



Brunstad
Christian Church

**ANNUAL
REPORT**
2019



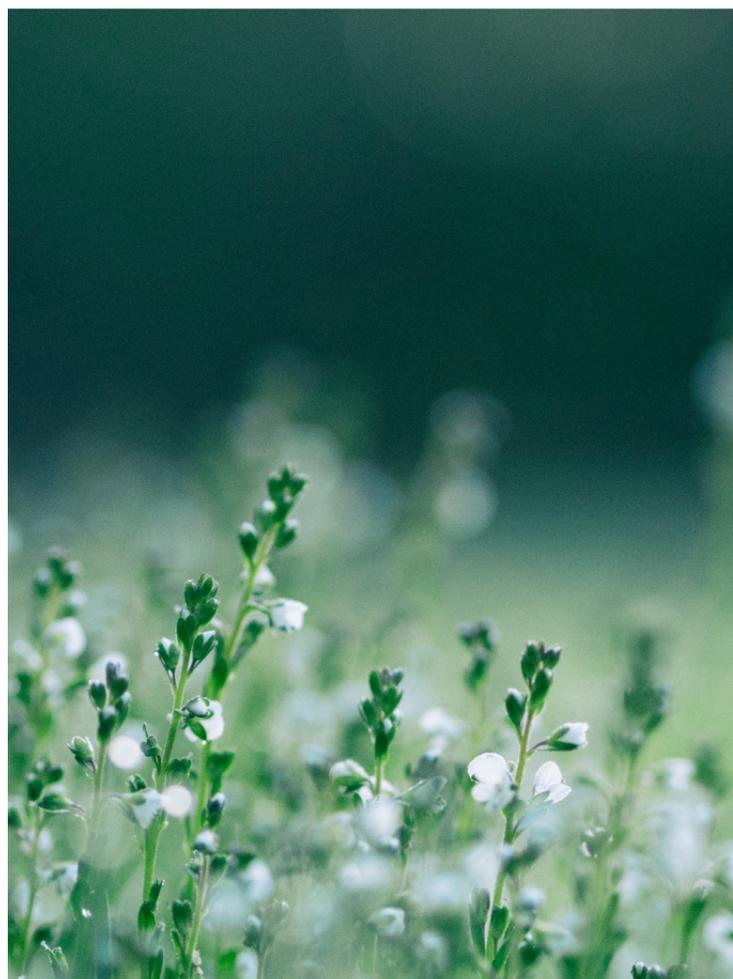


Table of Contents

01	This is Brunstad Christian Church	4
02	From the Board	8
03	Key financial figures	10
04	Media	13
05	Events	22
06	Mission	26
07	Youth program	28
08	Other charitable activities	30
09	Grants to affiliated organizations	34
10	Membership and involvement	36
11	Organizations we work together with	38
12	From empty coffers to well financed churches	41
13	The Board's Annual Report 2019	46
14	Activity accounts BCC	50
15	Independent Auditor's Report	69



This is Brunstad Christian Church

01



- A church community with Norwegian origins and an international presence
- Started in Horten, Norway in 1898 with Johan Oscar Smith's conversion
- Approximately 8,800 members in Norway; more than 50% are under the age of 25

Brunstad Christian Church is a collective term for the community of people and organizations who believe in the Biblical doctrine to which Johan Oscar Smith converted, and who connect with each other through the international conferences held at Brunstad in Norway. The church has operations in over 50 countries, on all continents.

This report primarily covers the church's Norwegian operations, organized as a charitable association of the same name with registration number 979 961 073. It provides insight into how BCC advances our Christian cause, and how it facilitates both sharing the gospel and a meaningful community for our members. Together with our affiliated member churches we wish to be positive contributors to our communities.

In Norway, there are 19 local churches connected to BCC by a common purpose. All localities are independent legal entities with responsibility for their own activities, and finances and prepare their own annual reports.





Organization and Management

In accordance with its statutes, BCC has three governing bodies.



ASSEMBLY OF REPRESENTATIVES

- Approves annual accounting reports and confirms amendments to the organization's statutes
- Consists of representatives from Norwegian and foreign churches



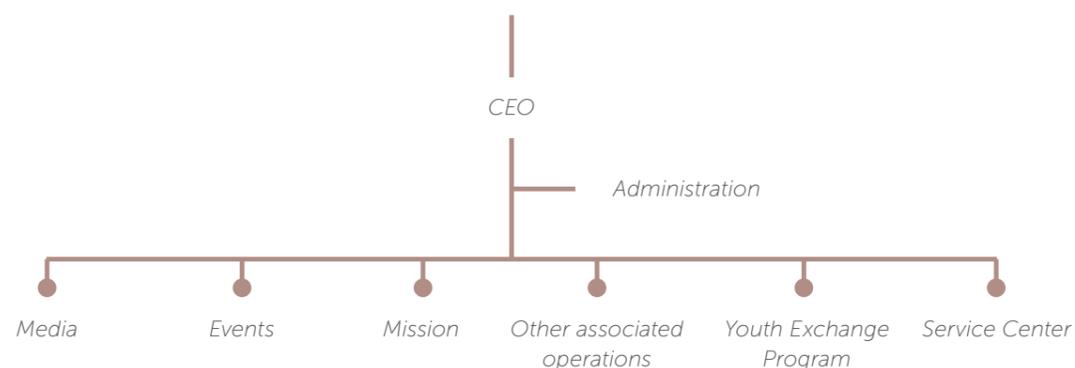
THE BOARD

- Responsible for operational planning
- Manages the funds in accordance with BCC's charitable objectives
- Manages BCC's properties and assets



CHURCH ELDERS

- Have responsibility to be stewards of the church's doctrine and for the church's events and Christian content
- Hold annual retreats for the elders in BCC, together with elders from local churches in Norway and other countries



BCC is headquartered at Ryen in Oslo, Norway, and has a significant number of employees. In 2019, the organization had 140.7 full-time positions; 79 of these were permanent positions. Other positions were filled by project staff, many of whom were participants in the Youth Exchange Program. BCC gave event planning and media production special development focus in 2019.

Administration

In 2019, the BCC administration consisted of operational management and a communications department. In addition, consultancy services were used in connection with HR, Health & Safety, and the board function, as well as accounting and auditing.

BCC's communications department works with member news, community outreach and public communications.

In 2019 the department had 3.5 employees who worked with the BCC's web page, social media, press and community contact, the member portal and member surveys.

In the past years, BCC has gained significant financial resources and therefore needs good control and management of its funds. Expenditures for financial and IT services are distributed as shared costs over the various areas of activity.

BCC has been rated by Bisnode, Dun & Bradstreet and has the highest credit rating: AAA.

THIS IS OUR CHARITABLE OBJECTIVE:

To spread the gospel across the whole world so that all peoples can become disciples and can learn to keep Jesus' commandments.



Therefore, we make it possible for those with a desire for this fellowship to gather around the preaching at conferences and meetings. We are preparing both organizationally and technologically so that new generations can also be invited to the lifelong calling of being disciples of Jesus.



From the Board

02

As we develop our organization to meet future needs, there is a focus on being a healthy and well-organized church community, without compromising the foundation of our faith. We experience that our Christian purpose brings us together, and it is inspiring to see many young people choose to stay in our church community when they reach adulthood. This is reflected in a gradually increasing membership, with a high proportion of children and youth among our members.

In accordance with developing legislation for religious communities, we align and develop our organization side by side with other organizations in our religiously diverse society. We believe that Christianity has something important to convey to people today, and that it embodies both happiness and well-being for our many thousands of members.

Mission work through events and media activities

Christian conferences are still BCC's most important arena for spreading our message and for fellowship. In 2019 we organized seven large international conferences with participants from 43 countries and worked hard to give participants a better conference experience by catering to all age groups. We also ensured that people from countries with low buying power received support to attend our conferences.

In addition to many individuals' efforts, media activity is an important tool for mission work. We want to use all useful means in furthering the gospel. We have received attention from other Christians, both nationally and internationally, for the animated series "Jesus is My Friend". It will be a priority for us to further develop our technical skills and competence, so that the gospel can be communicated in new ways and to new target groups.

Volunteer work and donations are the cornerstone for our activities

The income in our association mainly consists of donations from individuals, organizations, and companies. As a religious community, we also receive a government subsidy. In this report you can see where the donations come from, and how BCC manages the government subsidy and donations to further our purpose. We want this annual report to help both our members and the public to receive good insight and a better understanding of our organization.

In local churches believers of all ages find solidarity and fellowship and have great opportunities to engage in volunteer work for others. As a church, BCC wants to be a positive force in society, and facilitate activities which inspire and enable members to help others in their immediate surroundings.

The Board would like to extend a warm thank you to all the volunteers who support our community in various ways. Even though BCC has many employees, volunteer work is still the backbone of our church activity. In 2019, thousands of members supported BCC during our conferences, and also through pastoral work and preaching.



Finn Å. Ødegård
Board member



Berit Hustad Nilsen
Chairperson



Tore Aslaksen
Board member

“In local churches believers of all ages find solidarity and fellowship and have great opportunities to engage in volunteer work for others.”



Key figures

03

In 2019 BCC received MNOK 285.2 in gross revenue obtained to fulfil its charitable objectives, of which donations and others grants accounted for around 60%. Revenue from operational activities accounted for 18%, consisting mainly of participant payments for attending BCC's conferences which go towards covering the expenses associated with these.

In 2019 BCC received public subsidies of MNOK 9.7. Further, the association received MNOK 7.2 in VAT compensation for non-profit organisations.

Expended funds for operations closed at MNOK 219.5, which provided a solid operating surplus of MNOK 65.7.

In 2019, we switched to activity accounting, a new accounting standard for non-profits. The intention is that donors and the public can more readily see what the association's funds are used for and how much goes to charitable activities. The designations below reflect the new accounting standard.

Equity and fund

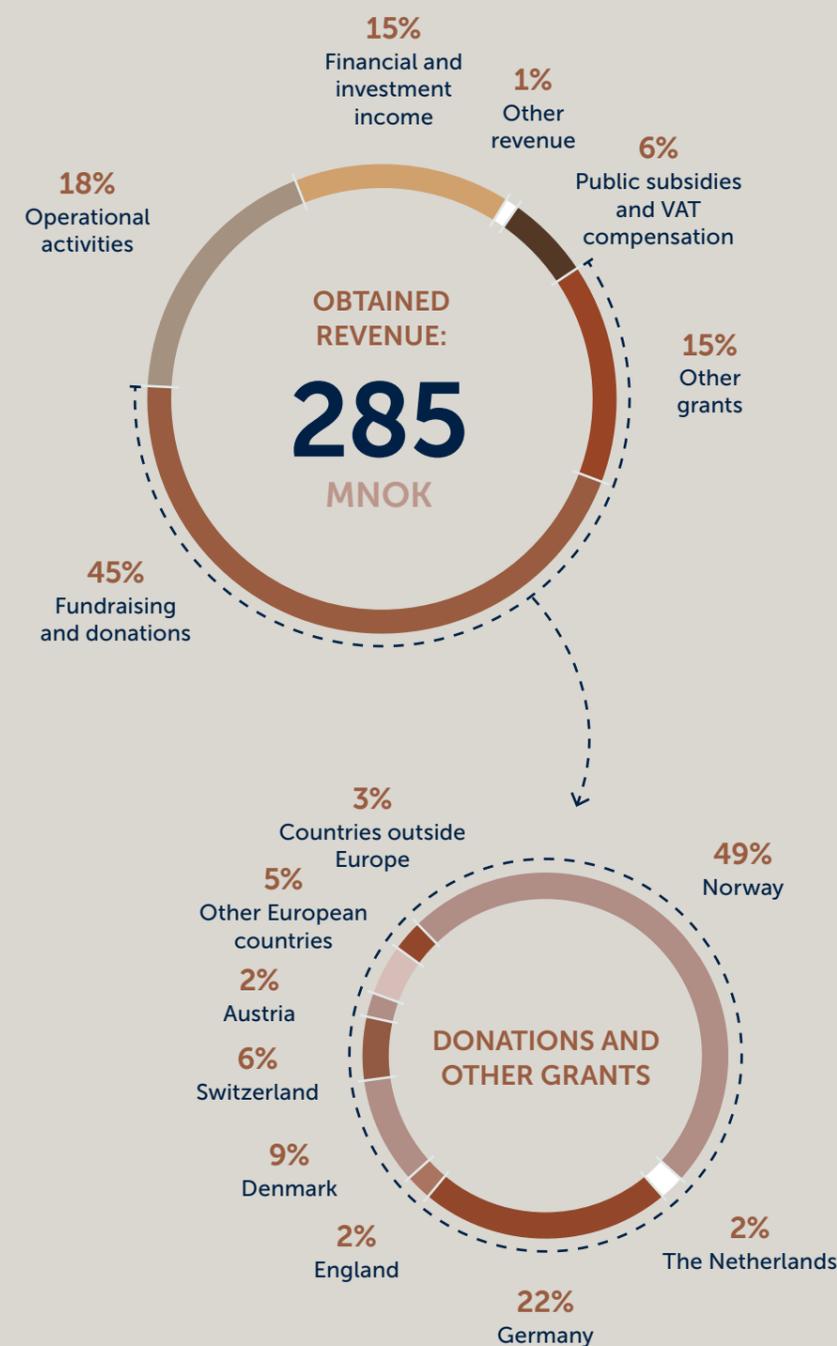
The association's charitable net assets were MNOK 975.9 on 31.12.2019. Of this is NOK 832.2 million is placed in a separate designated fund, which has self-imposed restrictions and kept separate from operating finances.

BCC FUND 2019:

832
MNOK

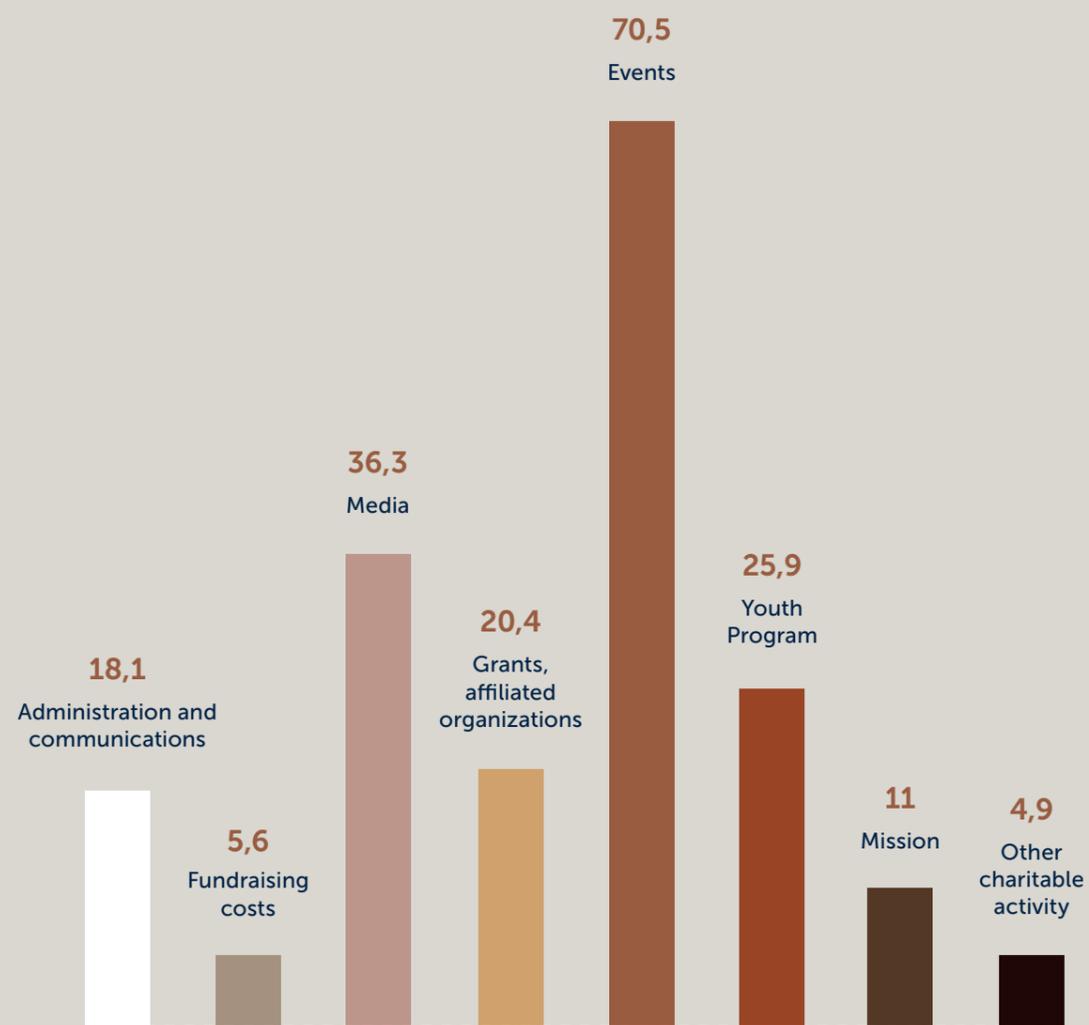


3,68 % ▲
return





**EXPENSES IN ACCORDANCE
WITH ACTIVITY ACCOUNTING:**
IN MILLIONS NOK



Media

04

Using technology in the service of the gospel

Media is the largest activity area in BCC and has 37 employees, in addition to 20 project-based employees.

Film and TV are fields in rapid development and constant renewal, and to improve professionally it is crucial to have a good learning environment. The media department works in teams; there has been continuous focus to work on quality, content, and workflow.

BCC is an approved apprenticeship provider in the media graphics area and collaborates with vocational training body in Oslo.

In 2019, the department had five apprentices across two school years.

BrunstadTV

BrunstadTV evolved gradually over eight years and its vision is to be a vibrant media house for spreading Christianity. Through the years there has been a focus on building competence and creating media content at a professional level.

The average employee age is 25, making it an energetic environment with many creative and enthusiastic people.

In 2019 the department focused on development, renewal, and effective organization, to produce Christian content that supports BCC's vision.

In 2019 the department took several measures to reinvigorate its content and working practices. All employees attended a comprehensive workshop, where they brainstormed for new ideas and concepts for mission work, and studied program production and communications.

Technology and distribution in 2019

The BrunstadTV app was updated in the spring of 2019, with developments made in several stages through the year, including:

- Updated design
- In-app live streaming
- Development of Video On Demand
- Optimized search function
- Support for Apple-TV and Chromecast

Distribution of translation is a large part of the responsibility of the technical and distribution department. BrunstadTV is able to simultaneously translate 20 languages live every broadcast. In 2019 BCC put in place a solution to translate sign language on video.

“a vision of being a vibrant media house for spreading Christianity”



TV Production 2019

In 2019 almost 10,000 minutes were produced for TV, in addition to media content for other platforms. A large amount of this material consisted of live broadcasts from BCC's conferences and events. Several TV series, including many for children, are also shared on the website *brunstad.tv* and on BrunstadTV's YouTube channel.

BCC supported Brunstad Youth Club's four camps with bible instruction and content. The media department collaborated with the church elders to produce creative and edifying content for a young audience. We find that the whole faith community finds it energizing for the Christian message to be conveyed in new ways, and that it strengthens unity when faith is shared and reignited between generations.

Animation series reaches new audiences

BCC's focus on technology also applies to our narrative to children. Content is presented in a simple, understandable format in films, plays, songs and music.

BCC tested animation as a new format in 2019. Due to high costs for this type of series there were fewer TV productions for children in 2019 than in previous years. The cost per minute is about nine times higher for animation than for other television production.

The animated series have been translated to several languages, making it possible to reach more people simultaneously. The series "Jesus is My Friend" was one such series that received a positive reception and will soon become teaching material for Sunday School in many countries.

The results of this work inspired new productions for this audience in 2020; during the second half of 2019 work started on two new animation projects for children and youth.

9,657

AIRTIME MINUTES

TV-PRODUCTION (LIVE and PROGRAMS)





JESUS IS MY FRIEND

Animation series that explains the life of Jesus and what this means for us today. The purpose is to make children familiar with the story of Jesus, and how we believe He can help us and become our personal friend.



BEHIND THE SCENES

A series that goes behind the scenes during the preparations for the children's conference in the summer of 2019. We meet several children and adults who are part of the event and who participate in music videos, dances, and plays.



MIGG AND MAGG

Animated series about two cousins constantly in situations familiar to all children, and along the way receive a great deal of good advice from their grandfather.



BRUNSTAD MAGAZINE

A studio program with news for members, updates about what is happening in the church, inspiration to live a practical Christian life, and various collections for good causes.

TELL US

A news program where local media groups contribute with reports from activities and events in their local churches and groups from around the world.



THIS IS ME

A mini portrait of different children, where the viewer gets insight into their everyday lives. This series has the goal of inspiring friendship, care, and inclusion in its young audience.



THE LOFT

Entertainment series for children with a character named Walter in the loft who teaches creative tricks that kids can try at home.



A CHRISTMAS MEAL

We meet different married couples preparing their Christmas meal, while telling stories about their Christian life. The conversations take place in a relaxed atmosphere with good food and beautiful scenery.



ActiveChristianity

ActiveChristianity is BCC's largest online mission tool. The goal is to inspire more people to an active Christian life, using articles, eBooks and social media posts. The website was created in 2008 and is translated to 15 languages with a steady increase in readership over the past 10 years.

Faith-strengthening content is shared daily via multiple channels on social media, in English, Spanish and Norwegian.

In the fall of 2019, a new project was initiated; a podcast "Living the Gospel", which is targeted at young Christians.

ACTIVECHRISTIANITY 2019:

- Website translated to 15 languages, with over 35,000 visitors per day
- Produced 270 minutes of podcasts, with 2000 downloads per episode



INSTAGRAM FOLLOWERS
47,600



FACEBOOK FOLLOWERS
103,428

Podcast platforms, Music, and Audio archives

An app has been developed to distribute sound clips such as podcasts, music and speeches from BCC's conferences and events. In addition, the same content is available through the member portal.

There are daily podcasts, church songs, and historical sound clips over many years.

In 2019, the app was further developed to make live streaming possible with audio transmissions from BCC's conferences. This is a good alternative for those living in parts of the world with limited bandwidth for accessing online data.

Costs for technical developments and operations are covered under BCC's budget, while production, follow-up and daily publications have been done by church members on a voluntary basis for many years.

NEW PUBLICATIONS IN 2019:



484
VOICE CLIPS



401
SONG TRACKS



1.860
PODCAST MINUTES



24
LANGUAGES

RESOURCES USED TO FULFILL BCC MEDIA'S MANDATE (AMOUNT IN MILL. NOK):

Internal revenue	14.0	Other operating expenses	15.3	TOTAL COSTS
Personnel costs	17.5	Internal costs	3.7	
Depreciation	5.9	Shared overheads	7.9	
				36.3





A historic day for the church

PREVIOUSLY UNPUBLISHED WRITINGS BY JOHAN O. SMITH ARE DISTRIBUTED

On Sunday the 14th of April 2019 an important event for BCC took place during the Easter Camp for youth. During the months before, old letters from BCC's founder Johan Oscar Smith had been recovered and studied closely.

Greater insight into founder Johan O. Smith's life

Johan Oscar Smith's letters, which apart from the Bible are maybe the most read edifying literature among our community's members, turned out to be more edited than previously realized. Today it is difficult to know what editorial considerations were made at the time of the first publication, which was after Smith's death. Even though these letters have been of great help and inspiration to many Christians during the last 50 years, this discovery will lead to further study.

This evening, during the Easter Camp was an opportunity for a close examination of our own history, and the youth were at the center of it. The evening included panel discussions and films that shed light on the stories behind the letters.

The key to capturing the interest of teenagers in church history proved to be the collaboration between people from different generations and skillsets. While young employees from BrunstadTV directed and produced the church elders together with some older church members worked on the content itself.



BCC's origins were placed in a historical perspective, and from glimpses of the original letters, J.O. Smith's work and everyday life became more evident through his personal experiences. It was especially exciting to gain insight into his thoughts on Jesus' work of salvation, and his connections to other Christians at that time.

The evening's goal was to arouse interest among the audience to familiarize themselves with the church's history and teachings, and through this to encourage independent thinking concerning one's faith.

To the extent that new generations carry on this legacy, BCC will continue being a thriving and sustainable faith community into the future.

Hopefully many beyond our members will enjoy reading these insightful scriptures. Stiftelsen Skjulte Skatters Forlag will re-publish Smith's letters and articles in the next few years, as a boxed series in an unedited, original language format. In 2019 the first two volumes were published.





Events

05

BCCs international conferences are the pulse of our church life and have been held several times a year for more than 60 years. The department that plans and conducts these conferences had 14 employees in 2019. They coordinate the program and handle registration, logistics, catering, customer service, and communication.

These are large events that hold between 3,500 and 11,000 participants. In 2019 both costs and income through registration fees increased, because more elements were included in the event experience. This included the rental of multi purpose facilities in Oslofjord Arena during all seven conferences.

The aim of this initiative was to provide a better experience for the participants, and feedback after the summer conferences showed great satisfaction with this.

Furthermore, the activity increased significantly due to the collaboration with Brunstad Youth Club to arrange four youth camps in 2019.

During the year, the department recruited more staff and developed its organizational structure and computer systems to better plan future events. This meant improving skills and a more professional approach to event planning.



From the opening day during the children conference, summer 2019



7 INTERNATIONAL CONFERENCES

BCC hosted seven international conferences in 2019, with between 3,500 and 11,000 participants each time. The conferences had content and activities for all age groups.



YOUTH CAMPS

BCC collaborated with Brunstad Youth Club to organize four youth camps with Christian focus. The events department contributed with planning, execution, and coordination of volunteers.



CHILDREN'S DAYS

The children's conference is an important part of the summer conferences. Children aged 6-12 play, learn and participate at their own level. The theme for the children's conference in 2019 was "Jesus is my friend", a simple but important message. Many exciting activities for children were also arranged during the rest of the conference.



HUGE VOLUNTEER CONTRIBUTION

Huge volunteer contributions before and during each event are characterized by commitment and enthusiasm. Several local churches take responsibility for sub-elements of the conference programs, creating an innovative experience. We strive to achieve a good balance between the paid work of employees and the volunteer work characteristic of our events.

RESOURCES USED TO FULFILL BCC EVENTS MANDATE (AMOUNT IN MILL NOK):

Internal Income	-	Other operational costs	49.5	TOTAL COSTS 70.5
Personnel costs	6.2	Internal costs	13.2	
Depreciation	0.1	Shared overheads	1.4	



Summer youth events in 2019



**CHURCH LEADER
KÅRE J. SMITH TURNS 75:**

Kåre J. Smith turned 75 in 2019, and during the fall conference there was a birthday celebration which highlighted the unity and fellowship that is a result of his long service in the church.

It was a worthy tribute in which members from around the world shared personal experiences about how his preaching has provided spiritual nourishment and helped many.

Mission

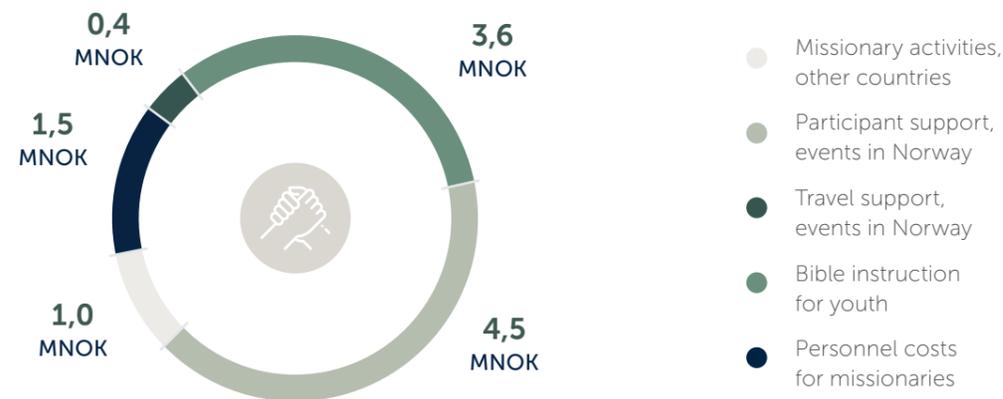
06

Each year, BCC provides financial support for missionary activities, participation in Christian conferences and Bible instruction.

It is important that everyone participates on equal terms in our community. Since international conferences are hosted in Norway, we provide financial support in the form of discounts to all participants who come from countries with low purchasing power. There are 47 countries whose citizens receive an average 70% discount on conference costs.

Participant support at international conferences

- 1,670 people received support for participant fees at one or more conferences.
- 846 people received support for meal costs at one or more conferences.
- 50 people received support for travel costs for one or more conferences.
- BCC paid for 1,984 hotel nights in rooms for four or more people.



RESOURCES USED TO FULFILL MANDATE, MISSION WORK (AMOUNT IN MILL NOK):

Internal costs	-	Operational costs	8.3	TOTAL COSTS
Personnel costs	2.3	Internal costs	0.3	
Depreciations	-	Shared overheads	0.1	
				11





Youth program

07



Youth Exchange Program

BCC's Youth Exchange Program (YEP) is for youth from countries outside the EEA. The program was created to give church youth an opportunity to participate in an exchange on equal terms, regardless from where they come from.

In 2019 the program had 64 participants from 12 countries, divided into two admission years.

Youth who apply to YEP experience Norwegian church life, language and culture, and are hired by BCC for one year. They work within our charitable activities, including media production, music, event planning and other work. They also get training in Norwegian language, culture and bible history.

After the exchange year, many travel home with new skills and experiences that make them resourceful in their local communities and churches. This is important for missionary work and church growth in many parts of the world.

Change in organization of the A-team

A-team is an international term for the youth program associated with the BCC community. The program has existed for many years in various forms and places, with youth from all over the world who voluntarily support the church community's charitable work.

A-team is a popular choice for young members, and every year it has between 300 and 400 program applicants. The young people work and participate in activities and a community that crosses nationalities and cultures. In recent years, the youth program has had its own Bible school, in addition to online instruction for remote locations.

In 2019 A-team was reorganized, and the program's administration was moved out of BCC's management. Because of the reorganization, Brunstad Bible School was closed down. BCC continues to give financial support to the Bible instruction provided, now with the help of streaming and travel to the different A-team locations.

RESOURCES USED TO FULFILL YOUTH PROGRAM MANDATE, (AMOUNT I MILL NOK):

Internal income	3.3	Operational costs	20.2	TOTAL COSTS 25.9
Personnel costs	7.5	Internal costs	0.3	
Depreciation	1.0	Shared overheads	0.2	



Other charitable activities

08

BCC's objective is Jesus' Great Commission, and our desire is to exemplify love of our fellow man and provide inspiration for an active Christian life. This is accomplished through religious instruction, person to person and by helping, guiding and protecting.

Healthy environments for children and youth

More than 50 % of BCC's members are younger than 25 years old. Working for children and youth is therefore high on our list of organizational priorities, and many are enthusiastic to help as best possible that children have good experiences in the church communities.

BCC and the local churches work together to create healthy, safe, and good environments for children and youth. Our wish is for everyone who grows up in our church community to remember their childhoods as safe and good, irrespective of whether they decide to remain members as adults.

Protection work in the Resource Team

BCC has participated for years in the Church Resource Centre Against Violence and Sexual Abuse, and attends annual professional seminars and conferences to stay up to date academically and get input for our organization's work.

Guidelines have been developed and local training has been given in local associations as part of the protective work against abuse, misconduct and other unwanted incidents. In 2019, nine courses were held in local churches in Norway, in which guidelines, notification procedures and local measures were presented.

The Resource Team has taken initiative to form a working group of volunteers who work with prevention in each local church. Members and volunteers can contact this group with questions or for advice. The group consists of different competencies and is representative in relation to gender and age.

RESOURCES USED FOR OTHER CHARITABLE ACTIVITIES (AMOUNTS I MILL NOK):

Internal income	-	Operational costs	2.3	TOTAL COSTS
Personnel costs	2.4	Internal costs	-	
Depreciation	0.1	Shared overheads	0.1	
				4.9





ASSEMBLY OF REPRESENTATIVES



THE BOARD



CHURCH ELDERS

Role of Elders

Preaching in BCC is done on a voluntary basis in peoples spare time. BCC has no paid preachers, neither during our international conferences nor in all regional and local gatherings arranged by member churches throughout the year.

Nevertheless, there are many practical tasks in the organization, which are completed by people that also have a preaching role.

This includes preparations for international conferences, elders meetings and Bible instruction for youth.

The church Elders are led by Kåre J. Smith, who works closely with several others in handling various leadership responsibilities. During 2019, Harald Kronstad was registered as Church leader with responsibility for marriage ceremonies and formal with Bjørn Nilsen stepping down due to turning 75.



Grants to affiliated organizations

09



In 2019 BCC provided grants to affiliated organizations and churches that contribute to the fulfillment of our charitable objectives.

Stiftelsen Skjulte Skatters Forlag

The Foundation originated when Johan Oscar Smith started the Skjulte Skatter (Hidden Treasures) magazine in 1912, an endeavor that has continued to this day. The Foundation aims to promote the Christian teachings and values which Johan O. Smith stood for. It publishes Hidden Treasures and the songbooks Ways of the Lord and Almond Blossom, in addition to other edifying literature written in the years since 1912. In the last decade, work has also been done on managing the church's musical heritage through the Helge Ankers Music Institute (HAM) initiative.

All material owned by the Hidden Treasures Publishing Foundation is available to church members, and there are ongoing efforts to publish historical writings. BCC supports this work, and in 2019 increased its allowance to also support the Foundation's musical endeavors. This includes musical training for youth, and the production of songs and music for BCC's conferences and events.

Support for local churches BCC Service Center

The BCC Service Center provides support to local churches in the form of consulting, courses and training, along with preparation of central guidelines and IT systems that support projects in the local organizations. The Service Center is partly financed by the local churches, but BCC also contributed to this work in 2019.

BCC also awarded grants to several local churches in 2019, to strengthen their local activity. These grants must be used within the churches' Christian frameworks before the end of 2021.

Mission projects around the world

In 2019, BCC supported missionary work in Africa through subsidies to Brunstadstiftelsen (Brunstad Foundation) and its subsidiary Global Investment Holding. The subsidies will mainly be used to support operations and the development of Christian conference centers in Cameroon, Congo, and Kenya. The subsidies will also be used for the administration of the overall mission work in Africa.

**SUBSIDIES GRANTED TO FULFILL
BCC'S CHARITABLE OBJECTIVES
(AMOUNT IN MILL NOK):**

20.4



Membership and involvement

10

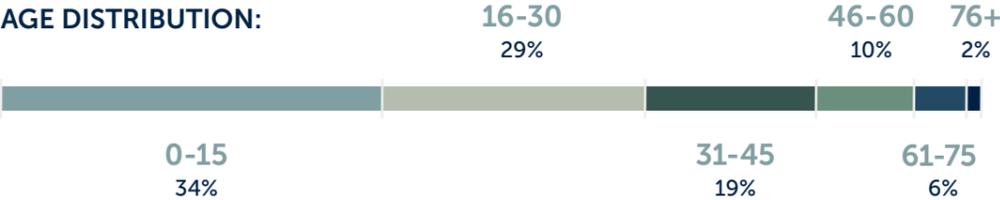
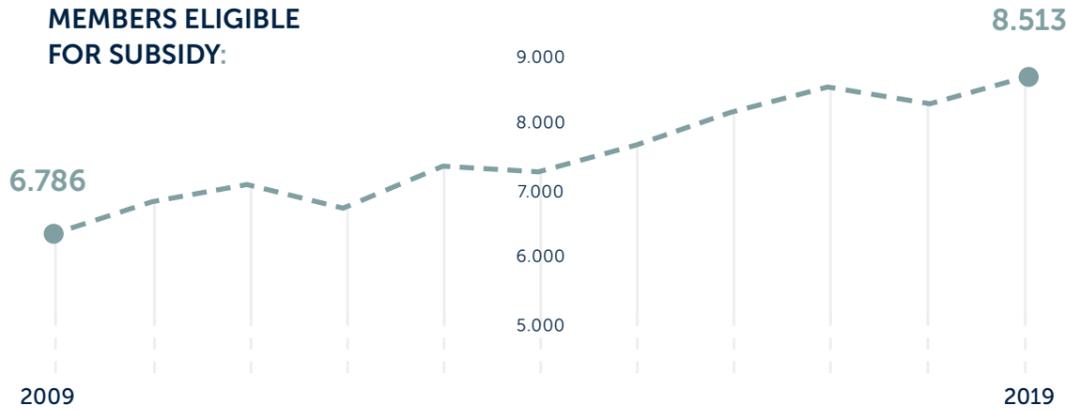
BCC has steadily increasing membership numbers, and by the end of 2019 had 8,814 registered members in Norway. More than 50% of these are children and young people under the age of 25. The age distribution also shows that a high proportion of young members choose to remain in the church as adults, a trend that continued in 2019.

For most, membership in BCC is a source of fellowship and joy, where one finds belonging through a common faith. Volunteer work is conducted on many fronts with many committed members, whether in youth activities, spiritual ministries, music, or administrative work in local churches.

MEMBER CONTACT:

BCC has an online member portal for members worldwide. It contains practical information about church news and events and is a point of contact between members and BCC.

It is easy to contact BCC whether one has questions, feedback, or to report misconduct or other incidents. It is possible to make contact by name or anonymously.





Organizations we work together with

11

Up to 60% of Norway's population participates in volunteer work each year¹, and for BCC's members, the church community is a perfect arena for this. Being a Christian is about building society, and many of our members are engaged in church community work for children and youth.

Collaborative children and youth associations

BCC works together with several organizations in different contexts. In particular, we collaborate with affiliated children and youth organizations who share BCC's beliefs.



Aktivitetsklubben (Activity Club) is a Christian association that offers recreational activities for children between the ages of 6 and 13. There are 25 member clubs in Norway.

Brunstad Ungdomsklubb (BUK)

Brunstad Ungdomsklubb (Brunstad Youth Club) is a Christian-based youth organization with local clubs both in Norway and internationally. Arranges activities for youth aged 13-18 years old.

Member clubs are invited to camps four times a year. BCC contributes with Christian content and spiritual teaching.



Brunstad Youth Club's Summer Camp in 2019, where about 4,000 youth from 35 countries attended.



A Christian association that organizes sports-related activities and competitions for children and youth through local teams throughout Norway.



BCC is a member of Frivillighet Norge (Association of NGOs in Norway), a collaborative forum for more than 300 member organizations. The association works to achieve a comprehensive volunteer policy and to ensure growth and development in volunteer work.



Norges Kristne Råd

BCC works together with Norges Kristne Råd (Christian Council of Norway), where we received observer status in 2019. Norges Kristne Råd is a community of Christian churches and communities.

DIALOG AND MEMBERSHIP NORGES KRISTNE RÅD:

In 2019, representatives from BCC and its elders participated in discussions with Norges Kristne Råd (NKR). These were valuable dialogues characterized by mutual respect, and NKR's board decided to accept BCC's application for observer status at the year's end.

We hope that future cooperation can produce positive synergies, both that BCC can learn more about other churches, and that other member churches get a better understanding of BCC and what we stand for. We consider it important that there are networks who stand together around the Bible as a basis for faith and learning, and who can safeguard the Christian values in our society.

¹ Frivillighetsbarometeret 2019



From empty coffers to well financed churches

12

BCC and many of the local churches have considerably strengthened their net assets in the last decade. This is not a coincidence, but the result of a clear vision and goal-oriented effort to reverse a trend. Instead of having our vision limited by our financial situation, we now have a realm of possibilities to carry out Christian activity in new ways.

This is about taking our core mission seriously. Good tools and extensive resources are necessary in a global missionary field and the goal of teaching people practical Christianity. The desire is to reach everyone who wants to hear, learn and to do what Jesus has instructed us – His Great Commission – is our motivation.

A decade of focus strengthens the reserves available to support our charitable objectives

BCC's total net assets at the end of 2019 were 975,854 mil. NOK. This is divided into three categories:

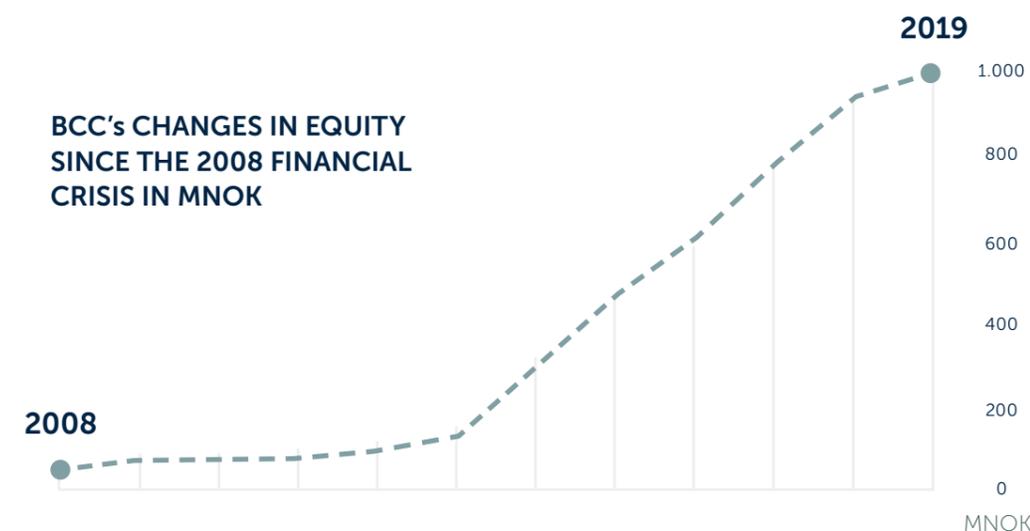
- Net assets with external restrictions **12 MNOK**
- Net assets with internal restrictions **832 MNOK**
- Other net assets **131 MNOK**

Net assets with external restrictions are grants or subsidies received from other organizations in 2019 that not spent during the accounting year, but are committed for use in the coming years, according to the donors' requirements.

Net assets with internal restrictions is the BCC Fund. The Assembly of Representatives established this Fund in 2017, with 750 million NOK in assets. Including returns since its formation on July 1st, 2017, the Fund has increased to 832 million NOK at the end of 2019.

The BCC's Fund's purpose is to ensure the long-term realization of BCC's charitable objective, which is mission.

BCC's CHANGES IN EQUITY SINCE THE 2008 FINANCIAL CRISIS IN MNOK



The UN Sustainability Goal #16

Promote peaceful and inclusive communities with a goal of sustainable development, provide access to legal protection for all, and build well-functioning, responsible and inclusive institutions at all levels.

As a church community we take responsibility by supporting the UN's sustainability goals. We believe that our organization can contribute to a peaceful and inclusive society, together with all others who contribute.

• BCC will participate in arenas for dialogue that can lead to peace and inclusion in religious communities, and we will have zero tolerance for racism, or discrimination based on faith and ethnicity. With this on the agenda, we also want to ensure that Christians maintain their legal protection against this type of discrimination.

• All members should be included and have access to spiritual edification regardless of nationality, language, or purchasing power. We support this by offering our message and mission on websites, through TV broadcasts worldwide, and interpretation and translation of our content. In addition, support for food and lodging is provided for people from countries with lower purchasing power so that they can attend an international conference every year.

• BCC will work for healthy and safe churches, and continue to prioritize preventive work against violence, sexual abuse and harassment.

“Good tools and extensive resources are necessary in a global missionary field and for the goal of teaching people practical Christianity.”

Financial crisis a catalyst for fundraising

Shortly after the 2008 financial crisis, a new mentality began to spread among BCC's local churches. It began in Oslo/Follo, Norway, where the church decided to take action in relation to the association's finances. A fundraising campaign was initiated to raise equity for future projects. Membership numbers had increased, along with the need to be able to offer activities and places to gather for children and young adults. The concept of the fundraising campaign was simple: to have 50% equity before making investments.

In cooperation with BCC, the news about this campaign was spread through our TV channel to several Norwegian and international member churches. In total, 75 churches in 18 countries joined the fundraising drive, and each individual church set specific goals through December 2020. Churches competed in achieving their own goals, with the churches challenging each other along the way. The campaign became an engaging project, which many wanted to be part of.

Some of the funds raised gifted to BCC

Most local churches have given large donations to BCC's central organization. This money was put into a fund for future use. This fund and parts of some local churches' funds have been loaned to Brunstadstiftelsen (Brunstad Foundation) for financing its ongoing construction project.

A fundraising campaign for the future

The goal of the fundraising drive was twofold; first, future generations will have sound finances both locally and centrally, and second, financing is secured for the building project at Brunstad.

BCC has thereby secured a property we can rent for our Christian conferences several times a year, which is also important for enabling future generations to gather around the gospel.

Major project draws to a close in 2019

As a result of a moving enthusiasm and thousands of individuals effort over more than a decade, the massive fundraising campaign is nearing completion in 2019.

This has brought us closer together as an organization. A survey from 2019 is an important indicator of how members perceive the campaign. The survey results show that 95 % state that “contributing to voluntary work and fundraising for the church has been positive for me / my family”.

Along the way, BCC has assisted individual member churches with advice and technical input regarding finance and internal controls, to ensure that donations are handled properly and spent according to the charitable objectives.





ASSEMBLY OF REPRESENTATIVES



THE BOARD



CHURCH ELDERS



BCC ASSEMBLY OF REPRESENTATIVES MEETING:

On July 6, 2019, a meeting of the Assembly of Representatives was held with 119 people in attendance. The annual report was presented and the annual accounting report was approved.

An overall long-term economic plan up to 2030 was reviewed. The aim of the plan is for BCC and its members to experience financial stability and security, and that donations BCC receives are well managed.



The Board's Annual Report 2019

13

Our activities and where they take place

Brunstad Christian Church

Brunstad Christian Church (BCC) is a Christian church and a charitable non-profit association. In Norway, we had 8,814 members at the end of 2019, in 19 local churches. In addition, there are local organisations in about 50 countries around the world that share the church's objectives and values. The annual accounts do not include local associations in Norway or abroad, as these are independent organisations with their own boards, and are not controlled by BCC.

The association's activities are primarily financed by donations from organisations and individuals, both in Norway and abroad. In addition, the association receives income from conference participants, as well as from the state subsidy to religious organisations and the Norwegian VAT compensation scheme for non-profit organizations.

Our vision is that the Christian message will be preached to all peoples, and that those who desire to receive help to live by all that Jesus taught us. For this reason, BCC is working to create channels and meeting places for preaching and Christian teaching, with an emphasis on the coming generation. The association is making extensive efforts in media production, with its own TV channel and online mission work, as well as contributions and support to missionary activities in countries across all continents. Our commitment to media production has also proved useful now that

we experience limitations in being able to arrange conferences where many people are gathered.

The association also has a long-term agreement with Oslofjord Convention Center AS at Brunstad in Vestfold, Norway where BCC hosts several international conferences each year.

The association's administration has its head office in rented premises at Ryenstubben 2 in Oslo, Norway. For more detailed information on BCC's operations are referred to the association's annual report which is available on the association's website www.bcc.no.

Group

The group consists of BCC and its subsidiary, BKM Holding AS with subsidiaries.

Going Concern

In accordance with Norwegian accounting law, it is confirmed that the accounts are prepared on a going concern basis. This is based on the 2020 budget and BCC's long-term financial plan with similar strategic forecasts for the years ahead. BCC has a sound financial position.

Developments, Operating Result and operations

Brunstad Christian Church

In the summer of 2018, BCC's Representative Assembly resolved to

change accounting standards, with the aim of improving the usefulness of information associated with the organisation's activities. For the first time, the 2019 financial statements are presented according to activity, in accordance with generally accepted accounting practice for non-profit organisations. The accounts have been prepared in accordance with the requirements of the Norwegian Accounting Act.

The activity accounts for 2019 show a positive result for the year of NOK 65.7 million for the association and 74.6 million for group. The extraordinary willingness of donors BCC has experienced in recent years is also evident the activity accounts for 2019, with contributions from many local congregations and organisations, both in Norway and abroad.

In 2019, BCC spent NOK 168.9 million on activities that fulfill the association's objectives. Costs of activities for organisational objectives represent 77 percent of the association's total costs. Remaining costs relate to fundraising, finance costs, and administration. Administration cost the association NOK 18 million, including 4.6 million was used for membership information, fundraising, community contact and communication. Managing our operations accounts for 8.2 percent of total costs.

Gross funds raised for the association's Christian objectives in 2019 were 285.2 million for the association and NOK 309.3

million for the group. In 2019, BCC received public funding of NOK 17 million, related to the subsidy for religious communities and the Norwegian VAT compensation scheme. BCC received a total of NOK 129.4 million in donations from individual donors and organisations in Norway and abroad, as well as NOK 42.3 million in grants from partner organisations.

At year-end, the association's assets had a book value of NOK 1,086 million for the association and NOK 1,099.4 million for the group. The association's net assets amounted to NOK 975.9 million, representing an equity ratio of 89.9 per cent. The group's net assets equate to NOK 976.2, which represents an equity ratio of 88.8 percent.

In the opinion of the Board of Directors, the annual accounts and accompanying notes provide a true and fair view of the operating results of activities in 2019 and the financial position as at 31.12.2019. No events have occurred subsequent to the financial year that are of significance to the association or group's assessment beyond that which is discussed below.

With solid finances and many committed members and volunteers, we look forward to the future and the opportunities it provides for continued increased activity within the association's core Christian objectives. We are highly motivated to continue this work and look forward to what 2020 and the near future will bring.



Taxation

BCC is established as a non-profit association and is tax-exempt under section 2-32 of the Norwegian Tax Act. The association is also approved by the Norwegian tax authorities as a qualified organisation for tax-deductible donations in accordance with section 6-50 of the Tax Act.

Work Environment

In the Board's opinion, the working environment and general job satisfaction in the workplace are very good. There have been no serious injuries or accidents in 2019 and the total absence due to illness has been 2.8%. The association has good procedures in relation to occupational health, safety and the environment.

Gender Equality

BCC aims to be a workplace with full equality between women and men. The association had 140.7 full-time equivalents in 2019 comprising of 143 women and 140 men, of which 61 full-time equivalents were permanent employees in the association, while 79.7 full-time equivalents were project employees. The board consists of one woman and two men.

BCC works actively to promote equality, ensure equal opportunities, equal rights and prevent discrimination.

All employees must be aware of cultural differences and deal with colleagues, business associates and others with respect.

Corporate Social Responsibility and the Environment

In the opinion of the Board of Directors, there are no aspects of BCC or the Group's activities that have a significantly negative impact on the external environment. The association has therefore not implemented or planned any special measures for this in 2019.

We want our central association, and our affiliated local churches and individual members to be positive contributors to society. In local churches a determined effort is made for children and young people to experience good and varied leisure activities in safe, Christian settings.

Ethical guidelines

BCC's business is constantly growing, and we work systematically to meet our responsibilities. Our ethical guidelines apply to all of BCC's activities, with a focus on ethical, responsible, and good organisational practices. More information about our ethical guidelines and values can be found on our website www.bcc.no.

Financial risk information

The goal of the association's financial strategy is to maintain a solid financial position, with a high equity ratio and outgoing loans in secure investments, which provide a good return on the association's capital. The capital must act as reserves for BCC's future operations and ensure the long-term realisation of BCC's objectives. BCC works to carry out Jesus' mission so

that all peoples can hear the message of Jesus, and teaching people who so desire how to keep all of Jesus' commandments.

Of the association's total long-term loan investment portfolio of NOK 1,022.1 million, NOK 806.2 million has been lent to Brunstadstiftelsen group.

The part of BCC's operations that has been responsible for conducting large conferences has been severely affected by the consequences of the corona that has affected the community. The Board has conducted an analysis of the situation and how it affects operations, with different scenarios for duration and degree of impact on the operations of the association.

If the situation becomes prolonged, it may also affect the association's future

donation income. The board will closely and continuously monitor the situation and take the necessary as appropriate.

The association's liquidity reserves are very satisfactory, and throughout 2019 BCC has maintained a AAA rating with the acclaimed company Bisnode, Dun & Bradstreet. In the Board's opinion, there is no market risk or loss risk of significance to the association in the near future.

BCC has operations worldwide and a portion of its income and expenses, as well as a portion of the association's debt and receivables are in foreign currency. The association's financial income and financial expenses must be read in light of this.

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Oslo, 5th of May 2020
The Board of Brunstad Christian Church

Berit Hustad Nilsen
Chairperson

Tore Aslaksen
Board member

Finn Åge Ødegård
Board member

Vegar Kronstad
General Manager

The board's report is signed electronically



Activity accounts Brunstad Christian Church

14

ASSOCIATION 2019	NOTE	GROUP 2019
ACQUISITION OF FUNDS		
Contributions		
16 970 835	2	16 970 835
42 340 077		42 340 077
129 397 468		129 397 468
Revenues from fundraising and donations		
Revenues earned from activities divided by:		
51 559 486		54 443 944
-		15 387 681
42 758 399		48 663 350
Financial and investment income		
2 124 315		2 124 315
Other revenue		
GROSS REVENUE OBTAINED TO FULFIL THE CHARITABLE OBJECTIVES		
285 150 580		309 327 670
FUNDS EXPENDED		
Expenditure on generating funds		
5 583 440	4	5 583 440
		17 530 055
Costs applied to charitable objectives		
Costs of charitable activities		
36 261 800		36 261 800
70 486 273		70 486 273
25 893 577		25 893 577
4 886 044		4 886 044
11 042 782		11 042 782
Grants advanced for charitable objectives		
11 620 000		11 620 000
3 709 333		3 709 333
1 750 000		1 750 000
3 300 000		3 300 000

		Resources expended on organisational administration	
	13 425 116	Administration	13 425 116
	4 668 120	Communications	4 668 120
	26 873 611	Finance expenses	24 567 593
219 500 095		TOTAL	234 724 132
65 650 485		ANNUAL SURPLUS FROM ACTIVITIES	74 603 538
		INCREASE/DECREASE IN NET ASSETS	
	-	Net assets with restrictions imposed by law	
	12 309 063	Net assets with external restrictions	
	29 523 136	Net assets with internal restrictions	
	23 818 286	Other net assets	
	65 650 485	TOTAL ALLOCATED	
		KEY RATIOS	
95,69 %	5	Fundraising percentage	
8,24 %	5	Percentage for administration	
76,97 %	5	Percentage for objectives	



GROUP ACCOUNTS BCC
BALANCE SHEET AS AT 31 DECEMBER

ASSOCIATION			GROUP		
Amount in NOK thousands			Amount in NOK thousands		
2019	2018	NOTE	ASSETS	2019	2018
Non-current assets					
Intangible assets					
0	0		Goodwill	0	606
0	0		Total intangible assets	0	606
Fixed assets					
0	0	13	Land, buildings and other property	5 434	61 908
21 548	15 248	13	Other tangible assets, fixtures and fittings	27 348	21 513
661	1 547	13	Vehicles	661	1 547
22 209	16 795		Total tangible assets	33 443	84 968
Financial assets					
1 100	3 000	14	Investment in subsidiaries	0	0
1 022 115	1 025 017	15	Other long-term receivables	1 015 220	933 799
1 023 215	1 028 017		Total financial assets	1 015 220	933 799
1 045 424	1 044 812		Total fixed assets	1 048 663	1 019 373
Current assets					
Inventory					
0	0			1 254	1 101
Receivables					
4 209	9 536		Accounts receivable	4 454	13 990
1 453	7 391		Other short-term receivables	1 192	30 993
5 662	16 927		Total receivables	5 646	44 983
34 958	41 453	16	Cash and cash equivalents	43 840	45 676
40 620	58 380		Total current assets	50 740	91 760
1 086 045	1 103 193		TOTAL ASSETS	1 099 404	1 111 133

ASSOCIATION			GROUP		
Amount in NOK thousands			Amount in NOK thousands		
2019	2018	NOTE	NET ASSETS AND LIABILITIES	2019	2018
Net asset					
0	0		Net assets with restrictions required by law		
12 309	0	17	Net assets with external restrictions	12 309	
832 156	802 633	17	Net assets with internal restrictions	832 156	802 633
131 390	107 571	17	Other net assets	131 773	99 001
975 854	910 204		Total net assets	976 238	901 634
Liabilities					
Non-current liabilities					
0	0		Debt to financial institutions	1 925	2 086
87 925	170 482	18	Other non-current liabilities	92 820	105 410
87 925	170 482		Total non-current liabilities	94 745	107 496
Current liabilities					
8 549	10 241		Accounts payable	13 777	13 152
0	0	11	Tax payable	121	0
3 739	2 701		Public duties payable	3 579	3 262
9 975	9 565		Other current liabilities	10 945	85 591
22 263	22 507		Total current liabilities	28 421	102 005
110 188	192 989		Total liabilities	123 167	209 501
1 086 045	1 103 193		TOTAL NET ASSETS AND LIABILITIES	1 099 404	1 111 133

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Oslo, 5th of May 2020
The Board of Brunstad Christian Church

Berit Hustad Nilsen
Chairperson

Tore Aslaksen
Board member

Finn Åge Ødegård
Board member

Vegar Kronstad
General Manager

The board's report is signed electronically



GROUP ACCOUNTS BCC
CASH FLOW STATEMENT

ASSOCIATION		GROUP
Amount in NOK thousands		Amount in NOK thousands
2019		2019
65 650	SURPLUS FROM ACTIVITIES	74 604
	Items in the accounts that have no direct bearing on liquidity	
12 413	Depreciation, write-downs and reversal of write-downs	4 705
697	Loss/profit on disposal of other tangible assets	697
0	Gain on the sale of subsidiary	-8 098
13 110	Total	-2 696
	Investing, disposal and financing activities	
-14 964	Acquisition of other tangible assets	-17 762
1 206	Selling price on disposal of other tangible fixed assets	1 206
0	Disposal of subsidiaries	-2 840
96	Repayment/assumption of non-current receivables	-75 127
-82 557	Repayment/assumption of non-current liabilities	-12 751
-96 219	Total	-107 274
	Other changes	
11 205	Changes in accounts receivables and other receivables	33 025
-1 281	Changes in accounts payable and other current liabilities	34
1 040	Change in other accruals	471
10 964	Total	33 530
-6 495	Total changes in cash and cash equivalents during the year	-1 836
41 453	Holdings of cash and cash equivalents at 1 Jan	45 676
34 958	Holdings of cash and cash equivalents at 31 Dec	43 840

GROUP ACCOUNTS BCC
NOTES TO THE ACCOUNTS 2019

NOTE 1
ACCOUNTING POLICIES

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practices for non-profit organizations. 2019 is the first year the accounts have been prepared in accordance with this standard. Chapter 14.1 of the said standard provides access to waive the requirement to recast comparative figures during the transition year. 2018 is therefore not reworked according to the regulations of the standard.

Consolidation policies

The consolidated financial statements include 1 subsidiary and 5 subsidiaries of this subsidiary where Brunstad Christian Church has controlling interest as a result of legal or actual control.

The consolidated financial statements have been prepared in accordance with consistent accounting principles for equal transactions in all companies included in the consolidated financial statements. All significant transactions and balances between companies in the Group have been eliminated.

Shares in subsidiaries are eliminated in the consolidated financial statements according to the acquisition method. This means that the acquired company's assets and liabilities are measured at fair value at the time of purchase, and any excess price beyond this is classified as goodwill.

Classification and evaluation of assets and liabilities

Assets intended for permanent ownership or use are classified as fixed assets. Other assets are classified as current assets. Receivables to be repaid within one year are classified as current assets.

The same criteria is used when classifying short-term and long-term debt.

Fixed assets are valued at acquisition cost, but are written down to the recoverable amount if this is lower than book value, and the impairment is not expected to be temporary. Fixed assets with a limited economic life are depreciated according to a reasonable depreciation plan.

Current assets are valued at the lower of cost and fair value. Other long-term debt and short-term debt are valued at face value.

Assets and liabilities in foreign currency

Foreign currency items are translated into the balance sheet at the exchange rate on the balance sheet date.

Foreign currency items

Foreign currency items are translated at the exchange rate at the time of the transaction. The price difference against the settlement date is recorded as agio/disagio.

Shares in subsidiaries

Investments in subsidiaries are assessed using the cost method. Investments are written down to fair value if the impairment is not temporary and it must be considered necessary in accordance with good accounting practice. Dividends and group contributions received from the subsidiaries



are recognized as income as other financial income.

Inventory

Items are valued at the lower of cost by the FIFO method and net sales value.

Revenue recognition

Grants or subsidies are recognized as income when the organization has a legal right to the grant and the value can be reliably measured.

Fundraising and donations are measured at fair value at the time of receipt. Donations are recognized as income at the time of donation, when the association has legal right of ownership to the donation, or when the donation has deposited with the bank.

Revenue from operating activities is recognized as revenue when goods or services are delivered. Operational activities are divided into activities that fulfill the organizational objectives and activities that generate revenue.

Receivables

Accounts receivable and other receivables are stated at face value less provisions for expected losses. Provisions for losses are made on the basis of an individual assessment of individual receivables.

Bank deposits, cash and cash equivalents

Bank deposits, cash and cash equivalents includes cash, bank deposits and other means of payment with fall due within three months of acquisition.

Pensions

Defined contribution plans are accrued

according to the matching principle. This year's contribution to the pension scheme is expensed.

Expenses

Expenses in a non-profit organization are costs associated with the activity that is performed to fulfill the organization's objectives.

In the activity accounts, expenses are classified into the following 3 main groups:

1. Expenditure on generating funds. These can be internal and external collection costs, joint costs that accrue to the activity and expenditures related to operational activities.
2. Special purpose expenses. These are costs associated with the activities the organization conducts to fulfill its objectives. These may vary from year to year.
3. Resources used to manage the organization. These costs apply to running the organization, such as planning, auditing, consultancy etc.

Taxes

Tax expenses are compared with the accounting result before tax. Taxes related to equity transactions have been recognized against equity. The tax expense consists of tax payable (tax on the year's direct taxable income) and changes in net deferred tax.

The tax expense is divided between ordinary profit and profit from extraordinary items according to the tax basis.

Deferred tax and deferred tax assets are presented as net items in the balance sheet.

NOTE 2 CONTRIBUTIONS FROM PUBLIC AUTHORITIES

Amounts in NOK thousands

ASSOCIATION			GROUP	
2019	2018		2019	2018
9 734	9 458	State and municipal subsidies	9 734	9 458
7 237	6 561	Value added tax compensation.	7 237	6 561
16 971	16 019	Total contributions from public authorities	16 971	16 019

NOTE 3 DISTRIBUTION OF JOINT EXPENSES

Amounts in NOK thousands

Joint expenses	IT department	Finance	Compliance	Rent	Total	
Total	965	4 938	1 892	3 575	11 370	
Expenditure on generating funds	43	221	85	-	349	3,1%
Special-purpose expenses						
Media	631	3 232	1 239	2 782	7 884	69,3%
Events	132	676	259	312	1 379	12,1%
Bible instruction/Youth program	13	68	26	53	161	1,4%
Mission	13	65	25	-	103	0,9%
Other charitable activities	13	65	25	-	103	0,9%
Administration	69	351	134	428	982	8,6%
Communication	51	260	100	-	410	3,6%
	965	4 938	1 892	3 575	11 370	100%



NOTE 4

EXPENDITURE ON GENERATING FUNDS

Amounts in NOK thousands

ASSOCIATION		GROUP
2019	Fundraising costs	2019
2 735	Fundraising and donations	2 735
2 500	Compliance	2 500
349	Joint expenses	349
-	Other expenses	17 608
5 583	Total	23 191

NOTE 5

PERCENTAGE SPENT ON CHARITABLE OBJECTIVES, ADMINISTRATION AND GENERATING FUNDS (ASSOCIATION)

According to accounting standards for non-profit organizations, administration refers to those activities carried out in order to run the organization and those expenses that cannot be attributed to specific activities. These expenses include costs relating to senior management, audit and legal fees, preparation of public accounts. The distribution of joint expenses is described in note 3. The administration has its share of distributed joint expenses.

Amounts in NOK thousands

	2019
Expenditure on charitable objectives	168 950
Total expenditure	219 500
Percentage for objectives	77,0%
	2019
Total administrative expenses	18 093
Total expenditure	219 500
Percentage for administration	8,2%
	2019
Revenue from fundraising and donations	129 397
Total funds raised	129 397
Expenditure on generating funds	5 583
Other expenditure for generating funds	-
Expenditure on generating funds	5 583
Net funds raised	123 814
Fundraising percentage	95,7%

NOTE 6

CLASSIFICATION BY TYPE

Amounts in NOK thousands

ASSOCIATION			GROUP	
2019	2018	REVENUES AND EXPENSES	2019	2018
-	-	Sales revenue	16 212	48 402
48 709	38 999	Operating revenue	50 774	46 364
175 501	389 229	Donations and collections	175 497	389 141
16 971	16 019	State and municipal grants or subsidies	16 971	16 019
241 181	444 247	Total operating revenues	259 453	499 926
-	-	Cost of goods sold	11 569	42 541
45 423	40 482	Payroll costs	47 307	43 380
7 647	7 364	Depreciation of tangible and immaterial assets	10 838	25 613
-	-	Write-downs of tangible and immaterial assets	-	7 600
134 278	253 137	Other operating expenses	135 041	251 686
187 348	300 983	Total operating expenses	204 756	370 820
53 833	143 264	Operating surplus	54 697	129 106

FINANCIAL INCOME AND EXPENSES

31 813	36 799	Interest income	29 612	29 389
-	-	Gains on the sale of shares	8 098	17 466
1 228	1 134	Other financial income	1 236	1 145
10 900	-	Write-downs of financial assets	-	-
1 916	6 559	Interest expense	2 121	6 945
8 407	8 022	Other financial expenses	16 796	8 130
11 817	23 352	Net financial items	20 029	32 925
65 650	166 616	Ordinary surplus/deficit	74 726	162 031
-	-	Tax expenses	122	-2 041
65 650	166 616	Years surplus/deficit	74 604	164 072



ASSOCIATION

2019	2018	
		Allocation of year's surplus/deficit
-		Transfer to net assets with restrictions required by law
12 309		Transfer to net assets with external restrictions
29 523		Transfer to net assets with internal restrictions
23 818		Transfer to other net assets
65 650		Total allocated

NOTE 7

NUMBER OF FULL-TIME EQUIVALENTS

ASSOCIATION		GROUP	
2019	2018	2019	2018
141	155	142	160
Number of full-time equivalents in financial year			

NOTE 8

REMUNERATION TO MANAGEMENT

Amounts in NOK thousands

Remuneration to management	Payroll	Other remuneration
General manager	1 116	4
Board	1 312	65

No board fees are paid to the board, but two board members received remuneration for work in the association.

Remuneration to management relates to the parent association Brunstad Christian Church

As at 31.12, no person in management has a loan or security from Brunstad Christian Church.

In 2019, one of the board members invoiced BCC his CFO function in the group. In total, this amounts to NOK 401,000, including VAT, for 2019

NOTE 9

MANDATORY PENSION

The organization is obliged to have an occupational pension scheme pursuant to the Mandatory Occupational Pensions Act, and has a pension scheme that satisfies the requirements of this law.

NOTE 10

REMUNERATION TO THE AUDITOR

Amounts in NOK thousands

Remuneration to the auditor in the financial year is distributed as follows:

ASSOCIATION		GROUP	
2019	2018	2019	2018
507	359	613	473
27	-	27	-
-	42		42
-	-	-	-
		Auditing services	
		Other certification services	
		Other services	
		Advice on taxes and fees	

Amount is inclusive of VAT for parent association.



NOTE 11
TAXATION EXPENSES

ASSOCIATION

Brunstad Christian Church is established as a charitable association and in accordance with paragraph 2-32 is not subject to taxation.

ASSOCIATION

Amounts in NOK thousands

Tax for the financial year is derived as follows:	2019	2018
Tax on profit/loss for the financial year	239	1 026
Change in deferred income tax	0	-124
Taxation expense for the financial year	239	902

Calculation of taxable income	2019	2018
Profit/loss before tax	-8 172	4 946
Permanent differences	7 829	-2 201
Changes in timing differences		
Group contribution received	534	-86
Tax basis for the financial year	191	2 659
Taxation payable	239	1 026
Tax on group contribution	-117	-1 026
Taxation payable	121	0

Specification of basis for deferred income tax

Reconciliation of differences	2019	2018
Fixed assets	-1 643	-693
Inventory	0	-241
Receivables	-70	0
Gains and losses	-393	-491
Deferred tax losses	-4 490	-4 277
Differences not included in deferred income tax	6 596	5 702
Deferred income tax	0	0

NOTE 12
TRANSACTIONS WITH CLOSE ASSOCIATES

Brunstad Christian Church gives and receives donations from local and international churches. Brunstad Christian Church also has transactions and balances with companies associated with Brunstad Christian Church's activity. Transactions between companies within the group are limited to interest on internal group loans, rent expense and travel expenses.

In addition to transactions within the group, a donation of 1.75 MNOK was made to the associated foundation, Stiftelsen Skjulte Skatters Forlag in 2019. A donation of 3.3 MNOK was also made to the foundation Brunstadstiftelsen in 2019 in support of mission projects.

A short-term loan made to a private individual closely related to the general manager was repaid in full in 2019.

Transactions between and balances with Brunstadstiftelsen and subsidiaries

Amounts in NOK thousands

ASSOCIATION		GROUP
2019		2019
53 047	Operating income	3 552
	Operating expenses	53 741
18 461	Financial income	18 461
-	Financial expenses	-
1	Current receivables	-111
823 253	Non-current receivables	823 253
3 334	Current liabilities	3 350
-	Non-current liabilities	-



NOTE 13
FIXED ASSETS

Amounts in NOK thousands

ASSOCIATION	Fixtures and fittings		Total
	Vehicles		
Acquisition cost 01.01	3 883	32 934	36 816
Additions	785	14 179	14 964
Disposals	1 635	3 419	5 054
Acquisition cost 31.12	3 033	43 694	46 727
Accumulated depreciation and write-downs 01.01	2 335	15 098	16 966
Depreciation in the financial year	599	7 048	7 647
Write-downs in the financial year			
Accumulated depreciation and write-downs 31.12	2 372	22 146	24 518
Balance sheet value 31.12	661	21 548	22 208

Useful life	5 year	5 year
Annual depreciation	20%	20%

GROUP	Intangible assets	Land and buildings	Fixtures and fittings		Total
			Vehicles		
Acquisition cost 01.01	606	77 342	3 883	47 072	128 296
Additions	-	-	785	16 978	17 766
Disposals	606	71 907	1 635	6 034	79 577
Acquisition cost 31.12	-	5 434	3 033	58 015	66 482
Accumulated depreciation and write-downs 01.01	-	-	1 868	21 015	22 883
Depreciation in the financial year	-	-	504	9 652	10 156
Write-downs in the financial year	-	-	-	-	-
Accumulated depreciation and write-downs 31.12	-	-	2 372	30 667	33 039
Balance sheet value 31.12	-	5 434	661	27 348	33 443

Useful life	5 years	5 years
Annual depreciation	20%	20%

NOTE 14
INVESTMENT IN SUBSIDIARIES

BKM Holding	Location	Acquisition	Voting rights	Acquisition cost	Book value	Equity
BKM Holding ASD with following subsidiaries	Oslo, Norway	November 13	100%	Founded by BCC	1 100	
BCC Event AS	Oslo, Norway	December 14	100%	Founded by BCCH	5 000	1 612
Brunstadshop AS	Oslo, Norway	December 14	100%		1 000	4 871
Brunstad Eiendom AS	Ski, Norway	January 14	100%		950	950
Straumeparken AS	Straume, Norway	November 15	100%		9 848	0
SEE Travel & Tours AS	Kråkstad, Norway	April 16	100%		0	0

Brunstad Christian Church sold SEE Travel & Tours AS in May 2019 and Straumeparken AS in August 2019. Brunstadshop AS will be dissolved in 2020.

NOTE 15
RECEIVABLES THAT MATURE
IN MORE THAN ONE YEAR

Amounts in NOK thousands

ASSOCIATION	GROUP
2019	2019
1 025 017	Loans to subsidiaries
203 323	Loan to Brunstadstiftelsen group
-244 389	Other long-term receivables
1 379	Change in provision for doubtful debts
8 685	Net foreign exchange gains/losses
28 101	Capitalized interest
1 022 115	Total other long term receivables
	933 799
	134 324
	-90 684
	1 379
	8 685
	27 717
	1 015 220

BCC has a number of interest-free loans in its portfolio, totalling MNOK 336. In these cases, interest is recorded as a gift in line with the association's objectives.



NOTE 16
CASH AND BANK DEPOSITS

Parent association

Bank deposits, cash and cash equivalents include bound tax deductions of 1.946 MNOK.

Group

Bank deposits, cash and cash equivalents include bound tax deductions of 2.020 MNOK.

NOTE 17
NET ASSETS

Amounts in NOK thousands

	Net assets with restrictions required by law	Net assets with external restrictions	Net assets with internal restrictions	Other net assets	Total net assets
Net assets at 01.01	0	0	802 633	107 571	910 204
Funds carried over	53 574	42 340	29 523	23 818	95 681
Funds transferred to activities	-53 574	-30 031	0	0	-30 031
Year's surplus	0	12 309	29 523	23 818	65 650
Net assets at 31.12	0	12 309	832 156	131 390	975 854

NOTE 18
NON-CURRENT LIABILITIES

Amounts in NOK thousands

ASSOCIATION		GROUP	
2019	2018	2019	2018
87 925	170 482	92 820	105 410
		1 925	2 086
87 925	170 482	94 745	107 496

NOTE 19
STATEMENT OF CASH FLOWS, 2018

Amounts in NOK thousands

ASSOCIATION

GROUP

2018	CASH FLOW FROM OPERATING ACTIVITIES	2018
104 205	Net profit before tax	101 661
7 364	Ordinary depreciation	25 613
0	Tax payable	-87
197	Gain/loss on the sale of fixed assets	197
0	Write down of fixed assets and intangibles	7 600
0	Change in inventory	124
5 345	Change in accounts receivable	-5 231
4 149	Change in accounts payable	6 907
-188 608	Change in other current assets and liabilities	-136 055
-67 349	Net cash flow from operating activities	728
	CASH FLOW FROM INVESTMENT ACTIVITY	
-2 565	Payments for the purchase of fixed assets	-3 151
288	Receipts from the sale of fixed assets	70 561
0	Payments for investments in financial assets	0
0	Cash in purchased/sold companies	-1 484
0	Receipts from the sale of financial assets	17 300
0	Profit from the sale of financial assets	-17 466
-139 817	Payment for outgoing loans	-208 115
-142 094	Net cash flow from investment activity	-142 355
	CASH FLOW FROM FINANCING ACTIVITY	
0	New short-term debt	0
-136 551	New long-term debt	-204 443
-136 551	Net cash flow from financing activities	-204 443
-345 994	Net change in cash and deposits	-346 069
387 447	Cash and deposits as at 01.01	391 746
41 453	Cash and deposits as at 31.12	45 676

NOTE 20
EVENTS AFTER THE BALANCE SHEET DATE

The part of BCC's business that has been responsible for conducting large conferences has been severely affected by the consequences of the corona that has affected the community. The Board has conducted an analysis of the situation and how it affects operations, with different scenarios for duration and degree of impact on the operations of the association.

If the situation becomes prolonged, it may also affect the association's future donation income. The board will closely and continuously monitor the situation, and take the necessary action as appropriate.

Independent Auditor's Report



15

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brunstad Christian Church, which comprise:

- The financial statements of the parent organization Brunstad Christian Church (the Organization), which comprise the balance sheet as at 31 December 2019, statement for activities and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of Brunstad Christian Church and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2019, statement for activities 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 Organization as at 31 December 2019, 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 consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2019, 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 International Standards on Auditing (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 Organization 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.

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State authorised public accountants, members of The Norwegian Institute of Public Accountants, and authorised accounting firm



Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

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 Organization'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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to <https://revisorforeningen.no/revisjonsberetninger>

(2)



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 and the going concern assumption 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 Organization's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 5 May 2020
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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Brunstad
Christian Church