



Annual Report 2016



Brunstad
Christian Church

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An Eventful Year

2016 was an eventful year for BCC, and our members have given much support to our conferences and projects. The interest in spiritual edification is reflected in the extensive attendance at the seven conferences held at Brunstad, and at the Pentecost Conference in Molde in connection with the celebration of BCC Molde's 100th anniversary. Here spiritual edification, the Christian life and fellowship have been the central focus for our members.

BCC experiences increased attention and interest in our activities. For this reason, since 2011, BCC has published its own annual reports so that information about our finances is readily available. BCC wishes to be open about how collected funds and gifts are managed, and wishes to demonstrate that the handling of these is well taken care of. The annual report is also part of the work of showing what BCC is and how we conduct our Christian activities, with a large degree of voluntary commitment from our many thousands of members.

BCC has, during 2016, repeatedly organized information meetings and seminars for members with different positions in local churches. Working with compliance forms a natural part of the association's operations in BCC, and we therefore focus strongly on both organization and activities in accordance with current laws and regulations.

The conferences at Brunstad and TV broadcasts via BrunstadTV contribute to a strong fellowship among the members. Investing time and resources into this in the future will therefore be a high priority. The youth Program YEP is a popular alternative for BCC youth who wish to experience an unusual year, as they become better acquainted with the beliefs and doctrines of the church and get to learn the Norwegian language and culture in an international environment. Moreover, BCC wishes to give greater support to the Christian education option for the youth of the church, and thus in 2016 it was decided to establish the Brunstad Bible School as a separate department in BCC.



The Easter Camp for Norwegian BCC youth was first organized in 2015, and by 2016, youth from local churches around the world were invited to attend. Over 3,000 young people between 13 and 25 years old, from 24 countries participated. We are very pleased with all the good feedback from both participants and parents after the event. This inspires us to continue to use the time, effort and money to create good experiences and a framework for the children and youth in BCC.

BCC has previously scarcely experienced a greater enthusiasm and support for our joint projects than today. Among other things the enthusiasm for the "Golden Heart" project demonstrates this, which by the end of 2016 had touched 75 churches in 18 countries on five continents.

Regional conference centers used regularly by local churches on different continents have largely been financed by loans and guarantees from BCC. In order to ensure their efficient and safe operation, BCC commenced a process of acquiring ownership of these centers in 2015. This work was finalized in 2016.

The Board of BCC is working closely with the church leader Kåre J. Smith, to ensure that our resources are managed in accordance with the association's Christian purpose. We wish to thank Kåre J. Smith, who puts in a great effort for our community, and contributes to building up our faith several times every week throughout the year, both in Europe and in other parts of the world. The vision and the message he communicates is of great importance in making the church's faith foundation the center of all our events.

We are also very grateful to the many thousands of members who support our joint activities, and who, through their unselfish efforts every week, enable further operations and activities in BCC. This commitment gives us cause for great optimism when we consider the future of BCC and we are looking forward to continuing to work for the association's Christian aims.



Finn Å. Ødegård
Chairman



Berit Hustad Nilsen
Board Member



Vegar Kronstad
Board Member and
General Manager

ORGANIZATION AND FINANCIAL KEY FIGURES

Brunstad Christian Church is organized as a self-governing non-profit organization. The members of the association are the closest one can come to identifying BCC ownership. In accordance with the association's bye-laws, the association's funds are to be used to realize the purposes of the association and may not be otherwise employed.

The responsibility for sound management of the association's funds lies with the board, who are to ensure that BCC uses its resources in accordance with its bye-laws and in accordance with Norwegian law.

BCC is a non-profit making association, exempt from regular tax liability. BCC has been pre-approved by the Inland Revenue Service as a voluntary organization whereby Norwegian donors (personal and companies) receive tax deductions for gifts according to the current limit.

Voluntary gifts constitute the central support in BCC's finances. In 2016 BCC received NOK 348 million from private persons, companies and organizations.

In 2016, BCC received NOK 4.9 million in funding from 93 municipalities and NOK 3.8 million in State support.

BCC's liquidity is good and at the end of the year had 137 million NOK in bank deposits.

348 mill NOK	8,7 mill NOK	21,3 mill NOK
Gifts (private persons, companies and organizations)	Grants (from State and municipality)	Revenue

Number of members

An summary of the development in the number of BCC members in Norway over the last 10 years shows the following figures:



BCC'S CONFERENCES



BCC organized seven international conferences and an activity camp at Brunstad in the course of 2016. In addition, the church held a Pentecost conference in Molde, the same weekend as BCC Molde celebrated its own 100th anniversary. In total, 44,256 members attended conferences of which 21,563 were women and 22,693 men. Of these, 32,420 were young people under 36. All our international conferences are translated into over 20 different languages, and are broadcast via BrunstadTV to BCC members worldwide.

Several members from countries with poorer purchasing power than western Europe attend BCC conferences, and BCC therefore contributes with mission support to enable several participants to attend.

The two summer conferences were the largest events. The first in July ran over two weeks and the conference in August one week.

During the summer conference in July, 9,961 people attended, of which 3,201 were children, 4,109 young people and 2,651 adults over 35 years. The conference program included 20 meetings with spiritual edification as well as activities for children and youth, games, tournaments, competitions and concerts.



At the conference in August, there is a larger proportion of participants from countries outside the Nordic countries, as the time of this conference is adapted to the school holidays in Europe. Attendance at this conference were 6,169 people, of whom 2,031 children, 2,381 young people and 1,757 adults over 36 years.



Statistics

Conference	Number	Children 0-15	Youth 15-35	Adults 36
Women´s	4 067	9%	54%	37%
Easter Camp	3 089	21%	78%	1%
Easter	9 779	29%	46%	25%
July	9 961	32%	41%	27%
August	6 169	28%	39%	33%
Men´s	4 499	9%	55%	36%
New Year	6 692	25%	49%	26%
SUM	44 256			

Overall distribution





EASTER CAMP WITH OVER 3000 YOUTH FROM 24 COUNTRIES

In the Easter week, BCC, in collaboration with several children's and youth organizations, arranged an activity camp for youth between 13 and 36 years from local churches around the world. This was the second consecutive year the Easter Camp was organized, but in 2016 for the first time it became an international event.

With over 25 different activity options, 3,089 participants enjoyed their favorite activity with other youngsters for five days. 1,928 of these came from Norway. In all 24 nations were represented, the majority coming from Norway, Germany, Denmark, Switzerland, Poland, United States, England, Romania, Finland, Austria and Canada.

The purpose of the Easter Camp is that young people who are interested in the church's beliefs can meet across cultures and borders. During the Easter Camp, they were able to develop their areas of interest, under the guidance of mentors with expertise in the various activities. BCC's church leader and several youth leaders also prioritized attending the Easter Camp together with the young people. They contributed with edifying content and spiritual encouragement throughout the week.

Activities at BCC's Easter Camp 2016

Activity market place	Handball
Basketball	Ice hockey
Baking and cake design	LAN
TV and film production	Paintball
Dance	Song, studio and music
Design og redesign	Alpine
Football	Soft-gun
Free running and acrobatics	Drawing
Gokart	Volleyball
Horse riding	Graphic design and animation



Number of participants – Easter Camp 2016



Seminars for Mentors

During the Easter Camp, a series of seminars for mentors was also arranged. Themes included such things as information work in the associations, security, leadership responsibility, HSE and risk assessment. The seminars were well attended, and the participants thought that these were useful topics to help the various youth groups carry on the mentoring work. There was also focus on the topic of the prevention of violence, transboundary behavior and sexual abuse of children. This theme was also dealt with as a separate issue during the Bergen Church Leadership Meeting in July.

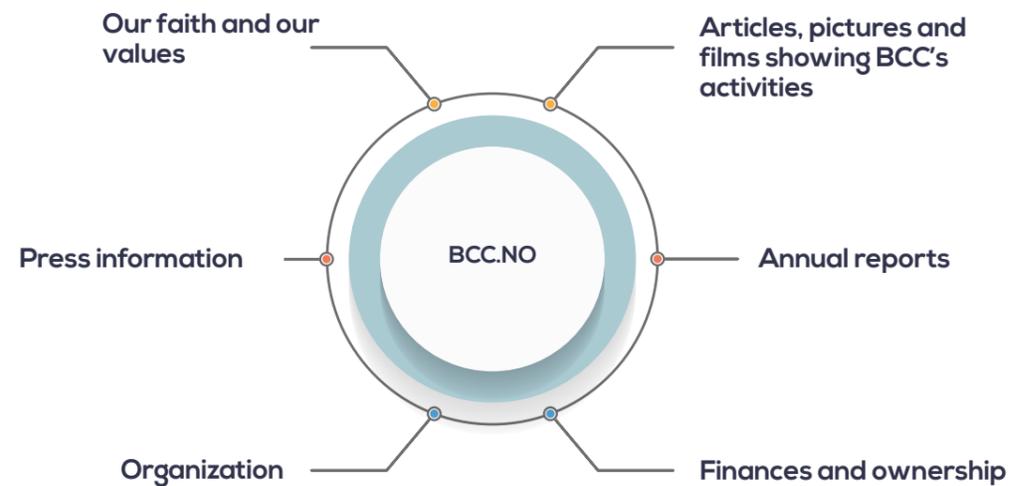


BCC'S NEW INFORMATION CHANNEL

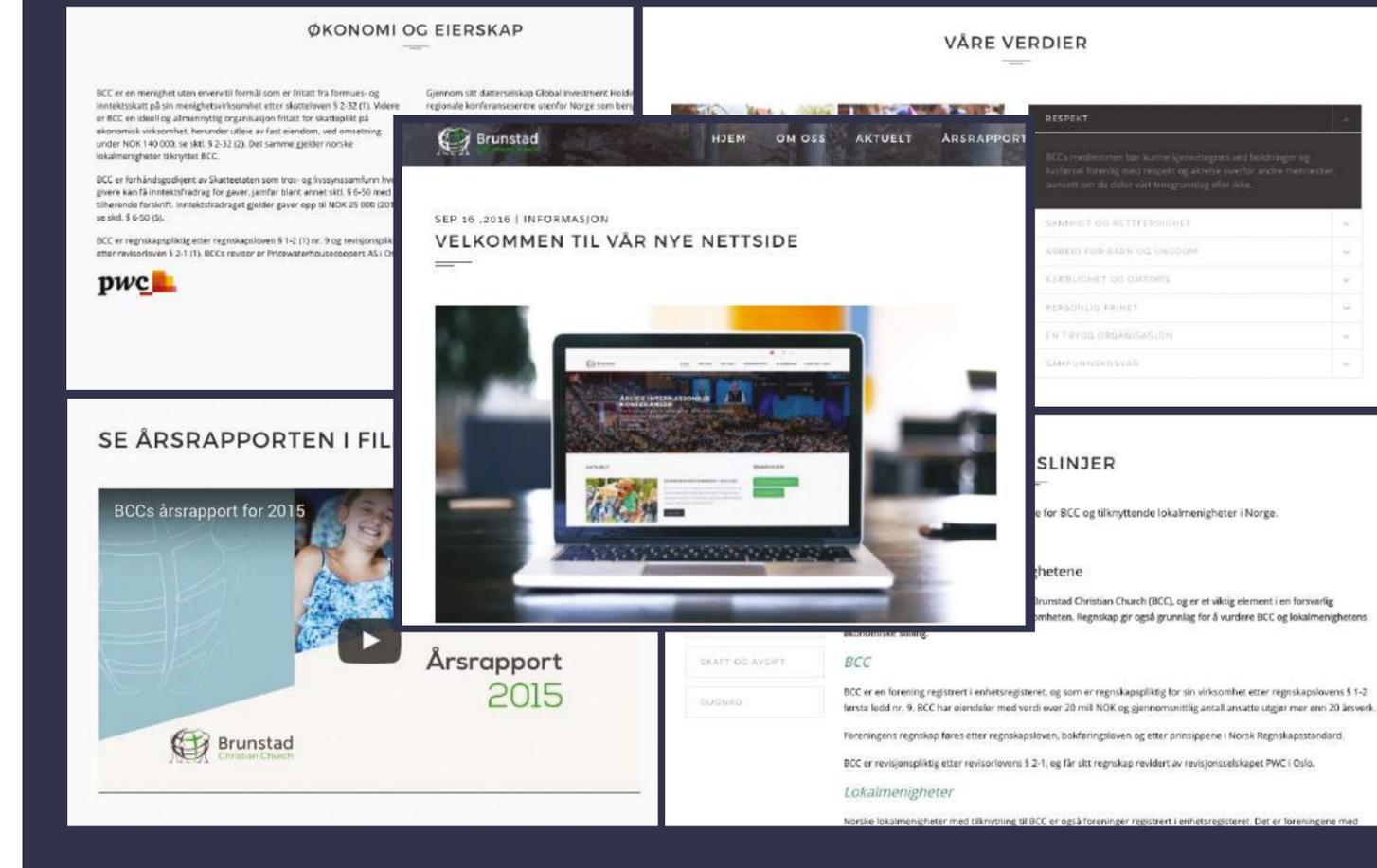
Openness on Finance and Activities

BCC is a Norwegian organization with comprehensive international activities. We want to contribute towards increased openness and understanding regarding who we are and what we do. For many years, BCC has published comprehensive annual reports, with information about both accounts and activities.

As part of the focus on information, a new information channel was established in 2016 using the website bcc.no. The website's primary target audiences are social institutions and authorities, and contains basic information about BCC and our activities:



Screenshot - BCC.no

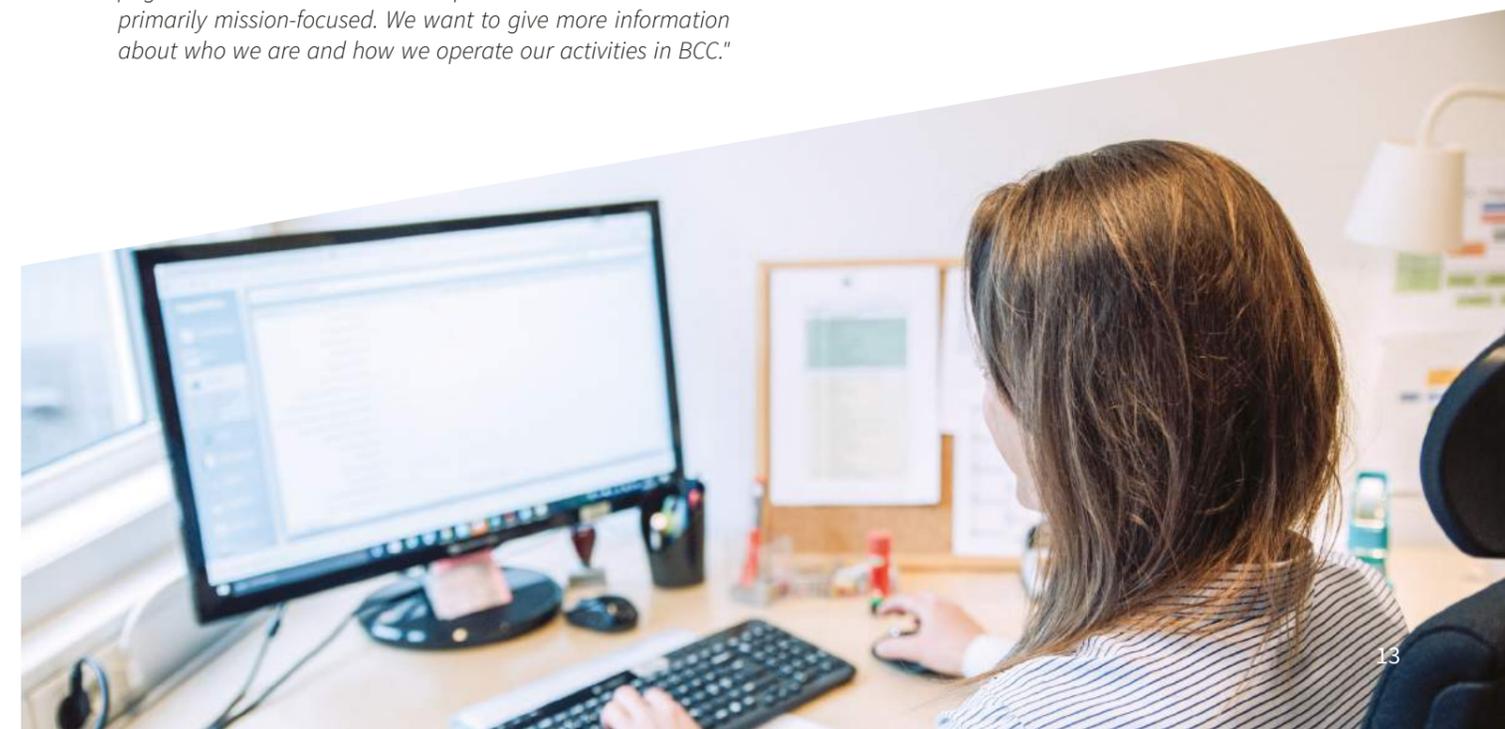


On the launch date, we read the following:

"Until recently, brunstad.org has been BCC's official website. It has focused on both messages, missions, news and information, and now we want to differentiate more clearly how we communicate the different parts. Edification and focus on mission, which of course is a central part of BCC's activities, will be continued on the activechristianity.org pages. This new page will therefore be used to impart information that is not primarily mission-focused. We want to give more information about who we are and how we operate our activities in BCC."

Internal information

Given the high level of activity in BCC, the information department also operates more channels for internal information and these are important to the members. BrunstadTV, Intranet and e-mail are important channels for internal information.



MISSION ON THE WEB

Active Christianity

In 2016 a new webpage was created: "activechristianity.org". This page continues with much of the activity from BCC's previous website, "brunstad.org". The main focus of these pages is mission and edification, as well as providing for those who are interested in reading more about BCC's beliefs and teachings.

In addition to giving the webpage a new name, reprofiling it and giving it a new look, new features and new content have been added. This includes, for example, theme pages and explanations of basic doctrines, as well as a selection of free e-books.

The central editorship is based in Norway and in 2016 consisted of six full-time employees. In addition, a department was opened in Winnipeg, Canada. In addition to editorial, production and marketing, approximately 30 freelancers are coordinated around the world who work with content text production, photography and film, as well as translations.

Milenko van der Staal is head of the department.

In 2016, the webpage had an average of about 2000 visitors daily. Translation of the page into about 15 languages is being undertaken, and this work is reckoned to be completed by the end of 2017. In addition to the website itself, social media, such as Facebook and Instagram are actively used, with about 20,000 people following each account. The aim is to reach various users with different channels, and lead them to the main content of the "Active Christianity" website.



Milenko van der Staal
Head of the department
activechristianity.org



Screenshot – Activechristianity.org

Mission Feasts

BCC local churches organize mission feasts twice a year. These contribute greatly to the collection of funds for BCC missionary activities worldwide. The event is planned and implemented by different local churches and is broadcast via BrunstadTV. Most of the BCC local churches follow the broadcast, usually in combination with a local mission event.

The host church uses lots of resources in planning the content and theme of the feast. The preparations start one year in advance and often new songs, musicals, movies and shows are produced. This material will then become part of the resource bank for the church's child and youth work.

In 2016, local churches in Østfold and Austria organized the mission feasts in April and October respectively.



Youth from Østfold perform a contribution during the mission feast.



Stage show with glimpses into art and culture from Austria.



BRUNSTADTV

5th Anniversary

Since its inception, BrunstadTV has continuously developed in quality both technologically and content-wise. In 2016, BCC invested in new equipment for about NOK 20 million, produced 18 different program concepts and broadcasted over 120 hours of live TV via satellite and streaming. This year was the channel's 5th anniversary.

In 2016, the channel invested much in major TV productions, focusing on content covering both historical themes and current affairs. At the same time, BrunstadTV has invested in new technical equipment, for example, an older TV production bus were exchanged for a production bus with HD quality equipment. A brand-new camera chain was purchased, a new steady-cam with wireless link, and various other equipment for production and rigging.



In addition, BrunstadTV invested in a new equipment warehouse for multi-camera productions, thus ensuring a significant improvement in both workflow and logistics. The production department in Oslo has implemented a new system for file management, workflow and archives. BrunstadTV is in the process of handling a significant amount of digital material, and this requires effective operation to ensure both security and historical archiving.

BrunstadTV's employees regularly attended courses and exhibitions throughout the year in order to keep themselves up to date and learn more about the industry and the profession. Several internal meetings were also organized together with workshops to increase professional knowledge and the development of new ideas for TV production.



Workshop with visit to NRK



Co-workers in BrunstadTV



Young people tried their hand at sound technique on BrunstadTV's course During Easter Camp 2016

BrunstadTV has worked with the use of various media platforms, and has also developed a new web TV solution. It has also worked with a strategy for using other media, such as Facebook and YouTube. The goal with this is to reach the different target groups wherever they are to be found.



Berit Hustad Nilsen
Editor – BrunstadTV

Employees and volunteers in BrunstadTV come from many different nations, thus forming a varied staff having diverse qualities. Together they form a team that is genuinely focused on creating good viewing experiences. Several of the students who are studying at Brunstad Bible School and are interested in media production, volunteered for BrunstadTV for both program and studio productions. BrunstadTV facilitates the role of the young people so that they can contribute and develop skills, both in the field of lighting, audio and video technology. The department is headed by Berit Hustad Nilsen.

At Easter 2016 BrunstadTV held a course during the Easter Camp, where about 100 young people from all over the world were able to develop their creative skills in animation graphics, film and live TV production.

In the summer of 2016, BrunstadTV had its own stand during the activity day for children and families at the BCC summer conference. Hundreds of children came in to meet their TV heroes, watch trailers from new programs, get stickers and to dance to this year's BrunstadTV hits.



Children and families visited BrunstadTV's stand during BCC's summer conference



Program Series	Genre	No. Broadcast Min
Cash flow	Live action/Childrens' TV	141
Mette's Felt-tip	Studio/Childrens' TV	224
Out of Bed	Studio/Childrens' TV	129
BrunstadMagazine	Studio/News	756
A Better Meal	Reality/familie	172
Tellus	Studio/News	139
Good Morning Brunstad	Studio/News	73
Bjarni Bjørn	Studio/Childrens' TV	236
Camp Survival	Studio/Childrens' TV	232
Active!	Reality/Youth	88
Happy Christmas	Studio/Childrens' TV	240
To Action	Gameshow	280
The building site	Reality/Family	223
Battle for the Church	Dokumentary/Studio	320
Syningrennet - Feast from	Live broadcast	91
Feast with YEP youth	Live broadcast	120
Youth Evening Breivold-Camp	Live broadcast	65
Rod - YouTube	YouTube series for children	39
Womens' Conference	Live broadcast	480
Easter Camp	Live broadcast	480
Easter Conference	Live broadcast	1050
Brunstad feast Østfold	Live broadcast	300
Pentecost Conference, Molde	Live broadcast	480
Summer Conference, July	Live broadcast	1 680
Summer Conference, August	Live broadcast	1 440
Brunstad feast Austria	Live broadcast	300
Conference for men	Live broadcast	450
Christmas Concert	Live broadcast	180
New Year's Conference	Live broadcast	600

Contact with Viewers and Social Media

In 2016, BrunstadTV conducted a number of small and large surveys and contests to get feedback on what our audience likes about what we produce. BrunstadTV uses various social media, newsletters and direct contact to inform and keep in touch with our viewers.

Distribution

BrunstadTV broadcasts most of the program-content encrypted via Telenor's satellite THOR 5, as a free alternative for BCC members. BrunstadTV has also established web TV and its own YouTube channel.

In 2016, BrunstadTV broadcasted about 184 hours of new material, spread over series and multi-camera productions.

In all, the BrunstadTV year has been characterized by good cooperation, development and fellowship. We believe that these are qualities that will help BrunstadTV to be a good content provider for the members.



Number of produced Broadcast minutes



Backstage during recording of «A Better Meal»



Recording in Bergama, Turkey



Focused crew during a studio recording

INTERNATIONAL CULTURE EXCHANGE

Youth Exchange Program (YEP) is an international youth program that wishes to contribute to the many-sided church work in BCC. The program is administered by BCC, providing for such things as boarding, lodging, language teaching, activities and travel.

In 2016, 450 youths from six continents and 34 different countries participated in the youth program YEP.

The program usually lasts one year and involves at least 20 hours of teaching per week, including Bible teaching, Norwegian language and culture. In addition, participants are given the opportunity to volunteer in various areas, to promote the aims of the association.

The youth in YEP participated in several events in BCC's local churches in Norway in 2016. At the same time, YEP organized a number of activities, such as language and cultural evenings, celebrations of holy days, themes and subject evenings and sporting events. The department is headed by Kjersti Risnes.



Kjersti Risnes
Head of department YEP





BRUNSTAD BIBLE SCHOOL

Instruction in Faith and Fellowship

BCC wishes to strengthen the option of religious education to the youth of the church, and in 2016 established the Brunstad Bible School Department.

The students at the Brunstad Bible School follow a set teaching plan each week, with more than 20 hours of teaching in Bible history, the history of the church, and the Bible's beliefs and teachings. In addition, there is opportunity for self-study and work in symposium groups. Participants also take regular part in edification and prayer. Class rooms, libraries and study rooms are located at the Oslofjord Convention Center in Vestfold.

The Bible school offers instruction in Norwegian and other languages, as well as extensive cultural exchange and various electives in child and youth work, media production, events and sports. The department is headed by Bjørn Nilsen and annually takes 200-300 students from around the world. Picture: Bjørn N.



Bjørn Nilsen – Head of department, Brunstad Bible School

COMPLIANCE

Compliance work is a natural part of association management in Norway. BCC therefore strongly focuses on both organization and activities being in line with current laws and regulations.

Participation in and contributions towards BCC are based on voluntary efforts and gifts. Such activities are only regulated by law to a limited extent, and in certain areas, such as voluntary work, the legal basis is unclear. BCC's local church in Sandefjord was widely featured in the media in relation to their company Fjordteam AS. The final decision in the case showed that the church had acted correctly.

For many years, BCC has used considerable resources to ensure that its activities are in compliance with the regulatory framework and practice. The current chairman, Finn Å. Ødegård, has long experience both as specialist auditor and section leader in the Inland Revenue Service. Tax and duty law is one of the main areas in his work for BCC and local churches.

In 2016, work on compliance was further strengthened by the appointment of Morten Kristoffersen. Kristoffersen is a graduate lawyer with specialization in company law, and works full time with compliance matters in BCC.



*Finn Å. Ødegård
Chairman – BCC*



*Morten Kristoffersen
Lawyer – BCC*



Intern Control and Compliance

BCC is constantly developing its procedures and systems that form the basis whereby members can be confident that the association's assets are managed in a sound and responsible way.

With extensive activities, it is crucial to have openness and transparency in managing the funds that are collected. BCC has good practices for dealing with funds, gifts and collections. Members are regularly informed about the financial status and administration, both during the association's conferences, via the TV program Brunstad Magazine and in seminars. On the association's intranet, it is also possible for members to submit enquiries concerning finance and organization.

BCC's compliance department focuses, among other things, on the organization of voluntary work and employment law, as well as making sure that the association complies with immigration law for visiting conference participants from many different countries. This also applies to BCC's International Youth Program. BCC also works to ensure that HSE is followed up in all activities and has clear guidelines and procedures in this area.

Focus on Guidelines

BCC has for a long time had guidelines for accounting, gifts, taxes, fees and voluntary work, both for BCC and the Norwegian local churches. This is published on the new website bcc.no. The guidelines are also adapted and used by foreign local churches according to the laws of the countries concerned.

In October, BCC held a seminar for over 200 board chairmen and chief financial officers in local churches. Such seminars have been arranged over a number of years. This seminar was primarily aimed at the Norwegian local churches, but foreign representatives were also invited to an exchange of experiences. The theme was guidelines for financing and operating local churches. Chairman of the BCC, Finn Å Ødegård, emphasized the important responsibility of the chairman and chief financial officer.

FINANCE

The «Golden Heart» Initiative Continues

The "Golden Heart" action started as an initiative from the Oslo Follo local church in 2009, with the intention of strengthening local churches' equity. The goal was to already have 50% equity when the need to invest in new facilities arises. BCC chose to contribute as a driver, and this focus spread to several Norwegian and international local churches. In the years following 2009, BCC has assisted local churches with advice and knowledge about finance and internal control.

From the start in 2009 to December 2012, 45 churches from eight countries in Europe and Asia joined the «Golden Heart» campaign. Four years later, in December 2016, 75 churches from 18 countries on five continents had joined the action and set specific collection targets to be reached by December 2020.

When BCC's local church in Eiker in the spring of 2016 was given the task of organizing the bi-annual mission feast the following year, they took the initiative for a collection competition between local churches. Those who managed to stay in front of Eiker by June 2017 were promised to be allowed to attend a major feast during the BCC summer conference in 2017.

To create dedication and entertainment, Eiker chose the train theme as a metaphor, and gave the competition the name "The Great Train Journey". The concept soon became popular, both in Norway and internationally, and the news program "Brunstad Magazine" sent broadcasts in order to inspire and follow-up the competition. More and more churches in the course of the year were given "space on the train", the whole point being to maintain focus on the "Golden Heart" initiative in the individual local church.



Rigging course with focus on HSE at BrunstadTV



Seminar for over 200 board chairmen and chief financial officers in local churches



Managing BCC's Equity

The asset value of the "Golden Heart" action now shows a very high equity in each local church. "Golden Heart" has also contributed to BCC receiving gifts from local churches across the world, which has helped significantly to increase equity. This provides the basis for the association's equity of NOK 599 million.



Table and graph showing BCC's growth in equity the last 5 years

The idea of obtaining funding for facilities in the individual local church, as well as the development of sports facilities at Brunstad, was a key driver for acquiring good equity in BCC and local churches.

Throughout the period 2011 – 2013 local churches passed individual motions stating that they wanted to support the project, in accordance with the principle decision in BCC's Church Leadership Meeting.

BCC's intention at this time was to donate this as a gift to the Brunstad Foundation, as a means of funding the sports and activity facilities which were being planned.

However, in the spring of 2014, the Brunstad Foundation passed a resolution stating that the sports facility should be included in the parent organization's rental activities at the conference center. So, the Brunstad Foundation did not want these facilities to be financed using lottery funds, gifts or other financing that interfered with the rules of competition in the industry. As a result, BCC passed a motion at the Church Leadership Meeting in 2014 that the funds were to be deposited in a trust of which parts might be used for construction loan financing for the Brunstad Foundation.

Investment of Funds

The funds are registered in the accounts as part of BCC's equity and are, amongst other things, invested by giving loans to Global Investment Holding AS (GIH). GIH has funded the 11 conference centers associated with BCC's missionary activities worldwide. Other funds are invested as loans to local churches, humanitarian foundations and other companies and organizations associated with BCC and the local churches.

The future management of the BCC fund is to ensure a good return. These are funds that BCC members have conscientiously worked to collect and are to be regarded a "seed fund" for BCC's future activities.

REGIONALE CONFERENCE CENTERS



Cabreuva – Brasil

Conference centers in many countries form a considerable resource for the missionary work in BCC. In 2015, BCC began a process of acquiring ownership of the regional conference centers used by BCC members worldwide. These centers have largely been financed by loans and guarantees from BCC. They are regularly used by several local churches in the region, but often these have not had the financial or practical capacity to operate or further develop the centers on their own. In order to ensure efficient and future-oriented operations, this ownership shift was completed as planned in the course of 2016.



Leon – Mexico

CONFERENCE CENTERS	
Ozorne	Ukraine
Paso Flores	Argentina
Tuaranga	New Zealand
Domnesti	Romania
Yaounde	Kamerun
Kisumu	Kenya
Ternopil	Ukraine
Finca Alamo	Spain
Leon	Mexico
Cabreuva	Brasil
Alwaye	India



Yaounde – Cameroon



IMPORTANT DECISIONS MADE AT THE CHURCH LEADERSHIP MEETING

On 2nd July, the BCC Annual Church Leadership Meeting commenced, and several important issues were dealt with. The accounts for 2015 were reviewed and approved.

Change in Bye-laws

The BCC's articles of association have been reviewed and changed several times over the years. It has been several years since this was done, so BCC started a new review in 2016 with a view to updating the articles of association. In connection with this process, proposals were submitted for new main points and further processes. The work has been extensive, and amendments to the articles of association require a thorough progression to cover all the elements and firm support from our members. The Church Leadership therefore decided that a proposal for renewed statutes should be submitted at a later meeting.

Updated Strategy and Action Plan in Child and Youth Work

In 2016, the existing strategy and action plan to prevent trans-boundary behavior, violence and sexual abuse against children and youth was updated. Harald Kronstad heads the BCC resource team for family conflicts, and has led the work of reviewing the church's central policy in this area. The strategy and action plan was presented and approved by the Church Leadership, which also stressed the importance of the updated plan being implemented in a thorough manner in local churches. Therefore, a guidebook has been prepared for help in the local work.



Harald Kronstad

Future Use of Oslofjord Convention Center

The use of Oslofjord Convention Center is part of BCC's long-term strategy for international missionary work and event activities. The site is under extensive development, and Oslofjord is in an active development phase around the facilities and operations.

The Church Leadership was briefed on the work of analyzing the economic and strategic aspects of BCC's future lease and how the church's use of the conference facility is expected to be after completion of the development.



THE BOARD'S STATEMENT FOR 2016 BRUNSTAD CHRISTIAN CHURCH

Form of Activity and Management Method

Brunstad Christian Church

Brunstad Christian Church is an association with Christian aims. The association carries out missionary and humanitarian work in a number of countries spread throughout the world. The administration has its headquarters in rented premises at Ryenstubben 2 in Oslo. The association also has a contract with Oslofjord Convention Center AS at Brunstad in Vestfold where BCC annually arranges several international conferences. For more detailed information regarding BCC's activities we refer to the association's annual report which is accessible on the association's webpage www.bcc.no.

The Parent Company

The parent company includes the association Brunstad Christian Church and the subsidiary BKM Holding AS with subsidiaries. In 2016 BCC took over the ownership of 11 regional conference centers which are used by BCC's members throughout the world. This is done through our subsidiary Global Investment Holding AS.

Continued Operation

The annual accounts for 2016 for Brunstad Christian Church are drawn up based on the assumption of continued operation, and the board confirms that this precondition exists.

Development, Result, and Balance Sheet

Brunstad Christian Church

The accounts show the result and equity as set out below (all figures in thousands):

	2016	2015
Result	kr 151 780	kr 158 561
Equity	kr 599 605	kr 447 825

In the opinion of the Board, the annual accounts and accompanying notes provide a true and fair view of the result for 2016 and the balance sheet per. 31.12.2016. There has been no relationship after the end of the financial year that is relevant to the assessment of the association. The association's ordinary depreciation largely constitutes the difference between the company's cash flow and the accounting result.

The Parent Company

The parent company's accounts show results and equity as set out below (all figures in thousands):

	2016	2015
Result	kr 145 120	kr 161 051
Equity	kr 598 785	kr 452 663

Taxation

Brunstad Christian Church has been established as a non-profit making association and is tax-exempt according to section 2-32 of the Income Tax Act. Brunstad Christian Church is also approved by the Inland Revenue Service as an organization that is subject to the grant deduction scheme to voluntary organizations pursuant to section 6-50 of the Income Tax Act.

Work environment

The working environment and general well-being in the workplace is good. There have been no serious injuries or accidents in 2016 and the sickness absence of employees has been insignificant. The association has good procedures for HSE follow-up for employees.

Equality

Brunstad Christian Church aims to be a workplace where there is full equality between women and men. The association had 168 employees in 2016, divided among 72 women and 96 men. Many work with mission and humanitarian work. The board consists of one woman and two men.

Environment

In the opinion of the Board, the association does not operate with activities that cause a significant negative impact on the external environment. The Association has therefore not implemented or planned special measures in this area in 2016 beside the necessary measures required by law and regulations to safe-guard the current environmental requirements.

Information about financial risk

In the opinion of the Board, there is no market risk or significant risk of loss for the association in the near future. The association has operations throughout the world and parts of revenues and costs are linked to currency. The association's financial income and financial expenses must be seen in the light of this.

Oslo, the 23rd of June 2017



Finn Å. Ødegård
Chairman of the Board



Berit Hustad Nilsen
Board Member



Vegar Krohstad
Board Member/General Manager

FINANCIAL STATEMENTS 2016

BRUNSTAD CHRISTIAN CHURCH

INCOME STATEMENT

PARENT COMPANY				GROUP	
Figures in thousands NOK				Figures in thousands NOK	
2016	2015	NOTE	OPERATING INCOME AND OPERATING EXPENSES	2016	2015
0	0	2	Revenue	48 532	5 444
19 195	22 738	2	Other operating income	21 297	36 180
348 030	234 956	2, 9	Contributions and collections	348 038	239 602
0	39		Gain on sale of tangible assets	0	39
13 783	11 635		Government grants	13 783	11 635
381 008	269 368		Total revenue	431 650	292 901
0	0		Cost of materials	26 227	2 491
25 279	23 692	3	Employee benefits expense	27 332	24 720
3 545	2 166	4	Depreciation on tangible and intangible assets	16 304	7 411
0	0	4, 5	Amortisation of fixed and intangible assets	1 449	0
208 859	111 074	9	Other operating expenses	213 724	117 065
237 682	136 932		Total operating expenses	285 036	151 687
143 325	132 436		Operating profit	146 614	141 214
FINANCIAL ITEMS					
27 324	23 750		Interest income	21 526	18 242
14 688	15 521		Other financial income	14 760	15 528
0	0		Dividends from subsidiaries	250	0
-8 886	-7 552		Interest expense	-7 841	-8 113
-24 671	-5 592		Other financial expense	-29 529	-5 608
8 454	26 126		Net financial items	-834	20 050
151 780	158 562		Profit before income tax	145 780	161 264
0	0	10	Taxes	660	212
151 780	158 562		Net profit for the year	145 120	161 052
ALLOCATION OF NET PROFIT AND EQUITY TRANSFERS					
151 780	158 562	7	Transferred to other equity		
151 780	158 562		Total allocations		

BALANCE SHEET AT 31.12

PARENT COMPANY				GROUP	
Figures in thousands NOK				Figures in thousands NOK	
2016	2015	NOTE	ASSETS	2016	2015
Fixed assets					
Intangible assets					
0	0		Deferred taxation	818	0
0	0		Goodwill	24 218	0
0	0		Total Intangible assets	25 642	0
Tangible assets					
0	0	4	Land, buildings and other property	559 899	162 086
15 837	5 331	4	Movables	29 318	14 202
2 237	957	4	Vehicles	2 329	957
18 073	6 287		Total tangible assets	591 546	177 245
Financial fixed assets					
15 000	3 000	5	Investments in subsidiaries	0	0
1 061 107	990 310	6	Other long term receivables	603 280	836 183
1 076 107	993 310		Total financial fixed assets	603 280	836 183
1 094 180	999 598		Total fixed assets	1 220 468	1 013 428
Current assets					
0	0	6	Inventories	2 926	1 324
Receivables					
1 264	4 680		Trade receivables	4 860	7 040
6 739	3 419		Other short term receivables	19 000	3 777
8 003	8 100		Total receivables	23 860	10 817
137 603	43 014	12	Cash and bank deposits	146 064	47 124
145 606	51 114		Total current assets	172 850	59 264
1 239 786	1 050 712		TOTAL ASSETS	1 393 318	1 072 692

FINANCIAL STATEMENTS 2016

BRUNSTAD CHRISTIAN CHURCH

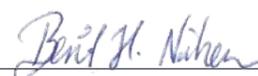
BALANCE SHEET AT 31.12

PARENT COMPANY				GROUP	
Figures in thousands NOK				Figures in thousands NOK	
2016	2015	NOTE	EQUITY AND LIABILITIES	2016	2015
			Equity		
599 605	447 825	7	Retained earnings	598 785	452 664
599 605	447 825		Total retained earnings	598 785	452 664
599 605	447 825		Total equity	598 785	452 664
			Liabilities		
			Non-current liabilities		
442 518	323 639		Other non-current liabilities	515 678	332 067
0	0		Deferred tax	58 519	2 675
442 518	323 639		Total non-current liabilities	574 197	334 742
			Current liabilities		
0	0		Liabilities to financial institutions	424	0
4 191	6 001		Trade creditors	6 899	6 530
0	0	10	Tax payable	495	0
1 626	1 324		Public duties payable	1 818	1 699
191 846	271 922	9	Other short-term liabilities	210 701	277 058
197 663	279 248		Total current liabilities	220 377	285 287
640 181	602 886		Total liabilities	794 535	620 029
1 239 786	1 050 712		TOTAL EQUITY AND LIABILITIES	1 393 319	1 072 691

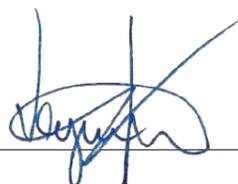
Oslo, the 23rd of June 2017



Finn Å. Ødegård
Chairman



Berit Hustad Nilsen
Board Member



Vegar Kronstad
Board Member and General Manager

CASH FLOW STATEMENT

PARENT COMPANY			GROUP	
Figures in thousands NOK			Figures in thousands NOK	
2016	2015	CASH FLOW FROM OPERATIONS	2016	2015
151 780	158 562	Profit before income taxes	145 780	161 264
3 545	2 166	Depreciation	16 304	7 411
0	-39	Gain/loss from sale of fixed assets	0	-39
0		Impairment of tangible fixed assets and intangible assets	1 449	0
0		Change in inventory	-1 602	-8
3 417	433	Change in trade debtors	2 180	2 495
-1 810	-3 648	Change in trade creditors	369	-4 328
-3 018	1 649	Changes in other current assets and other current liabilities	-10 187	-13 982
153 913	159 122	Net cash flow from operations	154 294	152 813
		CASH FLOW FROM INVESTMENTS		
-15 331	-4 260	Purchase of fixed assets	-414 975	-9 250
0	964	Proceeds from sale of fixed assets	4 562	1 041
-12 000	-2 970	Proceeds from sale of shares and investments in other companies	0	-9 849
0	0	Cash holdings in acquired businesses	4 479	-238
0	0	Payments from sale of financial fixed assets	232 903	0
-70 797	-665 195	Payment of loans	0	-646 204
-98 127	-671 461	Net cash flow from investments	-173 031	-664 500
		CASH FLOW FROM FINANCING		
-80 077	269 077	Proceeds from short term loans	-65 933	259 460
118 880	165 318	Proceeds from long term loans	183 611	173 747
38 803	434 395	Net cash flow from financing	117 678	433 207
94 589	-77 944	Net change in cash and cash equivalents	98 940	-78 480
43 014	120 958	Cash and cash equivalents at the beginning of the period	47 124	125 604
137 603	43 015	Cash and cash equivalents at the end of the period	146 064	47 124

FINANCIAL STATEMENTS 2016

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.

Figures in thousands NOK

PARENT COMPANY			GROUP	
2016	2015		2016	2015
20 609	19 379	Salaries/wages	22 281	20 074
3 110	2 765	Social security fees	3 412	3 066
338	317	Pension expenses	416	317
1 222	1 232	Other remuneration	1 224	1 264
25 279	23 692	Sum	27 332	24 720
168	190	Number of employees in the accounting year	177	192

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	Lønn	Annen godtgjørelse
Chief Executive Officer (CEO)	600	121
Board	1900	11

Board members do not receive remuneration, but the board members have been employed by the organisation and have received salary in 2016.

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	
2016	2015		2016	2015
605	605	Statutory audit	785	778
26	27	Other assurance services	29	52
56	33	Other assistance	63	64
-	-	Tax advisory fee	-	20

Amounts are exclusive of VAT.

FINANCIAL STATEMENTS 2016

BRUNSTAD CHRISTIAN CHURCH

NOTES TO FINANCIAL STATEMENTS

Note 4 Fixed assets

Figures in thousands NOK

PARENT COMPANY

	Movables	Vehicles	Total
Purchase cost 01.01.16	9 420	1 931	11 351
Additions	13 723	1 608	15 331
Disposals	-	-	-
Purchase cost 31.12.16	23 143	3 539	26 682
Accumulated depreciation	7 306	1 303	8 609
Accumulated impairment	0	0	0
Impairment	-	-	-
Net book value 31.12.16	15 838	2 236	18 073
Depreciation in the year	3 217	328	3 545
Expected useful life	5 år	5 år	
Depreciation plan	Lineær	Lineær	
Annual lease of assets not recognised on the balance sheet	2 248	284	

GROUP	Land	Intangible assets	Buildings and other real estate	Machinery / plant	Vehicles	Deferred Tax VAT. buildings	Total
Purchase cost 01.01.16	14 223	-	165 069	25 399	157	1 931	206 778
Additions	-	23 518	8 431	17 802	-	1 608	51 360
Additions from acquisition of businesses	82 113	1 288	276 498	3 606	18	92	409 811
Disposals	-	-	4 562	-	-	-	4 562
Purchase cost 31.12.16	96 336	24 806	445 436	46 807	174	3 631	663 387
Accumulated depreciation	-	588	26 621	17 503	159	1 302	46 173
Accumulated impairment	-	-	1 449	-	-	-	1 449
Net book value 31.12.16	96 336	24 218	417 366	29 304	15	2 329	615 765
Depreciation in the year		588	9 153	6 232	3	328	16 304
Impairment in the year		-	1 449	-	-	-	1 449
Expected useful life		40 år	10-60 år	4-12 år	6-7 år	5 år	
Depreciation plan		Straight line	Straight line	Straight line	Straight line	Straight line	
Annual lease of assets not recognised on the balance sheet			2 248		284		2 532

Note 5 Subsidiaries, associated companies, and joint ventures

Figures in thousands NOK

BKM Holding	Location	Aquisition date	Voting right	Aquisition cost	Book value	Equity
Ryenstubben 2 AS	Oslo, Norway	November 13	100 %	5 250	5 250	6 046
Brunstadshop AS	Oslo, Norway	December 14	100 %	1 000	1 000	1 203
Straumeparken AS	Straume, Norway	November 15	100 %	9 848	9 849	-241
Runstad Eiendom AS	Ski, Norway	January 14	100 %	950	950	989
BCC Event AS	Oslo, Norway	December 14	100 %	1 000	1 000	5 487
SEE Travel & Tours AS	Kråkstad, Norway	November 13	100 %	0	0	530
Always Conferencecenter	Always, India	September 16	100 %	5 644	5 644	9 233
Global Investment Holding	Location	Aquisition date	Voting right	Aquisition cost	Book value	Equity
Paso Flores SA	Argentina	October 16	100 %	51 771	51 771	4 216
Bayhill Functions	New Zealand	September 16	100 %	11 289	11 289	12 658
Rms Conference	Romania	October 16	100 %	37 629	37 629	36 858
Action Development Cameroon	Kamerun	October 16	100 %	23 989	23 989	8 788
Nokesa Limited	Kenya	September 16	100 %	9 407	9 407	1 803
Smiga LTD	Ukraina	September 16	100 %	51 740	51 740	2 406
Finca Alamo	Spania	October 16	100 %	6 021	6 021	21 841
Kolme Mexico	Mexico	September 16	100 %	23 518	23 518	6 460
Solar Das Primavera	Brasil	September 16	100 %	15 109	15 109	32 119
Anna Christina Ltd	Russland	March 16	100 %	42 333	42 333	4 086

Note 6 Debtors which fall due later than one year

Figures in thousands NOK

PARENT COMPANY		GROUP	
2016	2015	2016	2015
1 061 107	990 310	603 280	836 183
	Other long term debtors		

FINANCIAL STATEMENTS 2016

BRUNSTAD CHRISTIAN CHURCH

NOTES TO FINANCIAL STATEMENTS

Note 7 Shareholders' equity

Figures in thousands NOK

PARENT COMPANY		Other equity
Equity 01.01.16		447 825
Equity changes in the year:		
Profit for the year		151 780
Equity 31.12.16		599 605

Group		Other equity
Egenkapital 01.01.16		452 664
Equity changes in the year:		
Profit for the year		145 120
Currency translation rate		1 001
Equity 31.12.16		598 785

Note 8 Balance with group companies, etc.

Figures in thousands NOK

	Other long term Debtors		Internal Trade	
	2016	2015	2016	2015
Group companies	465 444	154 139	8 821	-
Sum	465 444	154 139	8 821	-

	Rental Costs		Interest Income	
	2016	2015	2016	2015
Associated companies/churches	2 680	-	1 599	0
Total	2 680	-	1 599	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 recieved a gift of 1 million NOK in 2016 from the related party Skjulte Skatters Forlag.

Note 10 Taxes

Figures in thousands NOK

Parent company

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

GROUP

Taxable income for the year:		2016
Group's profit before tax including group eliminations		145 779
Income on non taxable activites deducted		151 780
Profit before tax from taxable activities		(6 001)
Permanent differences		(235)
Use of loss carried forward		(435)
Change in temporary differences*)		(7 308)
The year's direct taxable income		(13 979)
Payable tax on this year's result		185
Payable tax acquired foreign company**)		310
Tax on the result is as follows::	2016	2015
Payable tax	495	0
Change in deferred tax*)	(218)	96
Tax effect of group contribution	-	115
Tax on the result	277	212
Tax on acquired foreign companies	382	-
Total Tax on the result	660	212

*) changes in timing differences and deferred tax cannot be directly reconciled with the specification below, due to acquisitions in the course of the year

FINANCIAL STATEMENTS 2016

BRUNSTAD CHRISTIAN CHURCH

NOTES TO FINANCIAL STATEMENTS

Breakdown of deferred tax and basis for deferred tax:	2016	2015	Ending
Tangible assets	40 658	21 789	18 869
Receivables	(385)	-	-385
Inventory	(725)	(282)	-443
Gain and loss account	-	(906)	906
Tax losses carried forward	(23 232)	(12 591)	-10 641
Total	16 316	8 010	8 307
Estimated deferred tax asset	12 829	2 002	10 827
Deferred tax asset added values buildings	48 171		
Deferred tax assets not recognised on the balance sheet	(2 922)	(672)	
Deferred tax assets on aquired foreign companies**)	(377)		
Net deferred tax/deferred tax assets	57 701	2 675	55 027

**) In 2016, Brunstad Christian Church purchased 10 international conference centres. These companies are consolidated into the group accounts, but due to insufficient notes to their accounts, only one company is consolidated in the tax note. The tax position of the remaining companies is immaterial, and these are, therefore, included in the above table with a total amount.

Note 11 Pledges and guarantees

Figures in thousands NOK

GROUP	2016	2015
Guarantees		
Guarantees to other companies	27 795	29 789
Total	27 795	29 789
Collateral		
Loan to subsidiary secured by assets	10 722	3 379
Amount of assets pledged or assigned for the securing of own liabilities	24 316	82 282

Note 12 Bank deposits

Figures in thousands NOK

Parent company

Bank deposits and cash include NOK 850 in tied tax withholdings

Konsern

Bank deposits and cash include NOK 916 in tied tax withholdings

Note 13 Recognition of foreign currency monetary items

Figures in thousands NOK

PARENT COMPANY	2016	2015
Agio recognized	14 688	15 521
Disagio recognized	24 671	5 592
Net foreign currency monetary items	-9 984	9 928
GROUP	2016	2015
Agio recognized in income statement	14 760	15 528
Disagio recognized in income statement	29 529	5 608
Net foreign currency monetary items	-14 769	9 920

In essence, the foreign currency monetary items are unrealized.

To the General Meeting of Brunstad Christian Church

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brunstad Christian Church showing a profit of NOK 151 780 000 in the financial statements of the parent company and profit of NOK 145 120 000 in the financial statements of the group. The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2016, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2016, and the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the parent company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying financial statements give a true and fair view of the financial position of the group as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report, but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

(2)



- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 26 June 2017

PricewaterhouseCoopers AS

Gøril Hyni
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

(3)



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