

BI Norwegian Business School
Annual Report 2016

Annual Accounts 2016

Parent company: Income statement 1 January – 31 December

Group:

2016

2015

Note NOK'000

2016

Parent company:

Balance sheet as at 31 December

Group:

2016	2015	Note	NOK'000	2016	2015
			ASSETS		
142 909	159 475	5			

Parent company:

Statement of cash flows 01.01.-31.12.

Group:

2016	2015	NOK'000	2015	2015
		Operating activities		
86 515	42 001	Profit before tax		

(All amounts are in NOK 1 000 if not otherwise stated)

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway. The most significant accounting principles are described below.

The consolidated financial statements comprise the parent company the Foundation BI Norwegian Business School and the subsidiaries BI-Budget D-Blokka AS, Bedriftsøkonomisk Institutt AS, Studentenes Hus Nørdalen AS, Sandakerveien 116-118 AS and Sandakerveien D-Blokka AS.

Of these, neither Bedriftsøkonomisk Institutt AS, Sandakerveien D-

Shares and bonds for permanent ownership or use are classified as non-current assets in the balance sheet, valued at cost unless circumstances not considered to be temporary have required a lower value.

Short-term investments of surplus liquidity (liquid shares and bonds classified as current assets) are valued at fair value at the balance sheet date. Received dividend and other contributions from the companies are recognised as other finance income.

Property, plant and equipment is capitalised and depreciated when the lifetime is more than 3 years and the cost exceeds NOK 100 000. Direct maintenance of fixed assets is expensed as operating costs when incurred, whereas improvements are added to the acquisition cost and depreciated with the related assets. Replacements of entire assets are recognised in the balance sheet.

In the tax accounts, the valuation principles of the tax legislation concerning capitalisation are adhered to, and property, plant and equipment considered to have a useful lifetime more than 3 years and a cost price exceeding NOK 15 000 is capitalised.

BI's occupational pension scheme meets the legal requirements for occupational pension. BI's employees are partly included in the Norwegian Public Service Pension Fund (Statens Pensjonskasse - "SPK") and partly in private schemes through Storebrand. BI applies IAS 19 according

All the subsidiaries are liable to pay taxes.

BI applies interest swap agreements to secure future interest payments on long-term loans, accounted for as hedges. The cash flows from the interest swap agreements are matched with the interest payments related to long-term loans. The interest swap agreements are not carried in the balance sheet.

The cashflow statement has been prepared using the indirect method. This means that the analysis is based on the Foundation's profit for the year in order to present

6 737	5 725	Public and private contributions and gifts	6 737	5 725
11 344	9 653	Other income	10 623	10 069
44 905	43 600	Total other operating income	63 522	66 867

In the autumn of 2012, BI decided to terminate the activity in Studentenes Hus N dalen. This implied that the rent agreement related to Studentenes Hus was transported back to BI, and BI started the work to lease the premises to other businesses. At the end of 2016 there is no vacancy in these premises. There has been no changes in the rental areas in the A, B and C-Blokka during 2016. The areas which are subject to lease are 3 339 square meters. In the subsidiary BI-B gget D-Blokka as, the vacancy at the end of 2016 was 8%, constituting 1 352 square meters.

The remuneration to the CEO (the president) in 2016 constituted NOK 2 363 440. Other taxable benefits amounted to NOK 8 767. The president is a member of BI's ordinary pension scheme in SPK. Net estimated pension cost including social security tax for 2016 was NOK 190 133. The president is entitled to one year's research term with a president's salary when his functional has ended. The CEO has no bonus agreement.

BI has no pension obligations to the members of the Board other than the employee representatives who are part of BI's ordinary pension schemes. The board fees for 2016 have been paid as follows:

The auditor fees in 2016 were as follows:

Statutor audit	NOK	393 226	480 601
Other attestation services	NOK	81 725	81 725
Ta assistance	NOK	22 375	39 125
Other assistance	NOK	175 625	175 625
<u>Total</u>	NOK	<u>672 951</u>	<u>777 076</u>

All amounts in NOK and including VAT.

Note 4 Other operating expenses

Ordinar depr. and write-

The scheme in the Norwegian Public Service Pension Fund (SPK) comprises 370

The parent company has given the subsidiary BI-Budget D-Blokka AS a loan at a nominal value of MNOK 174,0. The loan is interest-only until 31 December 2023 with an interest of 3 months NIBOR + 2.15% margin.

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	Trade receivables		Other receivables	
Group companies	266	3 245	177 119	174 831
Associated company	0	0	0	0
Joint venture	0	0	0	0
Total	2 660	3 245	177 119	174 831

	Other short-term debt	Trade payables
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In the loan agreement with DNB, the following requirements to financial covenants from 31 December 2016 and the following years have been established. The figures are:

	2016	2017	2018
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The parent company has the current rent agreements for premises with annual amounts as stated below:

