 164 employees as at 31.12.2015, divided into 71 women and 93 men. Many work with mission and humanitarian work. The board consists of one woman and two men.

The Environment

In the board's opinion, the association does not conduct activities that have a substantial adverse impact on the environment. The association has not implemented or planned any special measures in this area in 2015, beyond such measures as are necessary under laws and regulations to ensure compliance with applicable environmental requirements.

Disclosure of Financial Risk

In the board's opinion, there is no significant market risk, or risk of losses for the association in the immediate future. The association has activities throughout the world and a part of its income and expenses is linked to foreign currency. The association's financial income and expenses must be considered in light of this.

Oslo, the 22nd of June 2016

Finn Å. Ødegard
Chairman

Berit H. Nilsen
Board Member

Vegar Kronstad
Board Member/General Manager

**Financial Statements
Brunstad Christian Church
Income Statement**

PARENT COMPANY			GROUP	
2014	2015	NOTE	2015	2014
OPERATING INCOME AND OPERATING EXPENSES				
0	0	2	5 444 392	4 734 189
24 971 487	22 737 830	2	36 180 477	31 452 512
231 799 214	234 956 045	2, 9	239 601 753	232 937 378
22 000	38 722		38 722	22 000
11 068 872	11 635 264		11 635 264	11 068 872
267 861 573	269 367 860		292 900 608	280 214 951
0	0		2 490 593	3 687 821
24 752 802	23 692 268	3	24 720 460	25 031 463
1 155 694	2 165 725	4	7 410 671	2 640 713
91 695 129	111 073 655	9	117 065 129	94 441 140
117 603 625	136 931 648		151 686 853	125 801 137
150 257 948	132 436 212		141 213 755	154 413 814
FINANCIAL ITEMS				
6 098 578	23 749 613		18 242 168	4 599 393
5 608 923	15 520 703		15 528 211	5 613 208
-700 848	-7 552 359		-8 112 841	-1 048 298
-2 115 945	-5 592 448		-5 607 619	-2 144 737
8 890 708	26 125 509		20 049 919	7 019 566
159 148 656	158 561 721		161 263 674	161 433 380
0	0	10	212 035	0
159 148 656	158 561 721		161 051 639	161 433 380
ALLOCATION OF NET PROFIT AND EQUITY TRANSFERS				
159 148 656	158 561 721	7		
159 148 656	158 561 721			

**Financial Statements
Brunstad Christian Church
Balance Sheet at 31.12**

PARENT COMPANY			GROUP	
2014	2015	NOTE	2015	2014
ASSETS				
Fixed assets				
Tangible assets				
0	0	4	14 222 909	12 375 000
0	0	4	147 863 422	75 230 094
4 536 006	5 330 655	4	14 201 672	9 365 958
432 028	956 768	4	956 768	509 028
4 968 034	6 287 423		177 244 771	97 480 080
Financial fixed assets				
30 000	3 000 000	5	0	0
325 114 965	990 310 357	6	836 183 067	246 491 540
325 144 965	993 310 357		836 183 067	246 491 540
330 112 999	999 597 780		1 013 427 838	343 971 620
Current assets				
Inventories				
0	0	6	1 324 158	1 316 072
Receivables				
5 113 397	4 680 485		7 039 777	9 513 645
5 493 853	3 419 466		3 776 723	5 623 724
10 607 250	8 099 951		10 816 500	15 137 369
Cash and bank deposits				
120 957 785	43 014 238	12	47 123 646	125 603 551
131 565 035	51 114 189		59 264 304	142 056 992
461 678 034	1 050 711 968		1 072 692 142	486 028 612

**Financial Statements
Brunstad Christian Church
Balance Sheet at 31.12**

PARENT COMPANY			GROUP	
2014	2015	NOTE	2015	2014
			EQUITY AND LIABILITIES	
			Equity	
289 287 552	447 825 494	7	452 663 518	291 586 244
289 287 552	447 825 494		452 663 518	291 586 244
289 287 552	447 825 494		452 663 518	291 586 244
			Liabilities	
			Non-current liabilities	
158 320 440	323 638 626		332 067 394	158 320 440
0	0		2 674 513	0
			Current liabilities	
0	0		0	14 901 625
9 648 740	6 000 895		6 529 600	10 485 554
0	0	10	488	0
1 575 872	1 324 471		1 698 535	2 617 423
2 845 430	271 922 484	9	277 058 094	8 117 327
14 070 042	279 247 849		285 286 717	36 121 929
172 390 482	602 886 475		620 028 625	194 442 369
461 678 034	1 050 711 968		1 072 692 142	486 028 612

Oslo, the 22nd of June 2016

Finn Åge Ødegård
Chairman

Berit Hustad Nilsen
Board Member

Vegar Kronstad
Board Member and General Manager

**Financial Statements
Brunstad Christian Church
Cash Flow Statement**

PARENT COMPANY			GROUP	
2014	2015		2015	2014
			CASH FLOW FROM OPERATIONS	
159 148 656	158 561 721		161 263 674	161 433 380
1 155 694	2 165 725		7 410 671	2 640 713
-22 000	-38 722		-38 722	-216 694
	0		-8 086	-1 316 072
-2 624 940	432 912		2 495 031	-998 669
4 846 852	-3 647 845		-4 328 347	5 014 225
-2 292 117	1 648 624		-13 981 610	10 012 389
160 212 145	159 122 415		152 812 611	175 253 200
			CASH FLOW FROM INVESTMENTS	
-4 569 984	-4 260 110		-9 249 590	-10 205 288
308 585	964 300		1 041 300	308 585
	-2 970 000		-9 848 890	-5 340 000
	0		-238 358	6 544 288
3 659 978	0		0	0
-222 612 899	-665 195 392		-646 204 209	-220 784 942
-223 214 320	-671 461 202		-664 499 747	-229 477 357
			CASH FLOW FROM FINANCING	
0	269 077 054		259 460 277	0
158 320 440	165 318 186		173 746 954	150 606 963
158 320 440	434 395 240		433 207 231	150 606 963
95 318 265	-77 943 547		-78 479 905	96 382 806
25 639 519	120 957 785		125 603 551	29 220 745
120 957 785	43 014 238		47 123 646	125 603 551

Financial Statements Brunstad Christian Church

Notes to financial statements

Note 1 Accounting principles

The annual accounts have been prepared in compliance with the Accounting Act of 1998 and accounting principles generally accepted in Norway.

Basis of consolidation

Consolidated financial statements include 3 subsidiaries in which Brunstad Christian Church has controlling interest either in law or in fact.

The consolidated accounts have been prepared on the basis of uniform principles in that the subsidiary applies the same accounting principles as the parent company. The consolidated accounts have been prepared as if the group was a single financial unit, where transactions and accounts between the companies are eliminated.

Business combinations are recognized using the acquisition method. The consideration paid is measured as the fair value of assets transferred and liabilities assumed. Should the total of the consideration, carrying amounts of non-controlling owners and the fair value at the time of acquisition of previous shareholdings exceed the fair value of identifiable net assets of the company acquired, the difference is recognized in the balance sheet as goodwill.

Principle for valuation and classification of assets and liabilities

Assets intended for long-term ownership or use are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. Similar criteria are used when classifying non-current and current liabilities.

Current assets are valued at the lower of acquisition cost and fair value.

Non-current assets are valued at acquisition cost, but are written down to their recoverable value if this is lower than book value and the impairment is expected to be permanent. Non-current assets with a limited useful economic life are systematically depreciated or amortized.

Other long-term and current liabilities are valued at nominal value.

Assets and liabilities in foreign currencies

Assets and liabilities in foreign currencies are valued at the exchange rate on the balance sheet date. Forward exchange contracts are recognised in the balance sheet at their fair value on the balance sheet date.

Foreign currency

Foreign exchange income statement are calculated at the exchange rate prevailing at the time of the transaction. Forward exchange contracts are recognised in the balance sheet at their fair value on the balance sheet date.

Shares in subsidiaries

Subsidiaries are assessed using the cost method in the company accounts. Write down to fair value has taken place when a decrease in value is due to factors that are not deemed to be temporary and when it is deemed necessary in accordance with good accounting practice. Dividends and group contributions from the subsidiaries are recognised as other financial income

Inventories

Inventories are valued at the lower of purchase cost (according to the FIFO principle) and fair value.

Revenues

Sale of goods:

Revenues are recognized as they are accrued, when the majority of both risk and control have been transferred to the customer. This will normally be the case when the goods are delivered to the customer. Revenues are recognized by the value of the consideration on the date of the transaction.

Sale of services:

Revenues are recognized as they are accrued, e.i. when the claim for payment arises. This takes place when the service is provided, as the work is carried out. Revenues are recognized by the value of the consideration on the date of the transaction.

Gifts are recognized as income in the same period that they are earned. The grant income is recognized as income when the recipient has the legal right to the grant and the conditions are met.

Operating grants are accrued in the period for which they are given.

Receivables

Trade debtors are recognised in the balance sheet after provision for bad debts. The bad debts provision is made on basis of an individual assessment of each debtor.

Bank deposits, cash and cash equivalents

Bank deposits, cash and cash equivalents include cash, bank deposits and other means of payment maturing less than three months after acquisition.

Pensions

Defined contribution plan is determined by the matching principle. The period's contributions are recognised in the statement of income as pension cost for the period.

Expenses

Expenses are generally recognized in the same period as the corresponding revenue. In cases where there is no clear connection between expenses and revenues, the allocation is determined based on an informed estimate. Other exceptions to the matching principle are specified where relevant.

Taxes

The tax expenses are matched to the result before tax. Tax relating to equity transactions is recognized in equity. The tax expense comprises tax payable (tax on the direct taxable income for the year) and any change in net deferred tax. The tax expense is divided between ordinary profits and profits from extraordinary items in accordance with the tax basis. Deferred tax liabilities and assets are presented net in the balance sheet.

Note 2 Revenues

Parent company

Brunstad Christian Church is actively engaged in missionary and humanitarian work around the globe. The association is leasing the premises and facilities of the Oslofjord Convention Center, where the church has its annual international conferences.

Source of income in ranked order:

1. Norway
2. Germany
3. Switzerland
4. Denmark
5. Other countries

Group

The subsidiaries have their income source in Norway.

Note 3 Payroll expenses, number of employees, remunerations, loans to employees, etc.

Payroll expenses

Parent company			Group	
2014	2015		2015	2014
21 710 470	19 378 705	Salaries/wages	20 074 410	21 739 614
2 892 461	2 764 874	Social security fees	3 065 532	3 141 978
318 272	316 900	Pension expenses	316 900	318 272
-168 401	1 231 790	Other remuneration	1 263 619	-168 401
24 752 802	23 692 268	Sum	24 720 460	25 031 463
119	190	Number of employees in the accounting year	192	120

In accordance with the law on mandatory company pensions, all group employees participate in pension schemes that meet the requirements of the law

Remuneration to executives

	Salaries	Other remuneration
Board	1 036 712	

Board members do not receive remuneration, but two of the board members have been employed by the organisation and have received salary in 2015.

Remuneration to key management personnel includes all companies in the group.

No loans or guarantees have been granted to management.

Expensed audit fee

The remuneration paid to the auditor is divided as follows:

Parent company			Group	
2014	2015		2015	2014
200 000	604 653	Statutory audit	777 653	314 375
32 500	27 188	Other assurance services	52 188	32 500
70 875	32 838	Other assistance	64 009	94 139
0	0	Tax advisory fee	20 300	0

Amounts are exclusive of VAT.

Note 4 Fixed assets

Parent company	Movables	Vehicles	Total
Purchase cost 01.01.	6 655 467	1 399 740	8 055 207
Additions	2 764 210	1 495 900	4 260 110
Disposals	0	964 300	964 300
Purchase cost 31.12.	9 419 677	1 931 340	11 351 017
Accumulated depreciation 31.12.	4 089 023	974 572	5 063 594
Accumulated impairment	0	0	0
Net book value 31.12.	5 330 655	956 768	6 287 423

Depreciation in the year	1 969 561	196 164	2 165 725
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Expected useful life	5 years	5 years
Depreciation plan	Straight line	Straight line

Annual lease of assets not recognised on the balance sheet	2 816 331	214 501
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Group

	Land	Buildings and other real estate	Movables	Vehicles	Total
Purchase cost 01.01.15	14 222 909	154 541 394	18 200 930	1 399 740	188 364 973
Additions	0	247 848	7 505 842	1 495 900	9 249 590
Additions from acquisition of businesses	0	10 631 596	0	0	10 631 596
Disposals	0	0	77 000	964 300	1 041 300
Purchase cost 31.12.15	14 222 909	165 420 838	25 629 772	1 931 340	207 204 859
Accumulated depreciation	0	17 557 417	11 428 101	974 571,59	29 960 089
Accumulated impairment	0	0	0	0	0
Net book value 31.12.	14 222 909	147 863 421	14 201 671	956 768	177 244 771

Depreciation in the year	0	3 602 995	3 611 512	196 164	7 410 671
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Expected useful life	5 years	5 years
Depreciation plan	Straight line	Straight line

Annual lease of assets not recognised on the balance sheet	2 816 331	214 501
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Note 5 Subsidiaries, associated companies, and joint ventures

Company	Acquisition date	Location	Voting right	Ownership
BKM Holding AS (earlier known as BCC Holding AS)	December 2013	Oslo	100 %	100 %

Company	Equity last year	Result last year
BKM Holding AS (earlier known as BCC Holding AS)	2 300 402	-626 070

Book value of the subsidiaries is divided as follows:

Company	Acquisition cost	Impairment	Book value
BKM Holding AS (earlier BCC Holding AS)	3 000 000	0	3 000 000

Note 6 Debtors which fall due later than one year

Parent company		Group	
2014	2015	2015	2014
325 114 965	990 310 357	Other long term debtors	836 183 067
			325 114 965

Note 7 Shareholders' equity

Parent company		Group	
		2015	
		Other equity	
Equity 01.01.15			289 287 552
<i>Equity changes in the year</i>			
Profit for the year		158 561 721	
Equity 31.12.15			447 849 273

Group		2014	
		2015	
		Other equity	
Equity 01.01.15			291 586 244
<i>Equity changes in the year</i>			
Profit for the year		161 051 639	
Equity 31.12.15			452 637 883

Note 8 Balance with group companies, etc.

	Trade debtors and other short term receivables		Other long term debtors	
	2015	2014	2015	2014
Group companies	0	1 859 685	154 138 853	83 501 810
Total	0	1 859 685	154 138 853	83 501 810

	Trade creditors and other short term liabilities		Other long term liabilities	
	2015	2014	2015	2014
Associated companies	0	0	0	0
Total	0	0	0	0

Note 9 Related-party transactions

Brunstad Christian Church gives and receives gifts and contributions from local and foreign congregations. Moreover, Brunstad Christian Church has transactions and balances with companies linked to Brunstad Christian Church's business. Transactions between companies in the group is limited to interest on intercompany loans.

Beyond the transactions with group companies Brunstad Christian Church received a gift of 1 million NOK in 2015 from the related party Skjulte Skatters Forlag.

Note 10 Taxes

Parent company

In accordance with Norwegian Tax Law § 2-32 Brunstad Christian Church is not considered taxable.

Group

Taxable income for the year:		2015
Group's profit before tax including group eliminations		161 263 674
Income on non taxable activities deducted		158 561 721
Profit before tax from taxable activities		2 701 953
Permanent differences		200
Use of loss carried forward		-3 578 087
Change in temporary differences		-1 633 450
Loss carried forward		2 507 576
The year's direct taxable income		1 808
Payable tax on this year's result		488

Tax on the result is as follows:		2015	2014
Payable tax		488	0
Change in deferred tax		96 064	0
Tax effect of group contribution		115 483	0
Tax on the result		212 035	0

Breakdown of deferred tax and basis for deferred tax:

	2015	2014	Change
Tangible assets	21 788 944	5 147 725	16 641 219
Receivables	0	0	0
Inventory	-282 071	(286 787)	4 716
Gain and loss account	-906 308	(1 198 420)	292 112
Tax losses carried forward	-12 590 797	(8 507 813)	-4 082 984
Total	8 009 768	(4 845 295)	12 855 063
Estimated deferred tax asset	2 002 442	(1 308 230)	3 310 672
Deferred tax assets not recognised on the balance sheet	-672 071	(405 696)	-266 375
Net deferred tax/deferred tax assets	2 674 513	0	2 674 513

Note 11 Pledges and guarantees

Group Guarantees

	2015	2014
Individuals linked to the congregation concerning financing deposit	0	1 521 862
Foreign congregations	0	640 804
Liabilities secured by pledge in Stifelsen Brunstad Konferansesenter	0	160 005 426
Liabilities secured by pledge in other companies linked to the congregation	0	1 150 000
Guarantees to other companies	29 789 431	10 000 000
Total	29 789 431	173 320 106

Collateral

	2015	2014
Loan to subsidiary secured by assets	3 378 768	16 771 751
Amount of assets pledged or assigned for the securing of own liabilities	82 282 420	86 861 305

Note 12 Bank deposits

Parent company

Bank deposits and cash include NOK 670 776 in tied tax withholdings

Group

Bank deposits and cash include NOK 697 423 in tied tax withholdings

Note 13 Recognition of foreign currency monetary items

Parent company		2015	2014
Agio recognized		15 520 703	5 608 923
Disagio recognized		5 592 448	2 115 945
Net foreign currency monetary items		9 928 255	3 492 978
Group			
Agio recognized in income statement		15 528 210	5 613 208
Disagio recognized in income statement		5 601 837	2 144 737
Net foreign currency monetary items		9 926 373	3 468 471

In essence, the foreign currency monetary items are unrealized.



Brunstad
Christian Church

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