



Brunstad
Christian Church

ANNUAL REPORT

2018



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BCC - an association and a church

01



Brunstad Christian Church is the current name for the worldwide Christian church which was formed in the years after Johan Oscar Smith's conversion in May 1898. Brunstad Christian Church – that is, the people and organizations that profess the Biblical doctrine that convicted Johan Oscar Smith, and are brought together by the international conferences held at Brunstad – has now spread to more than 50 nations and every continent.

The church's Norwegian operations are organised as a charitable association with the same name, "Brunstad Christian Church," registered with organization number 979 961 073.

In Norway, BCC consists of 19 local churches, which are organized as independent associations with separate finances and leadership. The organization of church operations in other countries varies somewhat, but is normally formalized as independent organizations. Apart from connection to the same faith and gospel, the organizations' practical and financial administrations function autonomously.

This annual report primarily covers the Norwegian organization's activities and affairs. It is this organization that is referred to as "BCC" herein. When the worldwide church is referred to, the name "the church" is used.





From the Board

02

IN 2018, BCC COULD LOOK BACK ON 20 YEARS OF HISTORY

Our relatively young church covers only a short period of time in more than two thousand years of Christian history. Nevertheless, the church has prospered, growing from one man to a worldwide movement in just 120 years.

Today the church is growing steadily and active on all continents. Our organization has solid finances and our objectives are clearly reflected in everything we do. Our Christian purpose is our main motivation, and we look forward to the continuation of our work and accomplishments in 2019.

Our Norwegian and international churches, their members, and other donors once again displayed their enthusiasm for giving in 2018. There was a high level of enthusiasm, fellowship, and cooperation between local churches in the final stretch of what has been a decade-long donation drive from members around the world.

In this annual report, we wish to put the development of the organization in perspective in order to create a better understanding of where we come from and where we are going.

Considerable interest in BCC's message

BCC has used websites and social media to convey the Christian message for many years. For over 60 years, we have held international conferences for an increasing number of members. We experience increasing interest from people on the Internet, and thousands of young members wish to attend our conferences. Not only do they attend for games and activities, but also for the faith-strengthening gatherings.

This motivates us and is a catalyst for new thinking in BCC. For this reason BCC also has long-term objectives for developing tools and arenas for distribution of Christian content, something which of course is expensive, but which we consider to be critical in achieving our objectives.

A community with equal opportunities for everyone

It is important for us that all members, regardless of life situation and financial status, can participate in the organization's wide range of activities. Therefore, members are not required to pay dues or fees to hear the gospel or participate in large parts of church life. Common expenses are covered by the community through donations and voluntary work.

Thanks to everyone who makes BCC to what we are

We want to thank all our employees and volunteers for their tremendous contributions in 2018 towards the cause that is so close to all our hearts. Employees fill key roles at BCC's headquarters in Oslo and in missionary work around the world. In addition, we have numerous project-based employees and several hundred volunteers who contribute both before and during our conferences so that these events can be as full of content and as good as possible.

Many of these people also work hard for children and young people in their local churches, week after week throughout the year.

We hope that the annual report will be a useful tool for those seeking information about BCC, and that it can be an inspiration for other Christians and volunteer organizations pursuing their respective goals.



Tore Aslaksen
Board Member



Berit Hustad Nilsen
Chairwoman



Finn Å. Ødegård
Board Member



Key financial figures

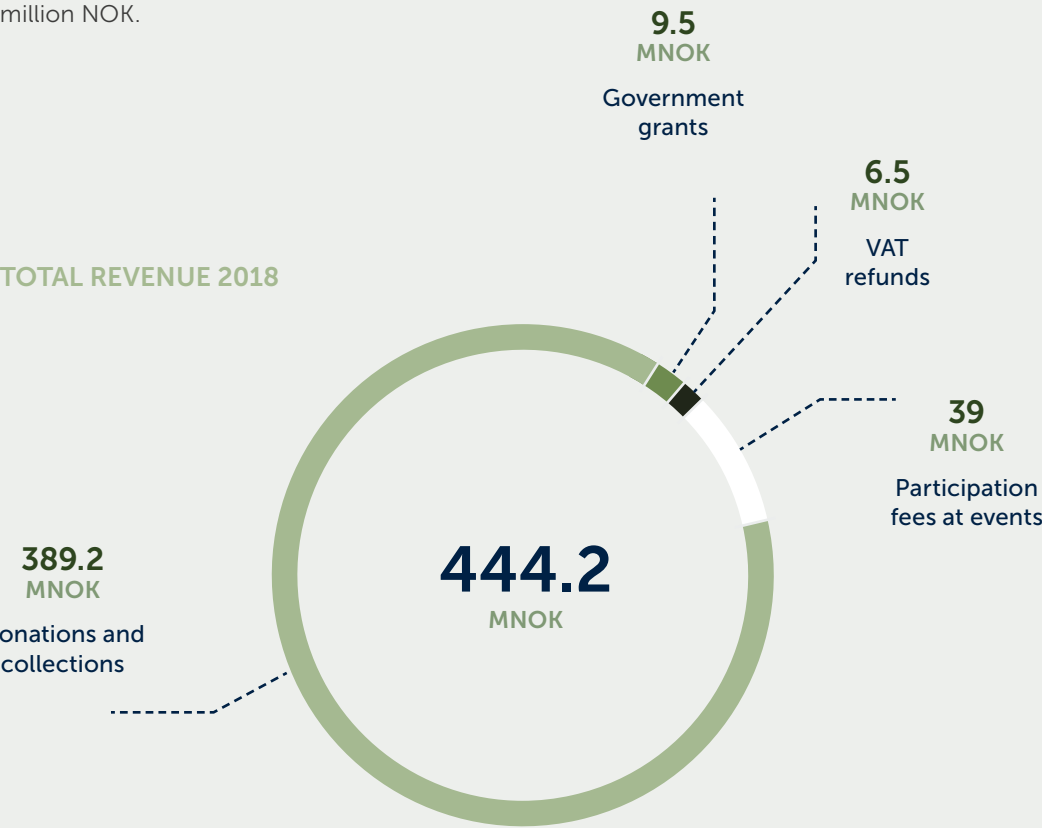
03

INCOME

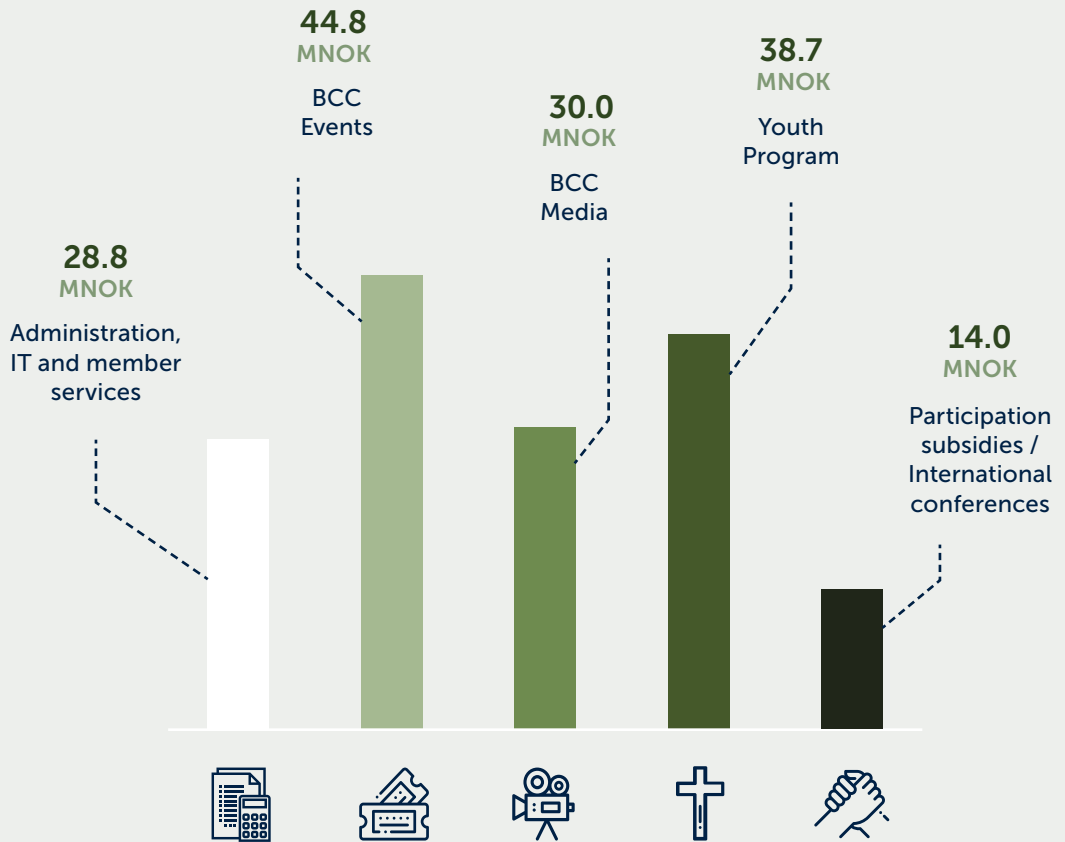
BCC had an operating surplus of 143.3 million NOK in 2018, with the main source of income being donations and collections from members, other donors and local churches who also contributed generously to the association this year.

We received national and municipal government grants for 8,235 Norwegian members in 2018. In total, national and municipal subsidies for 2018 totalled 9.5 million NOK.

TOTAL REVENUE 2018



OPERATING EXPENSES FOR BCC'S PRIMARY OPERATIONS



Great enthusiasm for giving provides sustainability

A HISTORIC DRIVE GIVES BCC GREAT POSSIBILITIES FOR THE FUTURE

At the end of 2018, BCC had equity of 910.2 million NOK. The association's equity position has been strengthened considerably over the last decade, mainly due to donations from BCC's local churches in Norway, associated international entities, and private individuals.

Internally, BCC defines its finances and equity as "operations" and "funds." The former is that part of BCC's finances relating to the association's ongoing operations. The latter is BCC's fund, which is that part of the association's equity designated for the association's own financial management, and is kept separate from operational finances.

BCC's Board has responsibility for the on-going management of the fund's equity. Long-term plans for capital management are decided by BCC's representative assembly.

The story behind BCC's fund

BCC's fund is made up of donations. The objective of the fund is to secure long-term realization of BCC's objective, which is missionary activities. BCC works to carry out Jesus' Great Commission, so that all nations can hear the gospel about Jesus,

and teach those who want this how they can keep all of Jesus' commandments.

BCC members have had a strong desire and clear vision that the place Brunstad should be developed so that it can continue to function as the church's gathering place and missionary center during the church's international events. This has been a driving force and mutual goal behind the large fund-raising campaign that has built up the current equity in BCC's fund.

It is important for BCC to use a prudent, long-term strategy in the management of donations entrusted to us. As a result of the decision to operate Oslofjord as a fully commercial conference centre, it has been natural for BCC's collected funds to be lent to the Brunstad Foundation and the construction project on market terms.

When church members have given donations to BCC, they have thereby contributed to secure financing for the construction project at Brunstad, without donations being expended. Instead, the capital remains in BCC and will be used in future missionary activities and as a contingency fund, as mentioned above. At the same time, the capital has given BCC the financial security to enter into a 20-year agreement with Oslofjord to rent Brunstad for its international conferences and events.

BCC FUND:
802.6
MNOK



4.18 % ▲
return



Interest in BCC's conferences at Brunstad is also reflected in the division of donations from local churches to BCC. If we look back ten years, local churches were namely recommended to donate an amount based on how many of their members had signed private timeshare or suite leasing agreements at Brunstad. The reason for this was that at this point, BCC intended to use donations to develop common areas and recreational facilities. Local churches whose members would use these areas most would also contribute most. This distribution model of donations became the foundation for the donation targets that local churches and members set for the next few years.

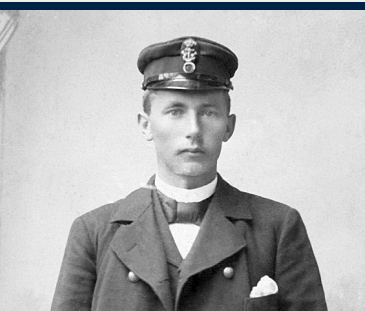
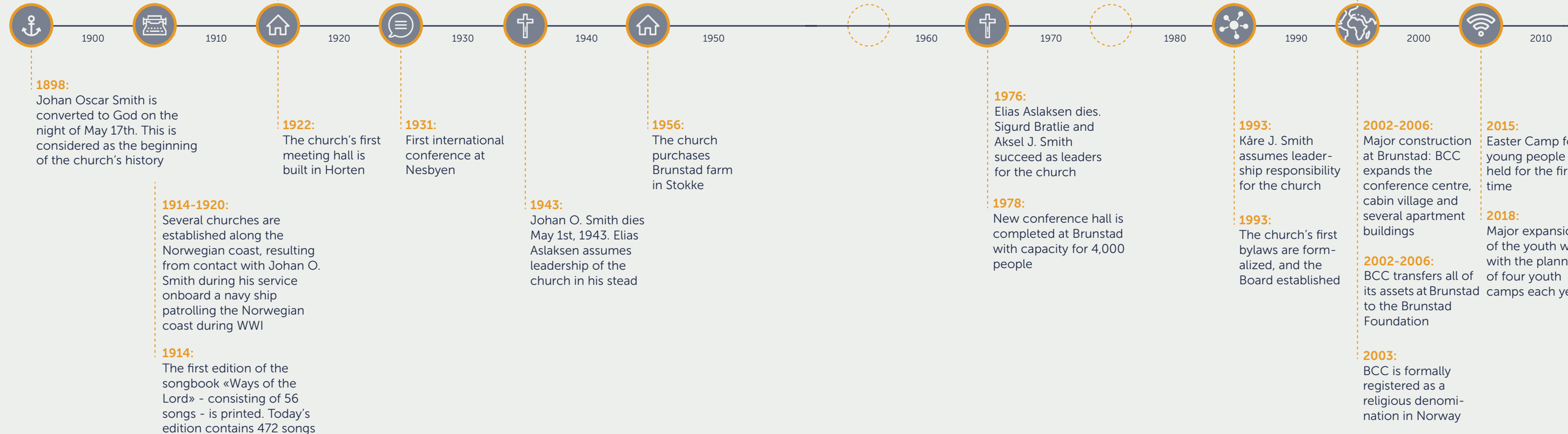
As the focus of the fund's purpose and profile later expanded beyond the construction project at Brunstad, focus on this distribution model has gradually decreased.

Members and local churches have contributed in different ways and with different amounts, but in total, this is about a historic drive which will give the church much greater developmental opportunities in the future.

This is a story we are proud to tell.

120 years of outreach and church history

04





A church in development

120 YEARS OF MISSIONARY ACTIVITY AND CHURCH HISTORY: 1898 - 2018

The history of the church covers a relatively short period in the two thousand years of Christianity. Nevertheless, the past 120 years have shown that our church is viable, having grown from a small group of believers to an international community.

We work to fulfil the mission that Jesus asked as to fulfil, namely to make it possible for people of all nations to become

disciples, and for those who desire it, teach how to observe all that Jesus taught us. In this way we have, from the beginning, considered the Great Commission to be our main task.

For several decades the church was an unorganized group of friends. Nobody counted themselves as members, but referred to themselves as "friends", and there was no formal organization, and no employees.

Like all other growing organizations, structure evolved in accordance with a more complex and regulated society. This caused BCC to choose to formalize bylaws and organizational structure, which secured what the church's mission should be, but also guidelines for practical areas such as boards, voluntary work, accounting, auditing, and ownership of property.

The first bylaws were drawn up during a meeting of representatives on January 1st, 1993. In 2003, the association was formally registered as a church in Norway. However, with its origin being Johan O. Smith's conversion in May 1898, the church is considered to have existed since then.

Over the past 25 years, the church has experienced a considerable development in several areas. We have had an extraordinary focus on working for our children and youth, we have had fundraising drives that have made it possible for us to finance what we are passionate about, and we have started using tools and technology that have made it possible to reach far more people than we could before. Today BCC has become a workplace with numerous

employees, but continues without paid clergy, and all pastoral work is carried out on a volunteer basis.

BCC's international conferences and youth events held several times per year are a central part of our missionary work, where the message leads individuals to a personal life with Christ. Church members from countries with lower purchasing power are given financial assistance to attend some of the conferences. In this way the community supports one another in the good the Christian tradition.

120 years after Johan O. Smith's conversion, the fellowship that emerged from the effect of his life and ministry has grown into a Christian church with approximately 8,200 members in Norway alone. In addition, the church is active in over 50 countries.

We do not know what the future will bring, but we do know that Jesus' doctrine is the foundation the church will build on into the future. This message transforms lives, and we work so that both children, young people and adults can experience a good and healthy development in our church.



Summer conference
at Brunstad, 1968

Summer conference 2018: Sustainable changes which meet today's needs also make it possible for future generations to gather around their Christian faith.



A leader with faith in the future

INTERVIEW WITH KÅRE J. SMITH

Kåre J. Smith is the leader of BCC and both an inspiration and a driving force behind many of the rejuvenating initiatives that have been put into effect since the 1990s. Throughout his adult life he has travelled and reached out to those who long to hear the gospel. And at the age of 74, he uses new, modern tools in his preaching.

Kåre J. Smith has had a hectic year in 2018. He lives in the United States and travels all over the world to speak to those who want to hear the message that leads to godliness. At BCC's international conferences at Brunstad, he speaks the word of God at numerous gatherings throughout the whole year. And his commitment to children and youth is still evident in most of what he does.

Using new technology to preach the gospel

In 2018 alone, Smith contributed to 211 episodes of the podcast "From Kåre." The podcast has about 8,000 daily listeners and is translated to 16 languages. Each episode is around 10 minutes long and contains inspiring conversations about various topics and stories from week to week.

"Many valuable broadcasts have become possible because in development of technology. We make use of everything that can assist with the advancement of the gospel," says the elderly man.

Kåre J. Smith will soon turn 75. He may at times thunder from the podium, but when

we meet face-to-face, we see the gentle and warm side, and a relaxed and smiling person. He believes we have only seen the beginning of what digital platforms and tools will mean for the church going forward.

"I am not getting any younger, and constantly traveling here and there is becoming more difficult. But preaching the gospel about Jesus to people still burns as strongly in me. So what I want to achieve in the ministry of the Word in the years to come will most likely require me to use BrunstadTV and other digital tools more and more to reach those who want to hear."

"Preaching the gospel about Jesus to people still burns as strongly in me"

Went in for using TV-broadcasting technology 20 years ago

Over the past 10 years, BCC has invested millions in the development of its TV channel and other web platforms. Its vision was to first create a technically competent production environment and quality content for the church's own members in Norway and elsewhere around the world. When production and content quality have reached sufficient levels, and when the time is right, it will be made available to everyone interested in the Christian message.

"I wanted us to start with program production at BrunstadTV so that children could have a positive alternative to much of



the bad content that exists on many other channels," says Smith. "I think it will be developed further, and slowly but surely we'll also have several programs that might be of interest to both children and youth both in and outside of BCC."

When asked what he thinks is most interesting to share with those who have not yet heard of BCC, he answers quickly: "I believe it's the literature we have from Johan Oscar Smith, his letters and the articles he has written for the Hidden Treasures periodical will be very interesting to read for many

more than those who are members of the congregation today. So, I send the challenge over to those working on this in BCC. We need to develop and improve so that more people can read, hear, and see the preaching that leads to a life of godliness."

Love is central

"In our preaching, the message of love is central, and it is a positive force in family life. We see that what the Bible calls sin creates sorrow and pain, and love of many becomes cold both in families and in everyday life. The message Jesus brought helps us show our spouse goodness and



From the Easter Youth Camp in March. Activities, Bible ministry and fellowship in a Christian setting.

warmth, so that love can continue to grow and develop. In addition, we must be kind and accommodating towards children and young people who are growing up. This is true Christianity,” says Smith with emphasis.

He continues to explain how the Holy Spirit works in us to will and to do what is good. When the Spirit is allowed to lead us, we also show love in difficult times; we are good to everyone, and both to our own and others’ children.

A driving force in the work for children and youth

Another issue that has characterized Kåre J. Smith’s dedication is the commitment to create positive options for children and youth. He has been a driving force for this right since the mid-1990s.

Because Smith has prioritized working with children, decades have been spent developing child and youth ministries in most of the local churches around the world. At conferences BCC has organized children’s days with games and activities alongside faith-building meetings. Many members have good childhood memories of this. Since 2015, BCC has also held its own youth camps, which has rejuvenated the international youth work.

“If we are not in constant renewal in our lives and in the church, we fall into habits and indifference that is not worthy of God’s kingdom. I believe that renewal is in the Holy Spirit. It is inventive, and when we have a love for those we serve, we get ideas,” says Smith. He continues, “For me as an

older man, I am delighted to see the joy and enthusiasm of the youth and I rejoice in my heart when I see young people being gripped of Jesus’ life. That is why we do all of this. We want individuals to come in contact with Jesus.”

Honesty and righteousness

It is without a doubt that Kåre J. Smith has experienced strong criticism in the media for several years. We asked him if this has affected his involvement regarding work in the church.

“Throughout my whole life I have emphasized being fair and honest, and I have worked hard to earn my own money,” says Smith. “I don’t care much about getting criticism. I have become quite used to it, and I can endure a lot. However, when the media and other sources want to criminalize us, then I can get exasperated or even quite upset,” he says firmly.

Smith has also been a passionate about fundraising, and has dared to say out loud what many may ignore: “You can’t save the world if you’re broke!”

“As Christians we cannot wait for the government to solve our finances, which would limit our work anyway. That is why we have taken the initiative ourselves, and members have shown a tremendous commitment over many years. They know what we stand for and they see what the money that BCC collects is used for. We have already been able to do a lot of good through this, especially for children and young people and to provide for them in the future.”

Gathering around the Christian faith

05

MORE THAN 60 YEARS OF CONFERENCES AT BRUNSTAD

Ever since its humble beginnings, the church has needed to come together around its Christian faith. The first summer conference at Brunstad was over 60 years ago, and 2018 was a year of more development and innovation. The organization established its own events department to improve BCC's international conferences.

Member involvement and conferences with international participation

Summer is a highlight for many members of our church. Member involvement in planning led to a positive impact on the 2018 summer conference with many local churches and volunteers contributing to the program. This created extra cohesion and a feeling of ownership for the event. The Norwegian summer weather was at its best, to the delight of attendees from 38 different countries.

During the planning of conferences, the event department works closely with the church leadership group and BrunstadTV. In the conference hall, large LED screens and direct translation into 20 languages are provided for everyone to be able to see and understand the messages. The same content is also broadcast live via satellite and internet streaming to our members worldwide.

Music is an important tool for edification. When we come together, this is used to create a good atmosphere, so that singing, music and preaching become a whole.

With different gatherings for various target groups and positive activities for children and young people, we use methods that can contribute to our conferences being a good arena for missionary work for all age groups.

Youth Camps: an investment for the future

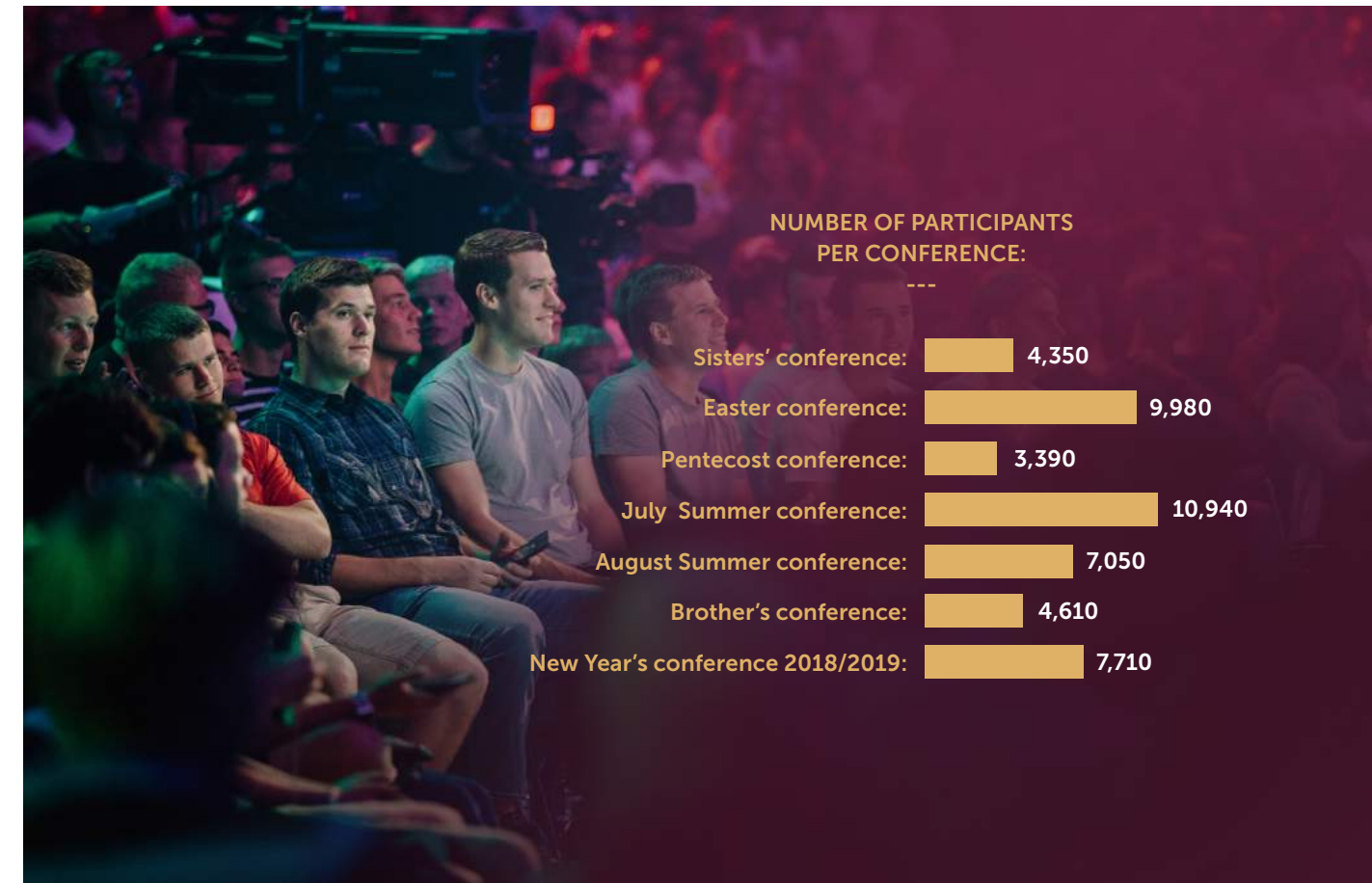
In 2018, we reinvented our vision born in the 1990s: to raise the standard of work with children and young people in the church. BCC held two activity camps for youth clubs from around the world at Easter and Christmas respectively.

The purpose of the Youth Camps is to teach young people about the Christian faith in a healthy environment, while offering participants activities in their interest area. Each young person chooses the type of activity in which they wish to participate during the day, while evening gatherings are attended by all participants. Good experiences like these should also ensure that the young people look back on their youth time in BCC fondly, regardless of the choices they make later in life.

Youth camps create lifelong memories

The entire organization prioritizes these camps. Our church leaders share a mutual goal for youth to receive first-hand Bible instruction. Therefore, Kåre J. Smith and several other church leaders contribute to the edification personally, in collaboration with many youth workers and mentors.

Youth mentors and other adults work hard to make each camp a reality so that it becomes a place to experience Christianity



in practice. Surveys show that adults who participate in the events as crew often have an equally good experience as the target group, because they experience supporting our common purpose as meaningful.

In 2019, the Brunstad Youth Club will be the primary organizer of the camps, but BCC will act as a partner for the program and its implementation. The Youth Club has planned a total of four camps next year. These are expected to be highlights for young people from all over the world.

NUMBER OF YOUTH CAMP PARTICIPANTS:

Easter Camp: 4,490
New Year's Camp: 3,850



A secure foundation for children and young people

06

THE WORK AMONG THE CHILDREN AND YOUTH IS CENTRAL TO OUR CHRISTIAN ACTIVITIES

Almost 50% of BCC's Norwegian members are under the age of 20. One of the most important responsibilities of a society is to provide our children with a good, secure foundation for their lives. This is why we put a lot of effort and voluntary work into this age group in our local churches and in cooperation with our affiliated children and youth organizations. This is done through a large number of activities, Bible ministry, and instruction for the various age groups.

The goal is to promote Christian values in the next generation, and in this way contribute to them becoming good citizens. With this instruction, young people are also enabled to make a personal choice for their own life, whether they want to live as Christians themselves and continue in the fellowship as adults.

Training to be carers and mentors

We want our young people to experience how meaningful it is to give something to others as they grow up. Jesus teaches us that it is more blessed to give than to receive, and with this in mind, BCC invests in training programs for mentors and carers.

All children should experience being seen and loved and be given room to develop their own personalities. We must teach

the next generation of adults about care, respect, equality, and how to prevent exclusion and misconduct of all kinds.

The teenage years can be challenging times: among friends, at school, on the internet, and on social media. In the local churches, older youth are encouraged and taught to take care of the younger and to be good role models.

Our affiliated children and youth organizations

Activity Club, Brunstad Youth Club, and Xercize are the three most important of our affiliated organizations in our work with children and youth. Every week local clubs plan an array of activities with a Christian profile. For children aged seven and up, Activity Club offers a wide variety of activities, and our members contribute both time, resources and care for the children.

Brunstad Youth Club (BUK) has increased its emphasis on Christian-based youth work. The organization shares the same faith and values as Brunstad Christian Church; its mission is to secure a healthy development for Christian youth from age 13 to 25. BUK has a close working relationship with Xercize, which focuses on the same time of youth work with a focus on sporting activities. In these clubs, members can pursue activities that appeal to their strengths and interests, while the focus is on inclusion rather than achievement.





In 2018, Harald Kronstad and BCC's Resource Team held several courses for members.

BCC offers a wide range of activities for children and young people, and works purposefully to create arenas for positive, healthy childhood upbringing.



Preventive measures

A SAFE ORGANIZATION

One of the reasons BCC and its affiliated organizations have such a well-functioning and secure work among the children and young people is because there has been a concerted effort for over 20 years to prevent inappropriate behaviour.

BCC's Resource Team was established in 1996 at the request of the board. Since then the goal has been for all local churches to be a safe, healthy place for children and youth to grow up in.

The Resource Team offers courses and counselling to church leaders, children's mentors, and youth mentors.

The Resource Team's courses and seminars in 2018

In 2018, BCC's resource team conducted two international seminars for approximately 1,000 children's and youth workers during BCC's Easter and summer conferences.

It is not enough that BCC has good guidelines and procedures for dealing with inappropriate behaviour centrally. The ambition is to ensure that every single member feels safe in their home church. With this goal in mind, the resource team conducted courses in several local churches during autumn of 2018. These courses emphasized the importance of safe and inclusive churches, with clear procedures and directives to prevent abuse and other misconduct connected to the work with children and young people.

Some of the topics covered in the workshop:

- Including leadership and cooperative teaching
- Children's connection and their awareness
- A safe environment when working with children and youth
- Sexual abuse of children - what it is, signs and effects
- Reporting abuse and misconduct

Preventive measures

In 2018, the resource team updated the policy document "Safe children – the adults' responsibility" and compiled a new companion pamphlet with guidelines. This document contains policies and procedures for interactive teaching at all levels in the organization, concerning sexual abuse and inappropriate behaviour. In addition, all local churches have received guidelines on how to establish a resource group to deal with inappropriate behaviour (AMUH). This measure has been implemented, and the resource group in each local church consists of qualified, trusted individuals representing the scope of church life, both in terms of age and gender.

BCC collaborates with The Norwegian Church' Resource Centre Against Violence and Sexual Abuse. Harald Kronstad from BCC's Resource Team participated as a panel member at their seminar "Safe families and safe churches" in June. Using his long experience in preventative strategies, he contributed to a discussion about changing attitudes in a church community.

Great support for the Youth Exchange Program (YEP)

YOUNG PEOPLE ENJOY THE YOUTH EXCHANGE PROGRAM

Since it began in 2002, BCC's Youth Exchange Program, informally called "the A-team", has established itself as a popular opportunity for Bible instruction, cultural exchange, volunteer work with the objective of supporting missionary activities. In 2018, the program had participants from 36 countries during two semesters: 415 participated in the first half of the year, and 430 in the second half year.

In 2018, YEP had a presence in several locations and countries, the largest at Brunstad Bible School in Sandefjord, Norway. In addition, YEP had programs in four other locations in Norway; the second largest group was affiliated with the local church in Oslo.

All participation in the exchange program is voluntary, and there are follow-up routines and systems to help administration identify and address areas for improvement. Every six months administration sends out a comprehensive questionnaire to all YEP participants.

Satisfaction surveys and quality control

The Spring 2018 survey showed that among participants completing the program, their total experience ranked an average 4.14 on a scale of 1-5, concerning their total experience of their stay. The questionnaire had a response rate of 79%.



YOUTH EXCHANGE PROGRAM'S MAIN OBJECTIVES:

- ✓ To teach about BCC's beliefs and history
- ✓ To train students for missionary work and church life
- ✓ To teach Norwegian language and culture
- ✓ To contribute to respect and tolerance through cooperation in a multicultural environment
- ✓ To facilitate volunteerism at the church's conferences and projects

QUESTION: HOW WAS YOUR EXPERIENCE WITH YEP?



In Oslo: YEP participants from 14 different countries.

The Youth Program gives participants experiences and fellowship with young people of the same age from around the globe.





Sought after Bible instruction at Brunstad Bible School is streamed online to other groups in the Youth Program.

Employees of Brunstad Bible School, Spring 2018.

Bible instruction and personal development

A central part of BCC's youth program emphasizes the fellowship centred around the Christian faith. Bible instruction gives participants not only a solid foundation for their Christian faith, but also values that help them become good citizens.

Many experience that their year in the youth program gives them more confidence in themselves and their abilities. Several use the experience to gain new skills in various fields, which prove valuable when they return to their local churches.

Brunstad Bible School – the center for Bible instruction

Brunstad Bible School is located at Brunstad in Sandefjord municipality, where the school has developed its own curriculum with boarding and administrative support. Students from around the world are enrolled for one year through BCC's Youth Exchange Program.

A significant number of the young people who attend the Bible school come from countries other than Norway.

They are offered Norwegian language learning at the start of every school year, but net-based language resources are also provided prior to their stay, and a some prior knowledge of Norwegian is assumed. .

The students at Brunstad Bible School receive 35 hours of weekly coursework including group and private study time. Several lesson plans are streamed to other locations in both Norway and abroad, to groups participating in BCC's Youth Program.

New technology and methods of delivery are used to help spread the glad tidings about Jesus as our forerunner, friend, and shepherd. BrunstadTV participates with the recording and distribution of these lessons.

In 2018, BrunstadTV worked together with the Bible school on a new project: portions of instructional material were developed and arranged into short animated films suitable for an international audience.

Brunstad Bible School has a small staff of employees. In addition, a number of volunteers contribute to various projects.

BCC's media operations

07

PRODUCTION ENVIRONMENT AND A PULSATING MEDIA CENTER

The scope and quality of media operations has steadily increased since BrunstadTV was established as its own channel in 2011. Over the course of eight years, it has evolved and become a central part of BCC's activities. In 2018, all media operations were consolidated into one department.

There is continual development in BCC's conferences, youth events, Sunday school and much more. At the same time, there are rapid developments in media, and BCC must constantly adapt to the current situation. Through the efforts of motivated and competent co-workers, 2018 was a productive year for BCC Media.

The production is increasingly becoming a pulsating media center, and media productions must support the organization's objective: fulfilling Jesus' Great Commission and fulfil what Jesus commanded us to do. Making certain that new generations hear the gospel of Jesus on current platforms is an essential part of our mandate. To realize this goal, we use podcasts, websites, and TV productions.

Medarbeidere BCC media:

- 30 permanent employees and 4 apprentices
- 20 volunteers from BCC's Youth Exchange Program, for a one-year term
- Several hundred volunteers who assist with sound, lighting, and image technology during conferences

Educating apprentices

Since 2011, BCC has been an authorized learning institution for apprenticeships in media graphic design, and 17 apprentices have passed the final exam. In 2018 there were two students who received the commendation "Passed with honors" on their final exam. Four of our apprentices in 2018 plan to take their exams in 2019 and 2020. They participate in a broad spectrum of media productions, and work with experienced photographers, graphic artists, editors, and project managers. BCC collaborates with the Oslo Apprenticeship Association.

Professional development

The TV channel BrunstadTV in particular must adapt to developments in technology and has begun shifting its focus towards distributing content over the internet. They are developing programming for internet TV, and apps for mobile phones and smart-TV so content can be delivered in new formats.

Employees from BrunstadTV participated in several different trade shows and industry conventions during 2018:

- NAB Show, Las Vegas
- Nordic Media Days, Bergen,
- ISE, Amsterdam
- Prolight+Sound, Frankfurt
- IBC, Amsterdam

With our own master control, mobile broadcasting base, mobile equipment and crew, we are well-equipped to broadcast and distribute BCC's conferences, youth camps, and international mission feasts to members all over the world.



Two young staff members at BrunstadTV

Pictured: a youth evening during Easter Camp. Large scale productions like this happen numerous times each year.

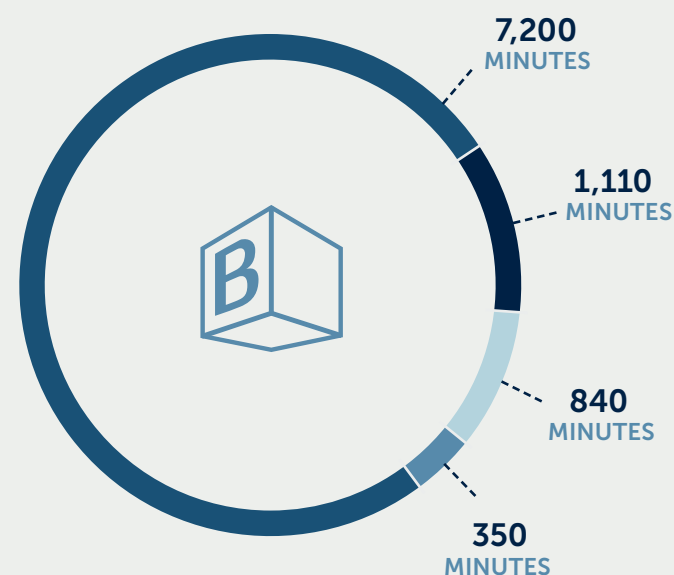


TV-productions in 2018

PROGRAMS FOR SEVERAL AGE GROUPS

In 2018 BrunstadTV produced a total of 9,500 minutes of TV broadcasts including both live broadcasts from our conferences and studio productions. Children and youth are highly prioritized target groups.

MINUTES BROADCASTED:



- Live broadcasts: 70
- TV programs with information and outreach for families: four series
- TV programs with positive content for children: five series
- TV programs containing instruction and edification for youth

9,500

MINUTES OF TV
PRODUCED
IN 2018



What changed everything Moving conversion stories from different people and the important events which led to their longing for a life with Jesus



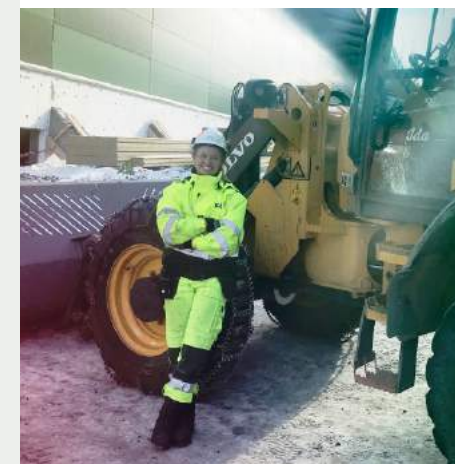
Escape Squad This is a competition where participants tackle unexpected challenges with strategy, endurance, and cooperation. To be successful, the attitude "one for all and all for one" is crucial



In Front Program focusing on basic topics related to the Christian message. Inspiration for living a personal life as a Christian, and instruction for mentors and chaperones



Tell Us Reports from all corners of the world displaying the variety of local churches and their activities



Dream Job All professions are valuable and important to a society. Through interesting accounts, children and young people are inspired to choose a profession they think is exciting



Live Broadcasts From BCCs conferences and arrangements



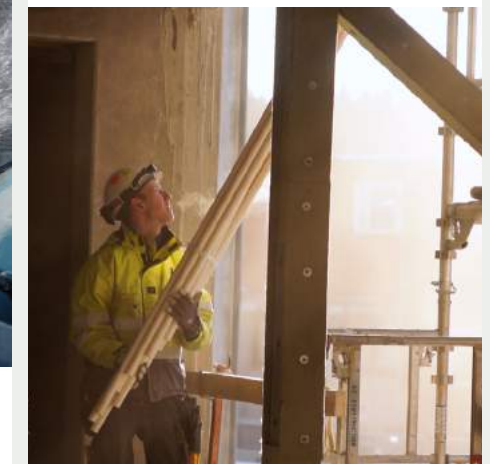
Per and Papps Per has many exciting ideas which he wants his Papa to help him with. This program encourages children and parents to have respect for one another, and viewers learn about friendship



Quick & Joyful "Agents of joy" Leif and Jenny from Quick & Joyful Inc. help people who have different challenges. Many fun and humorous things happen along the way, and they always find a solution



Brunstad Magazine Monthly information program containing news, inspiration and edification for members of BCC. An important part of the collections which go towards meeting the church's objectives



Building Site Regular updates from the expansion project of Oslofjord Property at Oslofjord Convention Center



Pirate Friend The Pirate teaches Kevin how to tackle different situations and gain self-confidence in the process. The program also emphasizes good values and how to treat others

Breakthrough in online mission



FOLLOWERS ON
INSTAGRAM
24,098



FOLLOWERS ON
FACEBOOK
74,313



2018 - A MILESTONE FOR INTERNET-BASED OUTREACH

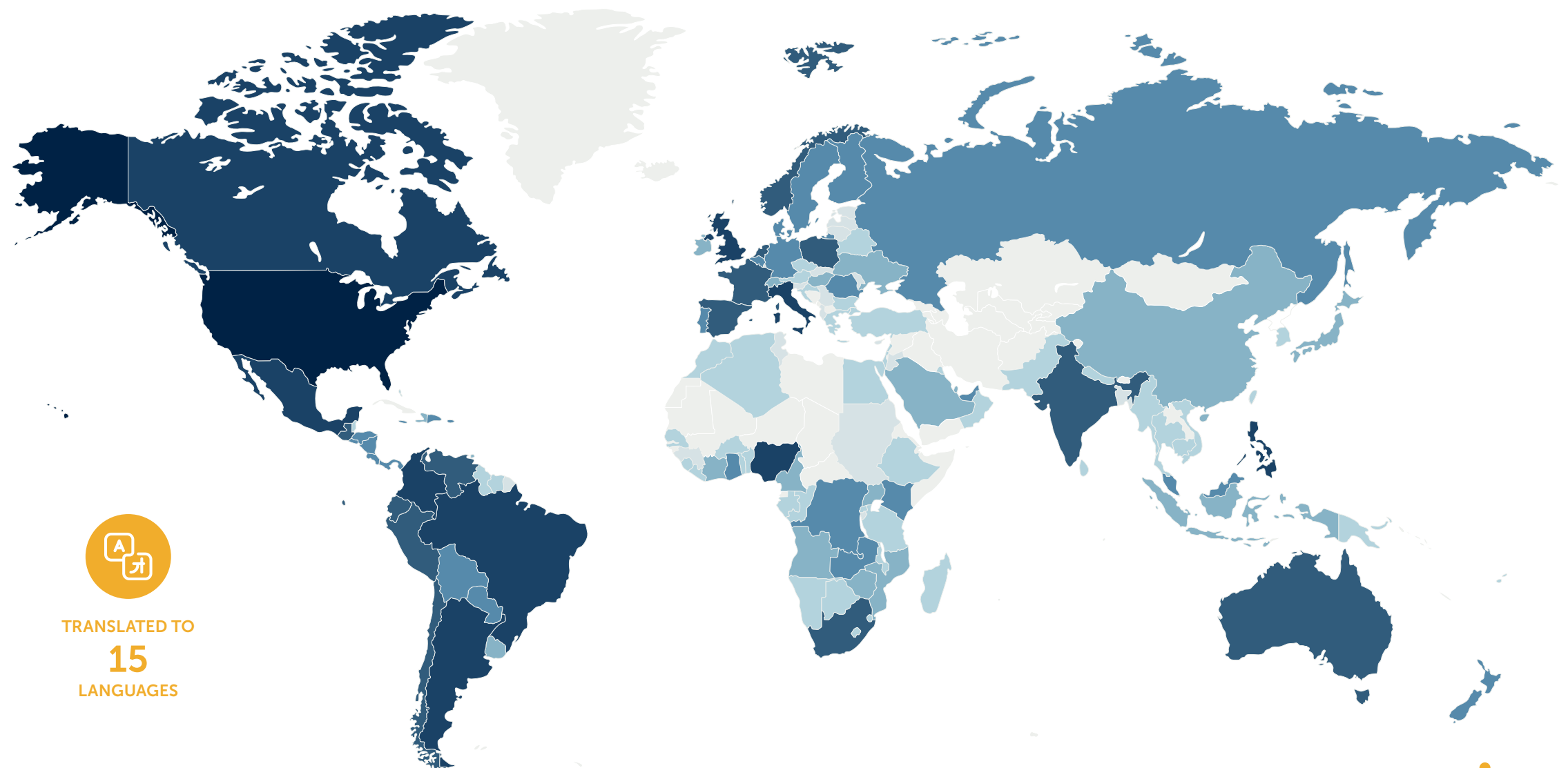
The Christian gospel is universal, and capable of helping people in every situation in life. We wish to inspire others to live an active Christian life through the website activechristianity.org.

Internationally, BCC uses the online profile ActiveChristianity so that Christians who want to learn to live according to Jesus' commandments will be able to find our missionary website.

For over 10 years, the team behind ActiveChristianity have worked daily to make use of the opportunities the internet provides for sharing the gospel. Working thoroughly over several years with presentation, search engine optimization, and the use of various platforms finally led to a breakthrough in 2018. The website saw a 700% increase in visits, and the numbers continue to rise. The greatest interest is coming from North and South America.

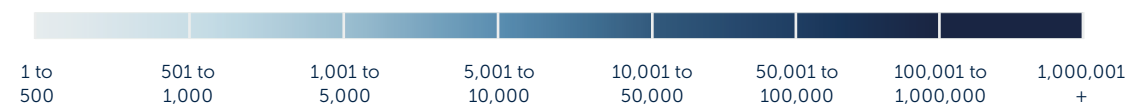
The enormous interest means a greater demand for new, creative, and quality content. New ideas and formats are tested constantly to ensure clarity in the Biblical message.

New initiatives in 2018 include collaboration with BCC's media operations, streaming of sermons on Facebook, and increased user involvement in content development.



TRANSLATED TO
15
LANGUAGES

ActiveChristianity
number of visitors
in 2018:



Average number of
daily site visits:



Equipping the association for the future

08

SOLID STRUCTURES FOR THE ASSOCIATION

The Christian purpose is the core of all work in BCC. We are motivated by the message in the Bible, creating energy resulting in comprehensive activity. In 2018 the focus was on channelling activities into clearly defined areas of work to ensure more efficient operations.

Each of BCC's four operational areas has its own budget, strategy, and management. Through good organization, we are continually working on improvement in all areas. This will also help solidify our future as a sound, efficient church community.

MEDIA	SERVICE CENTRE
EVENTS	YOUTH PROGRAM

Financial administration and accounting

BCC aspires to have transparent finances. We want church members and others to see how funds are used and how BCC administers its resources.

In 2018 we took a step in the right direction when we began working on transition to activity-based accounting, which will be put into effect in 2019. This means that from 2019, BCC will adopt the optional accounting standard "Good Accounting Practice for Non-Profits" and all BCC's local churches have received specific recommendations to follow this standard.

BCC was rated in 2018 by Bisnode, Dun & Bradstreet, and given the best possible credit rating – AAA.

High level of activity requires greater focus on compliance

BCC is evolving as an organization and has experienced enormous support from its members. We are therefore doing all we can to think long-term and ensure a viable, well-functioning organization that can continue its charitable activities into the future.

In recent decades, the scope of church life and activities has increased, and this means increased finances within the association. This presents both an interesting challenge and great responsibility for management and operations. When activity levels are high and operations extensive, everyone must be conscious of working in accordance with all relevant laws and regulations. For several years BCC has had a separate department to work with compliance and internal control, also in relation to local churches affiliated with BCC.

We conduct workshops and seminars with local churches, so they remain informed and updated regarding regulations, good business practices, and applicable rules and regulations.

BCC has previously developed guidelines for the local churches in accounting, donations, taxes, and volunteer work. The local churches are updated regularly on key issues that require continuing education, training and counselling.





BCC.NO
122
ARTICLES
PUBLISHED

BCC Service Center

BCC has established BCC Service Center to assist churches with their own local projects. The Service Center helps organize, inspire, and ensure an efficient functioning church, both centrally and locally. The principal areas of assistance fall under the following categories:

- Finance
- Organization
- Legal
- Membership structure

In 2018, the Service Centre helped local churches implement the accounting standard for volunteer associations, a common accounting system, and a common chart of accounts. New IT tools, compatible with the accounting system, were used for reporting tax deductible donations. In addition, a new IT application for reporting tax deductible donations has been implemented, which is well-integrated with the accounting system.

GDPR

There has also been work on implementation of guidelines for privacy protection in local churches. The European Union's introduction of privacy protection for personal data (GDPR) was a major topic in 2018. BCC has also been working hard to compliance with these requirements, first centrally and then by making recommendations and providing courses shops for local churches.

Work with implementing GDPR has been a healthy process. As a church, we have extra

stringent requirements because religious affiliation is categorized as extremely sensitive personal information. All in all, it is very positive that we establish more orderly procedures for handling such information to protect the rights of our members.

Information and communication

We use websites and social media to disseminate information to members and to the public. Anyone who is interested can find an abundance of information about BCC, the local churches, and our affiliated organizations. Annual reports and financial statements from previous years can also be found here.

BCC wishes to publish interesting and correct information and is proud of what we do. For this reason, we publish weekly articles on the website bcc.no and regularly update Facebook and Instagram.

False information about BCC

On several occasions during the past few years, BCC has observed that incorrect information has about our activities has been spread either through ignorance and prejudice, or in some cases because of smear campaigns.

It is both unfortunate and unfair for our members if an incorrect picture of BCC is accepted as truth in the public eye. Consequently, we put a lot of effort into distributing correct information. BCC appreciates those who check their sources critically, to help limit or prevent the spread of false or distorted information and to refute errors.



From "Lucy Smith's Day of Children's Rights", December 2018.

Participation in professional and interdenominational networks

BCC has increased its interdenominational involvement and has initiated dialogue with the Christian Council of Norway. We are also a member of the Association of NGOs in Norway (Frivillighet Norge).

In 2018 BCC participated in the following professional and interdenominational seminars:

- "Volunteerism in a digital society," organized by Frivillighet Norge
- "NaMu-conference (Natural human development): The church's future in society's future"
- "Secure families and secure churches," held by the Church Resource Centre and the Christian Council of Norway
- "MELT-conference: Faith and Media"

- The "November Conference," held by the Church Resource Centre
- "SKAM, Nordic conference on tweens and life skills for children and youth in a Christian environment," organized by Blue Cross
- "Preventing violence in close relationships," national conference held by the Crime Prevention Competency Centre (Kfk)
- "Children's conference: Tailored to them," organized by RTVS South, a Psychological Trauma Centre for Competency and Information
- "Worrisome/destructive sexual behaviour in children and young people," organized by RTVS East
- "Children's Rights Day," held by the University of Oslo, the Ombudsman for Children, and the Norwegian Centre for Human Rights

BCC's annual representative assembly

09

STABLE FINANCES AND VISION FOR THE FUTURE

All significant issues for BCC and its members are set at BCC's representative assembly, and the annual financial report is reviewed and approved in accordance with BCC's bylaws. In 2018, 125 representatives from the Board, leadership and local churches from many different countries participated at the representative meeting held in Brastad, Sweden.

The activities in BCC and local churches are diverse and varied, but our Christian purpose is the foundation for all activity. Inspiration and motivation come from meeting others who share enthusiasm for the church's purpose, and the annual gathering is an important factor in the continuation of the church's positive work in the local churches.

Approval of the financial statement

BCC's general manager, Vegar Kronstad presented the financial accounts for 2017, which were approved by the meeting.

BCC's main purpose is to enable church operations, preaching and missionary activities. With this in mind, there is extensive activity with the TV channel, websites, conferences and work with children and young people. Most of the operating expenses go towards the various aspects of this work.

Great interest in BCC's conferences

An alternative model to make room for more attendees at future summer

conferences was presented to the representative assembly. The current capacity at Oslofjord during BCC's conferences has been exceeded for several years. A good quality, dynamic model is under development for holding BCC's conferences in the future, to ensure availability for all those who wish to attend and participate in the edification and fellowship during conferences.

In addition, information was presented about Brunstad Foundation's finances, including the status of the ongoing construction project at Oslofjord. BCC's members are closely following the expansion as it will enable more people to participate in the numerous Christian conferences held here throughout the year.

Cooperation with Brunstad Youth Club

In every aspect, BCC is constantly updating and improving. In recent years, attention has focused on facilitating Christian gatherings for children and young people while providing a wide variety of recreational activities. BCC will continue to cooperate closely with Brunstad Youth Club to make these opportunities available.

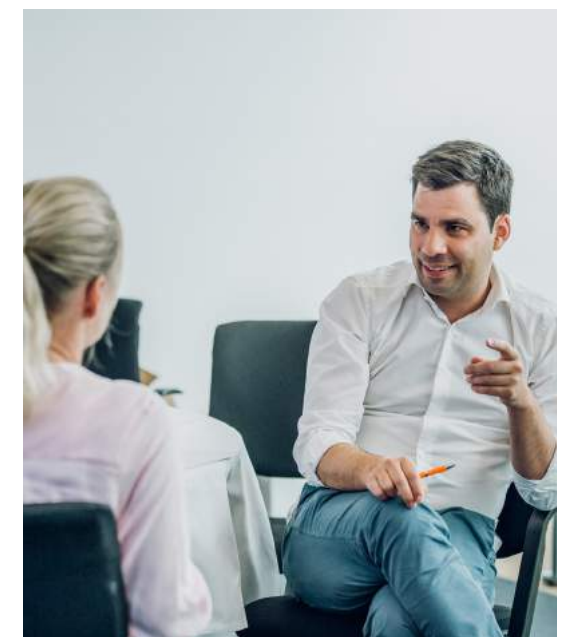
Goal to be "Best in class" in preventive efforts

Harald Kronstad, leader of BCC's Resource Team, updated the assembly on work being done to prevent violence, abuse, and sexual misconduct. This has been a regular and continuous work for the past several decades, and Kronstad repeated important guidelines and routines for reporting and follow-up for representatives.



Good information creates involvement

The annual report for 2017 was presented and distributed to all attendees of the representative assembly. BCC is developing our work with communication and information to members, employees and the public. Our experience is that reliable and accurate information creates trust and involvement. Feedback, constructive criticism, and good input enables us to develop the organization for the better.





The Board's Annual Report

10

THE NATURE OF OUR WORK AND WHERE IT'S CARRIED OUT

Brunstad Christian Church

Brunstad Christian Church is an association with Christian objectives. The association conducts missionary and humanitarian work in numerous countries around the world. BCC's administration headquarters are in a rented premises at Ryenstubben 2, Oslo. The association also has a contract with Oslofjord Convention Centre AS at Brunstad in Vestfold, where BCC arranges several international conferences every year. For more detailed information on BCC's work, please refer to the association's annual report which is available online at www.bcc.no.

The parent company

The parent company includes the association Brunstad Christian Church, and the subsidiary BKM Holding AS with subsidiaries.

GOING CONCERN

The annual accounts for 2018 for Brunstad Christian Church are drawn on a going concern basis, and the board confirms that this precondition exists.

DEVELOPMENT, OPERATING RESULT AND BALANCE SHEET

Brunstad Christian Church

The accounts show the operating result and equity as presented below (in thousands):

	2018	2017
Operating result	166 616	155 227
Equity	910 204	754 832

It is the opinion of the Board that the annual accounts and accompanying notes provide a true and fair view of the operating result for 2018 and the balance sheet per 31.12. 2018. There are no circumstances subsequent to the end of the fiscal year that are relevant for the association's assessment.

The extraordinary generosity BCC has benefitted from in recent years continued unabated in 2018. Many local churches in Norway and abroad donated large amounts in the home stretch of a decade of unprecedented giving.

With stable finances and the goals set at new heights, we anticipate a bright future with opportunities for a continued expansion in the association's core activities. We are deeply motivated for further efforts and look forward to what 2019 and the near future will bring.

The parent company

The parent company's accounts show results and equity as presented below (in thousands):

	2018	2017
Operating result	164 072	150 023
Equity	901 634	748 808

TAXATION

Brunstad Christian Church is established as a non-profit association and is tax-exempt according to § 2-32 of the Taxation Act. Brunstad Christian Church is also approved by the Norwegian Tax Administration as an

association that qualifies for tax deductible charitable donations pursuant to § 6-50 of the Taxation Act.

WORK ENVIRONMENT

The working environment and general well-being in the workplace are favourable. There were no serious injuries or accidents in 2018, and employee sick leave was 3.3%. The association has good procedures in relation to occupational health and safety.

GENDER EQUALITY

Brunstad Christian Church aims to be a workplace where there is full equality between women and men. The association had 155 employees in 2018: 81 women and 85 men. There were 61 full time positions filled by employees of the association, and 96 positions delegated to young, minimum-wage project employees and volunteers. The Board consists of one woman and two men.

ENVIRONMENT

It is the opinion of the Board that the association's operational activities do not

negatively impact the external environment. The association has therefore not planned or implemented special measures for this in 2018 besides the necessary measures required by law and regulations to safeguard the current environmental requirements.

FINANCIAL RISK INFORMATION

The association's liquidity is very satisfactory; in 2018 BCC was upgraded to a AAA rating by Bisnode, Dun & Bradstreet, which is the company's best rating.

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 operational activity throughout the world, and some revenues and costs, as well as debt and receivables, are linked to currency. The association's financial income and expenses must be reviewed with this in mind.

Oslo, June 5th, 2019


Berit Hustad Nilsen
Chairwoman


Finn A. Ødegård
Board Member


Vegar Krorstad
General Manager


Tore Aslaksen
Board Member



Consolidated Financial Statements

Brunstad Christian Church

11

INCOME STATEMENT 2018

PARENT COMPANY

Amount in NOK thousand

CONSOLIDATED

Amount in NOK thousand

2018	2017	NOTE	OPERATING INCOME AND OPERATING EXPENSES	2018	2017
0	0	2	Sales	48 402	52 062
38 999	30 250	2	Operating Income	46 364	37 321
389 229	337 408	2, 9	Donations and collections	389 141	337 408
16 019	13 109		State and municipal grants	16 019	13 109
444 247	380 767		Total operating income	499 926	439 900
0	0		Cost of sales	42 541	35 248
40 482	36 078	3	Payroll expenses	43 380	39 016
7 364	6 682	4	Depreciation of assets and amortization of intangibles	25 613	18 312
0	0	4, 5	Write downs of assets and intangibles	7 600	0
253 137	228 684	9	Other operating expences	251 686	236 339
300 983	271 444		Total operating expenses	370 820	328 916
143 264	109 323		Operating profit	129 106	110 984
			FINANCIAL INCOME AND EXPENSES		
36 799	44 552		Interest income	29 389	36 568
0	0		Gain on the sale of shares	17 466	0
1 134	45 632		Other financial income	1 145	53 141
0	0		Write down of financial assets	0	0
6 559	7 135		Interest expences	6 945	14 724
8 022	37 145		Other financial expenses	8 130	35 708
23 352	45 904		Net financial items	32 925	39 277
166 616	155 227		Ordinary profit	162 031	150 262
0	0	10	Taxes	-2 041	239
166 616	155 227		Net profit	164 072	150 023
			TRANSFERS		
166 616	155 227	7	Allocated to equity		
166 616	155 227		Total transfers		

BALANCE SHEET AS AT 31. DECEMBER

PARENT COMPANY

Amount in NOK thousand

CONSOLIDATED

Amount in NOK thousand

2018	2017	NOTE	ASSETS	2018	2017
			Non-current assets		
			Intangible assets		
0	0		Deferred income tax benefit	0	818
0	0		Goodwill	606	606
0	0		Total intangible assets	606	1 049
			Fixed assets		
0	0	4	Land, buildings and other property	61 908	149 119
15 248	20 149	4	Operating moveable assets, furniture and fittings	21 513	28 519
1 547	2 821	4	Vehicles	1 547	2 821
16 795	22 970		Total tangible assets	84 968	181 142
			Financial assets		
3 000	3 000	5	Investment in subsidiaries	0	0
1 025 017	834 033	6	Other long-term receivables	933 799	679 602
1 028 017	837 033		Total financial assets	933 799	679 602
1 044 812	860 004		Total fixed assets	1 019 373	861 793
			Current assets		
0	0	6	Inventory	1 101	1 225
			Receivables		
9 536	14 881		Accounts receivable	13 990	8 759
7 391	11 045		Other short-term receivables	30 993	22 088
16 927	25 926		Total receivables	44 983	30 842
41 453	387 447	12	Cash and deposits	45 676	391 746
58 380	413 373		Total current assets	91 760	423 813
1 103 193	1 273 376		TOTAL ASSETS	1 111 133	1 285 606



BALANCE SHEET AS AT 31. DECEMBER

PARENT COMPANY

Amount in NOK thousand

CONSOLIDATED

Amount in NOK thousand

2018	2017	NOTE	EQUITY AND LIABILITIES	2018	2017
			Equity		
910 204	754 832	7	Retained equity	901 634	748 808
910 204	754 832		Total retained equity	901 634	748 808
910 204	754 832		Total equity	901 634	748 808
			Liabilities		
			Non-current liabilities		
170 482	307 033		Other non-current liabilities	107 496	309 716
0	0		Deferred tax	0	2 529
170 482	307 033		Total non-current liabilities	107 496	312 245
			Current liabilities		
0	0		Debt to financial institutions	0	2 223
10 241	6 090		Accounts payable	13 152	6 242
0	0	10	Tax payable	0	87
2 701	2 106		Public taxes and contributions payable	3 262	2 618
9 565	203 314	9	Other current liabilities	85 591	213 383
22 507	211 511		Total current liabilities	102 005	224 552
192 989	518 544		Total liabilities	209 501	536 797
1 103 193	1 273 376		TOTAL EQUITY AND LIABILITIES	1 111 133	1 285 606

Oslo, 5. june 2019


Berit Hustad Nilsen
Chairwoman


Finn Å. Ødegård
Board Member


Vegar Kronstad
General Manager

STATEMENT OF CASH FLOWS

PARENTAL COMPANY

Amount in NOK thousand

CONSOLIDATED

Amount in NOK thousand

2018	2017	CASH FLOW FROM OPERATING ACTIVITIES	2018	2017
166 616	155 227	Net profit before tax	162 031	150 202
7 364	6 682	Ordinary depreciation	25 613	18 224
0	0	Tax payable	-87	-495
197	0	Gain/loss on the sale of fixed assets	197	0
0	0	Write down of fixed assets and intangibles	7 600	0
0	0	Change in inventory	124	1 701
5 345	-13 668	Change in accounts receivable	-5 231	-3 899
4 151	1 854	Change in accounts payable	6 910	-657
-188 320	16 380	Change in other current assets and liabilities	-136 053	1 685
-4 648	166 475	Net cash flow from operating activities	61 103	166 761
		CASH FLOW FROM INVESTMENT ACTIVITY		
-2 565	-15 122	Payments for the purchase of fixed assets	-3 151	-1 533
0	0	Receipts from the sale of fixed assets	70 561	0
0	0	Payments for investments in financial assets	0	0
0	0	Cash in purchased company	-1 484	-4 226
0	6 855	Receipts from the sale of financial assets	17 300	6 855
0	0	Profit from the sale of financial assets	-17 466	0
-202 230	227 121	Payment for outgoing loans	-268 488	-87 835
-204 795	218 854	Net cash flow from investment activity	-202 728	-86 739
		CASH FLOW FROM FINANCING ACTIVITY		
0	0	New short-term debt	0	1 799
-136 551	-135 485	New long-term debt	-204 443	163 861
-136 551	-135 485	Net cash flow from financing activities	-204 443	165 660
-345 994	249 844	Net change in cash and deposits	-346 067	245 682
387 447	137 603	Cash and deposits as at 01.01.	391 746	146 064
41 453	387 447	Cash and deposits as at 31.12.	45 678	391 746



Notes to the financial statements 2018

NOTE 1: ACCOUNTING PRINCIPLES

The annual accounts are prepared in accordance with the Accounting Act of 1998 and accounting principles generally accepted in Norway.

Basis of consolidation

The consolidated accounts consist of one subsidiary and five subsidiary's subsidiaries, where Brunstad Christian Church has a legal or actual controlling interest. The consolidated accounts have been prepared on the basis of uniform principles for like transactions in all companies that make the consolidated accounts. All material transactions and transfers between companies have been eliminated.

Shares in subsidiaries are eliminated in the consolidated accounts using the historical cost method. This means that assets and liabilities in subsidiaries is reported at their actual value at the time of acquisition, with any purchase premium classified 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

Financial amounts for foreign currencies are valued at the exchange rate on the balance sheet date.

Income statement amounts in foreign currency

Foreign exchange income statement are calculated at the exchange rate prevailing at the time of the transaction. Exchange differences at settlement are accounted as foreign exchange gains or losses.

Shares in subsidiaries

Investments in subsidiaries are valued using the historical cost method. Investments are written down to fair value when the decrease is not temporary and when it is deemed necessary in accordance with good accounting practice. Dividends and group contributions received from subsidiaries are recognised as other financial income.

Inventory

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

Revenue

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 occur when

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, i.e. when the claim for payment arises. This occurs when the service is provided, as the work is carried out. Revenues are recognized by the value of the consideration at the time of the transaction.

Donations are recognised as they are received. Grants are recognised when the commitment letter is received and the conditions for receiving the grant are met. Operating grants are accrued in the period for which they are given.

Receivables

Accounts receivable and other receivable are reported at their face value after providing for doubtful debts. Provision for doubtful debts is determined on the basis of an individual evaluation of each receivable.

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

Pension contributions are accrued in accordance with the matching principle. Contributions for the year are expensed.

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

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 deferred benefits are presented as a net amount in the balance sheet.

NOTE 2: REVENUE

Parent company

The primary source of income for Brunstad Christian Church consists of donations and collections from both Norwegian and foreign individuals and organisations. The association's next largest income source is associated with member fees related to the association's large international events held at Oslofjord Convention Center.

Sources of income in ranked order:

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

Group

Subsidiaries have their primary source of income in Norway.



NOTE 3: PAYROLL EXPENSES, NUMBER OF EMPLOYEES, REMUNERATIONS, LOANS TO EMPLOYEES, ETC

Amounts in NOK thousand

Payroll expenses

PARENT COMPANY			GROUP	
2018	2017		2018	2017
35 036	30 078	Salary and wages	37 426	32 615
4 932	4 946	Social security contributions	5 301	5 252
411	967	Pension contributions	512	1 031
102	86	Other remuneration	140	118
40 482	36 078	Total	43 380	39 016
155	154	Full time equivalents employed in the financial year	160	159

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

The association had 155 full time equivalents in 2018, comprising 81 women and 85 men, of which 61 full time equivalents were employed by the association and 96 full time equivalents were lower paid project employees and volunteers.

Remuneration to executives

	Salary	Other remuneration
General manager	905	78
Board members	1 029	43

Board members do not receive remuneration, but one board member was employed and received a salary from the association in 2018.

Remuneration to executives relates to the parent company, Brunstad Christian Church. No loans or guarantees have been granted by Brunstad Christian Church to key personell.

One board member received fees from BCC for performing the group CFO role, amounting to a total of NOK 504,000 including VAT in 2018.

Auditor

Auditor remuneration is divided as follows:

PARENT COMPANY

GROUP

2018	2017		2018	2017
377	504	Statutory audit	504	712
110	116	Other certifications	110	116
34	55	Other services	39	62
-	-	Tax advice	-	-

Amount are excluding VAT.

NOTE 4: FIXED ASSETS

Amounts in NOK thousand

PARENT COMPANY

Moveable assets, furniture and fittings

		Vehicles	TOTAL
Acquisition cost 01.01.18	36 732	5 072	41 804
Additions	2 271	293	2 565
Disposals	-6 070	-1 483	-7 552
Acquisition cost 31.12.18	32 934	3 883	36 816
Accumulated depreciations	17 685	2 335	20 021
Accumulated write-downs	-	-	-
Written down value per 31.12.18	15 248	1 547	16 795
Depreciation in the year	6 718	647	7 364
Useful life	5 years	5 years	
Depreciation method	Straight line	Straight line	
Leasing of non-capitalised current assets	3 574	135	3 710



GROUP	Intangible assets	Land, buildings, and other property	Moveable assets, furniture and fittings, machines and equipment	Vehicles	TOTAL
Aquisition cost 01.01.18	-	178 665	59 510	5 164	243 339
Additions from acquisition of assets	-	45	2 813	293	3 151
Additions from acquisition of business	-	-	-	-	-
Deductions from sale of business	-	-90 914	-15 014	-1 575	-107 503
Acquisition cost 31. 12. 18	-	87 796	47 309	3 883	138 988
Accumulated depreciation	-	18 289	25 796	2 335	46 420
Accumulated write-downs	-	7 600	-	-	7 600
Written down value per 31.12.18	-	61 908	21 513	1 547	84 968
Depreciation in the year	-	22 214	10 352	647	33 213
Useful life	40 years	10-60 years	4-12 years	6-7 years	
Depreciation method	Straight line	Straight line	Straight line	Straight line	
Leasing of non-capitalised current assets			3 574	135	3 710

NOTE 5: SUBSIDIARIES, ASSOCIATED COMPANIES, ETC.

Amounts in NOK thousand

BKM Holding	Place*	Aquired	Voting rights	Acquisition cost	Written down value	Equity
with following subsidiaries	Oslo	Nov. 13	100%	Founded by BCC	9 950	1 188
Brunstadshop AS	Oslo	Dec. 14	100%	1 000	1 000	1 688
Straumeparken AS	Straume	Nov. 15	100%	9 848	-	-6 858
Runstad Eiendom AS	Ski	Jan. 14	100%	950	950	984
SEE Travel & Tours AS	Kråkstad	Apr. 16	100%	0	-	-526
BCC Event AS	Oslo	Dec. 14	100%	Founded by BKM Holding	5 000	4 397

Brunstad Christian Church sold Ryen-stubben 2 AS to Ryenstubben Holding AS in 2018.

* in Norway

NOTE 6: RECEIVABLES MATURING LATER THAN ONE YEAR

Amounts in NOK thousand

PARENT COMPANY

2018	2017
1 025 017	833 986
Other receivables	

GROUP

2018	2017
933 799	679 555

NOTE 7: EQUITY

Amounts in NOK thousand

PARENT COMPANY

	Retained earnings
Equity 01.01.18	754 832
<u>Changes in equity during the year:</u>	
Net profit for the year	166 616
Material errors from previous years	-11 246
Equity 31.12.18	910 204

GROUP

	Retained earnings
Equity 01.01.18	748 808
<u>Changes in equity during the year:</u>	
Net profit for the year	164 072
Material errors from previous years	-11 246
Equity 31.12.18	901 634



NOTE 8: BALANCES AND TRANSACTIONS WITHIN COMPANIES IN THE SAME GROUP – PARENT COMPANY

Amounts in NOK thousand

Other non-current receivables

	2018	2017
Group companies	91 119	158 732
Total	91 119	158 732

Interest income

	2018	2017
Group companies	7 468	10 752
Total	7 468	10 752

Rent expense

	2018	2017
Associated companies/churches	3 649	2 925
Total	3 649	2 925

Other internal transactions

	2018	2017
Associated companies	2 220	919
Total	2 220	919

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, property rental and travel expenses.

Beyond the transactions with group companies, Brunstad Christian Church recieved a gift of 1.7 million NOK in 2018 from the related party Skjulte Skatters Forlag

A short-term loan has been provided to a private individual with close relation to the general manager. The loan balance at 31.12.2018 is NOK 980,000.

NOTE 10: TAXES

Amounts in NOK thousand

PARENT COMPANY

Brunstad Christian Church is established as a charitable association and, In accordance with Norwegian Tax Law § 2-32, is not subject to tax.

GROUP

The year's taxable income is as follows:			2018
Ordinary net profit for the group, including eliminations			162 031
Deducted from net profit for non-taxable business			166 616
Ordinary net profit before tax from taxable activities			(4 585)
Permanent differences			(2 175)
Use of carried forward losses			(2 289)
Change in temporary differences			9 386
Loss for the year carried forward			(86)
Taxable income for the year			251
Tax payable on year's profit			(2 360)
This year's tax expenses are as follows:		2018	2017
Tax payable		(2 360)	87
Change in deferred income tax		319	152
Tax on group contribution		-	-
Tax on ordinary net profit		(2 041)	239
Total tax expense on year's profit		(2 041)	239
Breakdown of tax effect of temporary differences and carried-forward losses:	2018	2017	Change
Non-current assets	9 534	15 788	(6 254)
Current assets	(32)	(468)	436
Gain and loss account	2 582	(23 101)	25 683
Losses carried forward	(116)	(580)	464
Total	11 968	-8 360	20 328
Deferred tax	224	-1 923	2 147
Deferred tax on value added buildings	-	-	-
Non-capitalised deferred tax benefit	(224)	-	(224)
Net deferred benefit/obligation in the balance sheet	-	1 923	(1 923)



In 2016, Brunstad Christian Church acquired ten international mission centers through its subsidiary Global Investment Holding AS. All these companies have been consolidated in the group accounts, but due to insufficient notes to these accounts, only one company

is consolidated into 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. Global Investment Holding AS was sold to Brunstad Holding AS during 2017.

NOTE 11: COLLATERAL AND GUARANTEES, ETC

Amounts in NOK thousand

GROUP

Guarantees	2018	2017
Guarantees to financial institutions on behalf of local churches	15 164	2 501
Guarantee to travel guarantee fund on behalf of subsidiary SEE Travel & Tours AS	1 640	-
Total	16 804	2 501
Collateral		
Loan to subsidiary secured by assets	2 086	2 223
Balance sheet value of assets pledged or assigned to secure own debt	5 434	5 434

NOTE 12: BANK DEPOSITS

Amounts in NOK thousand

PARENT COMPANY

Bank deposits and cash include NOK 1,457 in tied tax withholdings.

GROUP

Bank deposits and cash include NOK 1,568 in tied tax withholdings

NOTE 13: RECOGNITION OF FOREIGN CURRENCY MONETARY ITEMS

Amounts in NOK thousand

PARENT COMPANY

	2018	2017
Recognised foreign exchange gains (agio)	19 714	45 624
Recognised foreign exchange losses (disagio)	27 149	32 000
Net foreign currency items	-7 435	13 624

GROUP

	2018	2017
Recognised foreign exchange gains (agio)	19 724	47 772
Recognised foreign exchange losses (disagio)	27 256	40 847
Net foreign currency items	-7 531	6 925

NOTE 14: UNREALISED FOREIGN CURRENCY GAINS AND LOSSES

Unrealised foreign currency gains and losses are presented as a net amount in the financial statements for 2018. Realised financial gains and losses are recorded as gross amounts.

To the annual general meeting of Brunstad Christian Church

Independent auditor's report

Statement on the financial year audit

Opinion

We have audited Brunstad Christian Church's financial statements, which consist of:

- Company accounts, consisting of the balance sheet as at 31 December 2018, the income statement, and cash flow statement for the financial year ending on this date, and notes to the accounts, including an important summary of accounting principles, and
- Group consolidated accounts, consisting of the balance sheet as at 31 December 2018, the income statement, and cash flow statement for the financial year ending on this date, and notes to the accounts, including an important summary of accounting principles.

In our opinion:

- the accounts are presented in accordance with laws and regulations
- the accompanying company financial statements present fairly, in all material respects, the financial position of Brunstad Christian Church as at 31 December 2018, and the results of its operations and its cash flows the year then ended in accordance with the requirements of the Accounting Act and generally accepted accounting principles in Norway
- the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Brunstad Christian Church group as at 31 December 2018, and the results of its operations and its cash flows the year then ended in accordance with the requirements of the Accounting Act and generally accepted accounting principles in Norway

Basis for opinion

We have conducted our audit in accordance with laws, regulations and generally accepted accounting principles in Norway, including the international auditing standards of the International Standards on Auditing (ISAs). Our responsibilities under those standards are described in the Auditor's responsibilities and obligations for the audit of the financial statements. We are independent of the company and group, as required by law and have adhered to our ethical obligations 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

The directors of the company are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

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Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap

Responsibility of directors and general manager for the financial statements

The directors and general manager (the leadership) of are responsible for the preparation of the financial statements in accordance with laws and regulations, including that these provide true and fair view in accordance with the requirements of the Accounting Act and generally accepted accounting principles in Norway. The leadership is also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the leadership is responsible for assessing the company and Group's ability to continue as a going concern, disclosing in a timely manner matters related to going concern. The assumption of going concern is used as the basis for the annual accounts so long as it is not probable that operations will be wound up.

Auditor's responsibilities and obligations 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 generally accepted accounting principles in Norway, including ISAs, will always detect a material misstatement when it exists. Misstatements can arise from error or fraud. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

For a further description of auditors' responsibilities and obligations refer to:

<https://revisorforeningen.no/revisjonsberetninger>

Report on other legal and regulatory requirements

Opinion on the annual report

Based on our audit of the annual accounts as described above, we are of the opinion that the information in the annual report concerning the financial accounts and the assumption of going concern are consistent with the financial accounts and compliant with laws and regulations.

Opinion on documentation and registration

Based on our audit of the annual accounts as described above, and the controls required under the international standard for assurance engagements (ISAE) 3000 "assurance engagements other than audits or reviews of historical financial information", we are of the opinion that the leadership has met its obligation to ensure proper and clear registration and documentation of the company's accounting information in accordance with the law and generally accepted accounting principle in Norway.

Oslo 5 June 2019

PricewaterhouseCoopers AS

Gøril Hyni

Gøril Hyni

Statsautorisert revisor

(Registered auditor)

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Brunstad
Christian Church