



ADRA Danmark Annual Report 2020

CVR 20 07 40 35

To be presented at the annual council on the 13th of June 2021

The signature of the Council Chairman

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ORGANISATIONAL INFORMATION

ADRA Denmark

Concordiavej 16, 2850 Nærum, DK – Denmark

CVR-nr.: 2007 4035

Municipality: Rudersdal

Management

Jens Vesterager, Secretary General

Helene Ellemann-Jensen, Programme Director

Katrine Skamris, Finance Director

Nils Rechter, Administration Director

Signe Lund Christensen, Communications Director

Accountant

EY

Chartered Accountant, Ulrik B Vassing and Thomas B Christensen

Association

Founded by the Seventh-day Adventist Church in Denmark 1987

MANAGEMENT'S STATEMENT

Today, the Board and Management have discussed and approved the annual report of ADRA Denmark's financial year 1 January – 31 December 2020.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the annual report gives a true and fair view of the Organisation's assets, equities and liabilities and financial position as of 31st December 2020, as well as the result of the organisation's operations of the financial year 1 January – 31 December 2020.

Furthermore, in our opinion, procedures and internal controls have been established to ensure that the transactions included in the annual accounts are in accordance with the appropriations granted, laws and other regulations, as well as with agreements and common practice. Furthermore, that due financial considerations have been taken in the management of the funds and Organisation reflected in the financial statements.

Additionally, it is our opinion that systems and processes have been established which support economy, productivity and efficiency.

It is also our opinion that the Management's report reflects an accurate review of the development in the Organisation's activities and economic conditions as well as a description of the particular risks that can impact the Organisation.

The annual report is recommended for approval by the Council of Representatives.

Nærum, 21st April 2021

General Secretary


Jens Vesterager

Board of Directors

Thomas Müller
Formand

Jens Morten Øster
Næstformand

Ann-Britt Moos Møller

Lene Bull Christiansen

May-Britt Kivikoski Jørgensen

Monica Neesgaard

Lene Sonne

INDEPENDENT AUDITOR'S REPORT



To the Board of Directors and the Management of ADRA Danmark

Opinion

We have audited the financial statements of ADRA Danmark for the financial year 1 January – 31 December 2020, which comprise income statement, balance sheet, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation at 31 December 2020 and of the results of the Organisation's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as generally accepted public auditing standard as the audit was performed on the basis of the provisions of the audit instructions regarding the performance of audit procedures in connection with strategic partnerships' management of activities in developing countries. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 ISAs and additional requirements applicable in Denmark as well as generally accepted public auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark as well as generally accepted public auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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 Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial reporting comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice; and that due financial consideration has been taken of the management of the funds and operations covered by the financial statements. Consequently, Management is responsible for establishing systems and procedures supporting economy, productivity and efficiency.

In performing our audit of the financial statements, it is our responsibility to perform compliance audit and performance audit of selected items in accordance with generally accepted public auditing standards. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial reporting comply with the relevant provisions of appropriations, legislation and other regulations as well as agreements entered into and usual practice. When conducting a performance audit, we perform assessments to obtain reasonable assurance as to whether the tested systems, processes or transactions support due financial considerations in relation to the management of the funds and operations covered by the financial statements.

We must report on any grounds for significant critical comments, should we find such when performing our work.

We have no significant critical comments to report in this connection.

Copenhagen, 21 April 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ulrik Benedict Vassing
State Authorised
Public Accountant
mne32827

Thomas H. Christensen
State authorised
Public Accountant
mne46321

MANAGEMENT REPORT

KEY FIGURES AND KPI'S

<i>DKK '000</i>	2020	2019	2018	2017	2016
Key figures					
Income	68.355	100.251	76.702	74.754	60.893
Programme expenses	62.744	92.793	70.443	68.723	54.768
Communication and fundraising	2.242	2.103	2.032	2.314	3.109
Administrative expenses	2.897	2.965	3.248	3.558	3.404
Financial items	-35	11	-13	-1	-12
Net income of the year	437	2.401	966	158	-399
Fixed assets	30	90	179	189	300
Current assets	45.824	30.742	32.707	39.068	26.413
Total assets	45.854	30.832	32.886	39.257	26.713
Unrestricted equity	10.970	10.533	8.132	7.165	7.007
Earmarked funds	33.095	18.656	23.128	29.935	18.046
Other current liabilities	1.789	1.643	1.626	2.156	1.660
Total equity and liabilities	45.854	30.832	32.886	39.257	26.713
Number of members	637	529	695	749	658
Staff in average	19	18	16	17	16
Key Performance indicators					
Administration percent	4,2%	3,0%	4,2%	4,8%	5,6%
<i>Administrative expenses in percent of income</i>					
Programme percent	92%	93%	92%	92%	90%
<i>Programme expenditure in percent of income</i>					
Net profit margin	1%	2%	1%	0%	-1%
<i>Net income of the year in percent of income</i>					
Security margin	16%	11%	11%	10%	11%
<i>Equity in percent of total expenditure</i>					
Equity ratio	24%	34%	25%	18%	26%
<i>Equity in percent of total assets</i>					

MAIN ACTIVITIES

On behalf of the Seventh-day Adventist Church, ADRA Denmark assists people with both humanitarian assistance and long-term development projects. Through partnerships with local communities, organisations and governments, ADRA's global network, with offices in more than 115 countries, reaches millions of people each year. The fundamental basis of our work is the Christian view of humanity with benevolence and respect for the individual at its core. We support people in need, regardless of their ethnicity, gender, sexuality, political or religious beliefs and work towards all people having equal rights, possibilities and hope for the future.

ADRA Denmark works with development and relief mainly through ADRA partners in East Africa and the Middle East. In 2020, we supported ADRA partners in Malawi, Ethiopia, Uganda, Tanzania, Sudan, South Sudan, Syria, Lebanon, Yemen, and India. Additionally, ADRA Denmark supports projects in other countries through the international ADRA network.

ADRA Denmark's 2020-2024 Strategy

2020 marked the beginning of the implementation of ADRA Denmark's new five-year global strategy, which defines our four focus areas:

1. Relieve human suffering during times of crisis and conflict
2. Promote equal rights and opportunities for women and girls
3. Improve the livelihoods (income/self-help) of the poor and those affected by crisis.
4. Strengthen civil society to promote participatory and sustainable change

Although our planned projects faced a number of challenges as a result of COVID-19, we have nonetheless had a good start.

Exit in Malawi and back to Tanzania

Through 29 years of collaboration and millions of DKK in subsidy from Danish Ministry of Foreign Affairs (Danida), ADRA Denmark and ADRA Malawi have improved the living conditions of countless people. Unfortunately, during 2019 it appeared that the management of ADRA Malawi did not live up to ADRA's requirements regarding due diligence, transparency and good leadership. Despite guidance from ADRA Denmark, other ADRA partners and the regional ADRA office in Africa, the necessary changes and steps that could have restored trust were not put into practice. In consequence, ADRA Denmark, ADRA Sweden and ADRA Australia phased out our programmes in Malawi and terminated the partnerships in 2020.

After 12 years of hiatus, we restored our partnership with ADRA Tanzania in 2020. Over the coming years, we will build a new development programme following the ADRA Denmark model "Action for Social Change". At first, this will take place in connection with an agricultural project in cooperation between a local organisation, RECODA, an agricultural university, and ADRA Tanzania.

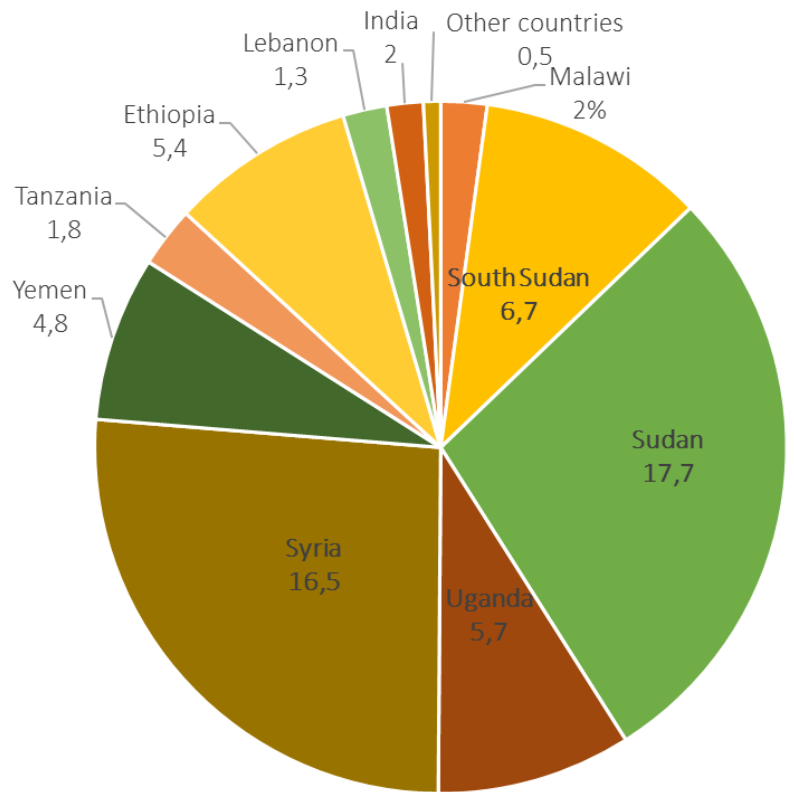
Financial Base

ADRA Denmark's programmes and projects are financed by Danida, ECHO/EU and private fundraising in Denmark. From January 2018, ADRA Denmark entered into a 4-year Strategic Partnership with Danida for both development cooperation and humanitarian assistance. The financial framework totals 36 million DKK per year (21 million DKK for development and 15 million

for humanitarian assistance). In 2020, the flexible humanitarian funds further increased by 4 million DKK to be used for COVID-19 efforts, however this increase is only valid in 2020.

ADRA Denmark has been included in the EU's Finance Bill since 2014, and in December we once again received a seal of approval from the EU's office for Civil Protection and Humanitarian Aid, ECHO, in the form of their certification. The ECHO certification allows us to apply for EU funding for humanitarian projects during the next 7 years. In 2020, ECHO supported our humanitarian work in Sudan and Syria, and over time the EU has become one of our largest donors.

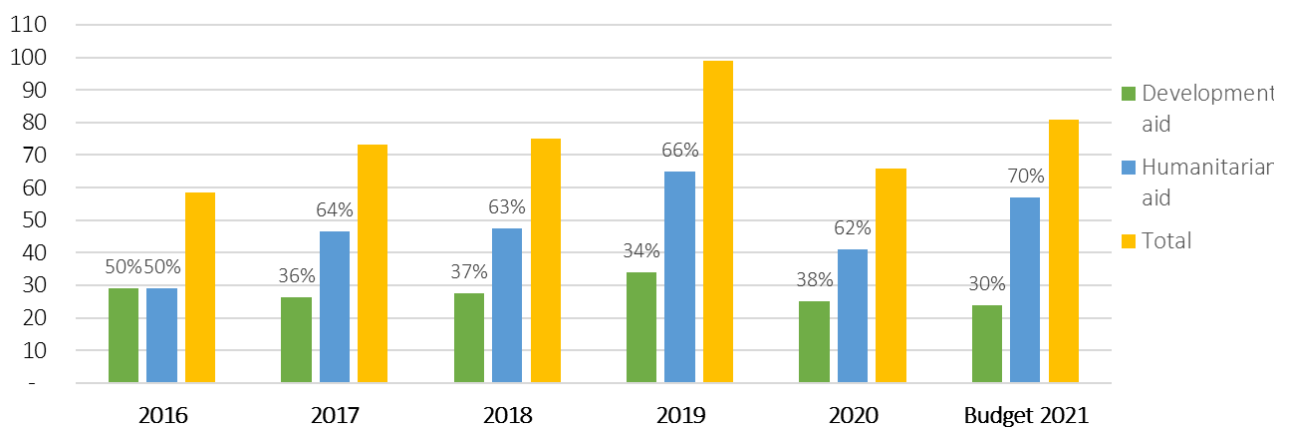
Project expenses in 2020 in mio. DKK



DEVELOPMENT IN ACTIVITIES AND FINANCIAL CONDITIONS

ADRA Denmark's 2020 turnover reached 68.4 million DKK, which is 31.6 million DKK less than in 2019. The extraordinary large turnover in 2019 was a result of extra funds from Danida for humanitarian assistance to Syria and Yemen. In 2020, there were no Danida Calls for Proposals for extra humanitarian funds to Yemen. Therefore, in 2020, ADRA Denmark only had projects in Yemen for 4.8 million DKK compared to 26.6 million DKK in 2019. Furthermore, we have had great difficulty transferring funds to Syria, making it possible to only spend 16.7 million DKK from a budget of 27.7 million DKK for humanitarian assistance to Syria. Fortunately, these funds have not been lost and can be used in 2021.

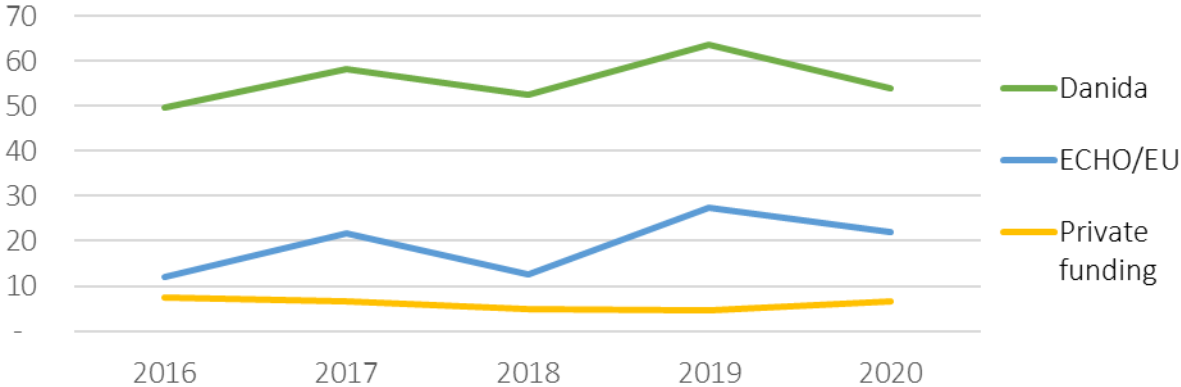
Project expenses 2016-2021 in mio. DKK



Through the past five years, ADRA Denmark has undergone a development whereby the allocations for development have at first fallen slightly and then subsequently stagnated. Meanwhile the humanitarian funding has increased to account for 62% of the total project allocations in 2020. Humanitarian assistance is also expected to dominate ADRA Denmark’s programmes in the coming years.

In 2020, ADRA Denmark received an ECHO grant of 11.8 million DKK from the EU for humanitarian assistance in Sudan for 2020-2021. Furthermore, the ECHO grant for Syria has doubled and now constitutes 29 million DKK for 2019-2021. The EU grant for development in Sudan has likewise increased and now stands at 30.2 million DKK over the years 2017-2021.

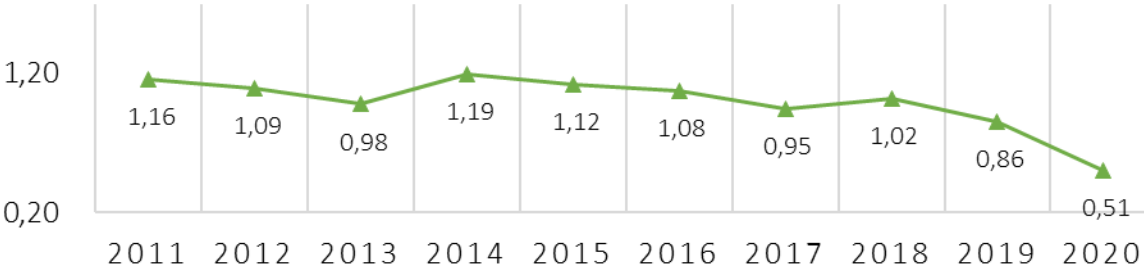
Donor income in mio. DKK



ADRA Denmark is still not one of the 12 largest humanitarian organisations (in Denmark) and therefore does not officially participate in *Danmarks Indsamling*. However, in 2020 we received 1.1 million DKK for South Sudan from *Danmarks Indsamling’s* subsidy fund. The fundraising campaign *Hjælpeaktion*, which takes place in collaboration with the Adventist Church, brought in 0.5 million DKK. Finally, ADRA Denmark received 3.8 million DKK in earmarked donations and gifts from foundations and private donors as well as 1.2 million DKK in non-earmarked gifts and contributions (see note 2).

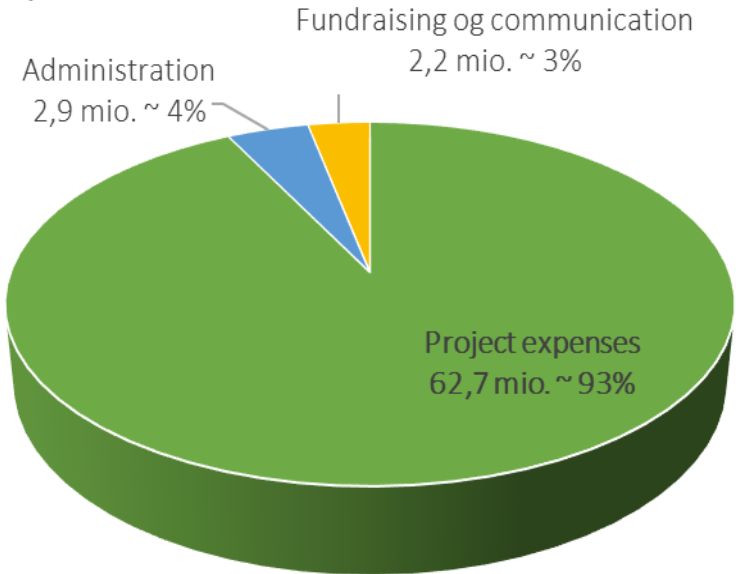
Hjælpeaktion remains important for supporting the many projects carried out by the ADRA network around the world to address immediate needs. At the same time, the funds that we receive from *Hjælpeaktion* are of strategic value, as they enable ADRA Denmark to apply for funds for projects which require a financial contribution. The COVID-19 pandemic hindered the normal *Hjælpeaktion* but creative volunteers were able to implement new initiatives. The volunteer collectors on the Faroe Islands always meet generous and happy donors, but due to the pandemic, the door-to-door fundraising had to be cancelled this year. However, we achieved great results regarding grants from private foundations (earmarked funds) and donations from generous private donors (non-earmarked funds).

HJÆLPEAKTION 2011-2020 IN MIO. DKK



ADRA Denmark's administrative percentage is amongst the lowest among humanitarian organisations. In the financial accounts, the calculation of this is based on ISOBRO's financial example and make up 4.3% in 2020. It is still an aim to keep the administrative expenses low, while also ensuring that ADRA has an administration, which reflects due diligence and good management of the funds that are entrusted to us.

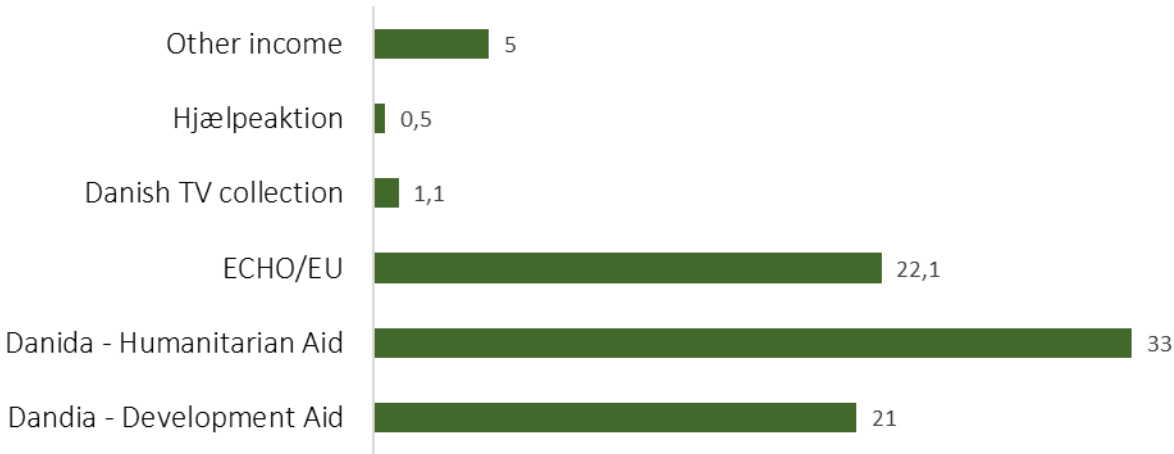
Expenditure 2020 in mio. DKK



ADRA Denmark's total result for 2020 was a surplus of 438,000 DKK. The budgeted surplus was 530,000 DKK.

The equity is at a satisfactory level.

Income 2020 in mio. DKK



At year-end, an income of 33.2 million DKK was transferred to projects in 2021.

ORGANISATIONAL CONDITIONS

The staff norm in 2020 was 19 full-time positions, which is 1.5 more than 2019. No significant changes are expected in the staff norm for 2021.

Communication and fundraising

The Communications and Fundraising Department was also greatly affected by COVID-19 in 2020. Many events and fundraising campaigns, in particular, were cancelled, which to a great extent has affected the year's results in *Hjælpeaktion*. During most of the year, it was not possible to carry out door-to-door fundraising, just as fundraising on the Faroe Islands was cancelled. There was an attempt to replace the traditional fundraising event at *Vejle fjordskolen* with a digital fundraising campaign, but the result was not at the same level as previous years. Luckily, we have achieved great results in our fundraising campaigns through other digital fundraising events, and especially through direct mails. The year's Christmas campaign also surpassed our expectations.

In 2020, we revitalised the "Build a house in Uganda" project, which builds on ADRA Denmark's many years of experience from Burundi. Danish sponsors can buy a whole house, half a house or a quarter of a house for a refugee family in Uganda. The project in Uganda was launched in May 2020 and a house costs 11,800 DKK.

Throughout 2020, ADRA Denmark has continued strengthening processes and collaboration between departments in the organisation and with our partners. In this way, we now make greater use of competences in the different departments, and our partners produce communication material, which has strengthened the daily work within communication and fundraising.

Professionalisation

There has been an upgrade in staff capacity during the year, and we therefore approach 2021 with a very strong team, which is vital to continue being eligible to receive millions in government subsidies. There is also a continuing professionalisation process in the ADRA network. In 2019, the ADRA network rolled out a system called "ADRA Accreditation and Licensing" (AAL) for the purpose of professionalising ADRA globally. AAL defines a set of minimum requirements which must be fulfilled for an ADRA office to be authorised to operate under the ADRA name. The organisation's values, policies, code of conduct, decision-making processes, financial management, staff management etc. must live up to certain minimum standards to remain an ADRA organisation.

EXPECTATIONS TO THE COMING FINANCIAL YEAR

For 2021, we have budgeted with a total turnover of 80 million DKK and a result of 437,000 DKK – which resembles the level of the 2020 budget. The budget for 2021, however, involves two uncertainties in particular: 1) whether it will be possible to transfer the allocated funds to Syria (challenges with the bank) – so they can translate the funds into activities, and 2) whether three submitted ECHO proposals will be approved.

Over the past couple of months, ADRA Denmark and other ADRA offices in the network have succeeded in transferring funds to Syria – mainly through ADRA International. Moreover, we currently have good indications that several of the ECHO applications will be approved.

Additionally, it is expected that more opportunities to apply for humanitarian funds will be launched during the year.

The Management and the Board of Directors know that 2021 will be a year where we focus on the spending of funds, both new ones and funds that were not spent in 2020, so that we do not end up in a situation where funds must be returned to the donor.

In addition, the Management finds it necessary to inform about a number of extraordinary challenges facing the organisation, which might affect the result for 2021 and onwards.

The COVID-19 Pandemic

It is expected that in our part of the world, the COVID-19 pandemic will fade out within 2021. Many of our partner countries in the south are presumably going to wait for a long time for the distribution of vaccines, and therefore the pandemic will potentially continue to have a negative impact on our programmes – including ADRA Denmark’s possibilities to visit and monitor/quality assure the projects. It is therefore still uncertain how the COVID-19 pandemic will end up affecting ADRA Denmark’s programmes and activity level in 2021.

Application for a new Strategic Partnership (SPA 2.0) with Danida

During 2021, ADRA Denmark will be applying for a new SPA with Danida. The application process is built on an open competition consisting of two rounds. We expect ADRA Denmark to live up to all formal requirements, and as an organisation we feel well equipped to develop a good and strong application. At the same time, we are aware that with ADRA Denmark’s loss of Burundi and Malawi, we stand weaker, which can result in a reduced SPA budget for the coming four years. Worst case is that we will not obtain a SPA 2.0 agreement. Nonetheless, we do believe it is possible, but are aware that the competition will be tough. If ADRA Denmark does not receive an SPA 2.0, we will most probably fall under an alternative modality, which is likely to be less economically favourable.

ADRA’s Global Structure and Relation to the Adventist Church

In both Burundi and Malawi, the challenges faced were related to ADRA’s organisational structure, management structure and collaboration with the Adventist Church. If such challenges are to be prevented and solved in the future, it requires that ADRA and the Adventist Church rethinks the model of global and local collaboration. ADRA International’s Board of Directors have in this context appointed a committee with the purpose to examine and evaluate the current situation and any necessary steps.

EVENTS AFTER THE FINANCIAL YEAR

From the balance sheet date until today, there have not been any matters that alter the assessment of the annual report.

Note 12 - Programme expenditure in 2020 per country

<i>Beløb i DKK '000</i>	Project number	Total	Develop- ment	Humani- tarian	Incl. admin. contribution
SUDAN					
SUSTAINABLE ACCESS TO HEALTH EDUCATION AND WATER (SA	CIV3523	2.258	2.258		148
MATCH TMP EU3528	CIV3528	4.009	4.009		262
MATCH EC3531	CIV3531	393	393		26
TMP 2017-20	EU3528	4.691	4.691		307
RHUDI 2019-20	EC3530	6.011		6.011	393
CEIRC 2020-21	EC3531	354		354	23
	SUDAN, TOTAL	17.717	11.352	6.366	1.159
SYRIA					
Vulnerable Communities live with Dignity (VCD)	HUM3809	1.594		1.594	104
MATCH TIL ASPIRE EC3813	HUM3813	218		218	14
IRCC 2018-2019	DE3812	1.415		1.415	98
PROMISE 2019-2020	DE3814	3.431		3.431	240
ECHO, ASPIRE	EC3813	10.078		10.078	659
	SYRIA, TOTAL	16.737	0	16.737	1.116
SOUTH SUDAN					
BUILDING RESILIENCE IN THE EDUCATION SECTOR (BRES)	HUM3718	5.459		5.459	357
RODIC DANMARKS INDSAMLING 2020	DI3720	604		604	40
FLEX COVID19	HUM8001	898		898	59
	SOUTH SUDAN, TOTAL	6.961	0	6.961	455
UGANDA					
ACTION FOR SOCIAL CHANGE (ASC)	CIV4510	4.907	4.907		321
WASH KYAKA 2019 returned	HA	-63		-63	-3
WASH KYAKA	Y4512	612		612	0
HOUSES	Y4513	249	249		16
BRICK MACHINE	∅	10	10		1
	UGANDA, TOTAL	5.715	5.166	549	335
ETHIOPIA					
RIHA	CIV5101	3.510	3.510		230
COVID-19	CIV5103	749	749		49
FLEX FUNDS COVID-19	HUM8006	553		553	36
FLOODING Y5102	Y5102	613		613	0
	ETHIOPIA, TOTAL	5.425	4.259	1.166	315
YEMEN					
PROTECTION AND LIVELIHOODS ASSISTANCE (PLA)	HUM5008	3.849		3.849	252
Flex Yemen COVID19	HUM8002	733		733	48
MATCH TIL IFLR DE5010	∅2005+6	219		219	22
MATCH TIL HUM8002	∅1006	33		33	3
CERF	Y5011	8		8	0
	YEMEN, TOTAL	4.843	0	4.843	325
TANZANIA					
FMS/Ripat	CIV5501	703	703		46
COVID-19	HUM8003	1.026		1.026	69
Match til HUM8003	∅1006	39	39		4
	TANZANIA, TOTAL	1.768	742	1.026	119
MALAWI					
ACTION FOR SOCIAL CHANGE (ASC)	CIV2012	990	990		65
COVID-19	CIV2017	366	366		24
	MALAWI, TOTAL	1.356	1.356	0	89

Beløb i DKK '000

	Project number	Total	Development	Humanitarian	Incl. admin. contribution
LEBANON					
FLEX FUNDS COVID-19	HUM8004	1.132		1.132	74
BEIRUT EXPLOITON	HA	162		162	8
	LEBANON, TOTAL	1.294	0	1.294	82
INDIA					
FLEX FUNDS COVID-19	HUM8005	1.067		1.067	70
	INDIA, TOTAL	1.067	0	1.067	70
BURUNDI					
ACTION FOR SOCIAL CHANGE (ASC)	CIV0523	214	214		14
RIPAT	Y0528	-3	-3		0
DANMARKS INDSAMLING 2018, SAFE HOMES	DI0527	-3	-3		0
	BURUNDI, TOTAL	208	208	0	14
PHILIPPINES					
TAAL VOLCANO	HA	36		36	2
TYPHOON	Ø1006	38		38	4
FLOODING	HA	66		66	3
	PHILIPPINES, TOTAL	140	0	140	9
CAMBODIA					
FLOODING	Ø1007	105		105	11
	CAMBODIA, TOTAL	105	0	105	11
LAOS					
COVID-19 response	Ø1006	76		76	8
	LAOS, TOTAL	76	0	76	8
THAILAND					
TROPICAL STORM	HA	40		40	2
TROPICAL STORM	Ø2013	33		33	3
	THAILAND, TOTAL	73	0	73	5
VIETNAM					
STORM AND FLOODING	HA	67		67	3
	VIETNAM, TOTAL	67	0	67	3
HONDURAS					
GO HONDURAS	Ø1003	43		43	4
	HONDURAS, TOTAL	43	0	43	4
DENMARK					
LOT HUM SPA, AUDIT	CIV9999	60	60		4
LOT HUM SPA, HQAI/CHS	HUM9994	44		44	3
LOT HUM FLEX FUNDS	HUM9990	78		78	5
LOT CIV SPA, PR, COMMUNICATION AND AUDIT	CIV9993	300	300		20
INGATHERING-, INFORMATION- AND ADMINISTRATION COSTS		64		64	3
	DENMARK, TOTAL	546	360	186	35
GLOBAL					
LOT CIV STRATEGIC PARTNERSHIP AGREEMENT, CROSSCUTTING	CIV9999	1.088	1.088		71
LOT CIV STRATEGIC PARTNERSHIP AGREEMENT, GLOBAL	CIV9990	175	175		11
LOT HUM STRATEGIC PARTNERSHIP AGREEMENT, CROSSCUTTING	HUM9999	604		604	38
LOT CIV INNOVATION, CROSSCUTTING	CIV9995	712	712		47
LOT HUM INNOVATION, CROSSCUTTING	HUM9995	164		164	11
EARMARKED - HAPPY HAND PROJECTS		118	118		8
	GLOBAL, TOTAL	2.861	2.094	767	186
PROGRAMME EXPENDITURE, TOTAL		67.002	25.537	41.465	4.339

62%

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ADRA Denmark

Income statement for the year 2020

	Note	2020 DKK '000	2019 DKK '000
INCOME			
Government funding	1	76.211	91.410
Private funding	2	6.644	4.369
Transfer from earmarked funds last year	3	18.656	23.128
Transfer to earmarked funds next year	3	-33.155	-18.656
Total income		68.356	100.251
EXPENDITURE			
Activity-/operational costs in projects	3	62.723	92.604
Donations to partners		21	189
Communication and fundraising	4	2.242	2.103
Administrative costs	5	2.897	2.965
Total expenditure		67.883	97.861
Operating profit before financial items		472	2.390
Financial income		0	37
Financial expenses		35	26
Net financial items		-35	11
Surplus for the year		437	2.401
Transfer to unrestricted equity		437	2.401

ADRA Denmark

Balance sheet at 31 December

	Note	2020 DKK '000	2019 DKK '000
ASSETS			
<u>Non-current assets</u>			
Equipment and vehicle		30	90
Total non-current assets		30	90
<u>Currents assets</u>			
Prepaid project funds to partners		10.941	11.720
Receivables		2.267	470
Cash and cash equivalents	6	32.615	18.552
Total current assets		45.824	30.742
Assets, total		45.854	30.832
EQUITY AND LIABILITIES			
<u>Unrestricted equity</u>			
Equity as of 1 January		10.533	8.132
Change in equity		437	2.401
Unrestricted equity as of 31 December		10.970	10.533
<u>Current liabilities</u>			
Earmarked funds	3	33.095	18.656
Prepayments		227	193
Other payables		1.563	1.450
Total current liabilities		34.884	20.299
Total equity and liabilities		45.854	30.832
Contingent liability	7		

ADRA Denmark

Notes 2020

	2020 DKK '000	2019 DKK '000
Note 1: Government funding		
DANIDA	54.000	63.754
EU/ECHO	22.098	27.543
Danish Ministry of Culture	113	113
Total goverment funding	76.211	91.410

Note 2: Private funding

Danish TV collection	1.121	0
Hjælpeaktion collection	507	857
ADRA-network funds	-	456
House project, Uganda og Burundi	543	293
Novo Nordisk Foundation	1.895	658
Augustinus foundation	500	
Bygma foundation et al	200	146
Other earmarked donations	698	1.044
Donation from the Adventist Church	192	175
Other non-earmarked donations	864	636
Membership fees	124	103
Total private funding	6.644	4.369

In 2020 ADRA Denmark received contributions from 637 members

Note 3 - Change in earmarked funds	Note	Transfer from 2019	Received 2020	2019 correction	Used 2020	Admin. contrib.	Transfer to 2021
<i>DKK '000</i>							
DANIDA development programme		5	21.000	-33	19.099	1.337	602
DANIDA humanitarian programme		756	19.000	21	16.278	1.139	2.318
DANIDA humanitarian single grants	8	1.707	14.000	0	4.509	338	10.860
Other projects		1.303	3.129	12	1.463	16	2.941
ECHO/EU projects		11.414	22.099	47	19.753	1.383	12.330
Danish TV collection	9	95	1.121	14	561	40	601
Hjælpeaktion, collection	10	1.678	507	0	354	18	1.813
Other earmarked projects	11	1.698	707	0	647	68	1.690
Total	12	18.656	81.563	61	62.664	4.339	33.155

	2020 DKK '000	2019 DKK '000
Note 4: Communication and fundraising		
Personnel expenditure	1.838	1.618
Other expenditure	404	485
Total communication and fundraising	2.242	2.103

Note 5: Administrative expenditure

Personnel	7.993	7.678
Refund from project assistance	-6.443	-6.006
Office rent	417	360
IT	314	347
Auditor and consultants	273	201
Other	283	296
Depreciation	60	89
Total administrative expenditure	2.897	2.965

Remuneration Secretary General	746	732
Remuneration board members	0	0

Note 6: Cash and cash equivalents

Bank accounts project funds	25.151	7.899
Other	7.464	10.653
Total cash and cash equivalents	32.615	18.552

Note 7: Contingent liabilities

There are no significant contractual obligations.
There are no leasing obligations.

Note 8 - Danida Single Grants DKK '000	Transfer from 2019	Received 2020	Used 2020	Admin. contrib.	Transfer to 2021
IRCC, Syria 2018-2019	1.709		1.318	98	294
PROMISE, Syria 2019-2020	-3	14.000	3.190	240	10.566
Danida Single Grant, total	1.706	14.000	4.508	338	10.860

Note 9 - Danish TV collection DKK '000	Transfer from 2019	Received 2020	Correction 2020	Used 2020	Admin. contrib.	Transfer to 2021
2017 Uganda 2017-18	97	-97		0	0	0
2018 Burundi 2018-2019	-2		14	-3	0	-13
2020 South Sudan		2.130		564	40	1.526
<i>of which match from NovoNordisk foundation</i>		-912				-912
Danish TV collection, total	95	1.121	14	561	40	601

Note 10 - Hjælpeaktion collection expenditures

	2020
	<u>DKK '000</u>
Tropical storm - Thailand	40
The Taal vulcano - Philippines	36
Explosion - Beirut (WFP)	162
Storm and flood - Vietnam	67
Typhoon - Philippines	66
Back payment from Y4512 Uganda 2019	-63
Collection expenses	<u>64</u>
Total	<u><u>372</u></u>

The collection is made in accordance with the rules of the Collection Act and the Executive Order on the collection etc.
The expenditure are inclusive 5 % administration contribution.

Note 11 - Earmarked funds

<i>DKK '000</i>	Transfer from 2019	Received	Used 2020	Admin. contrib.	Transfer to 2021
Ailing and Hunger	613	20	95	11	527
Children in Africa	270	7	0	0	277
Disaster fund	99	240	168	18	153
South Sudan school children	114	109	0	0	223
Ethiopian womens groups		58	0	0	58
Go Honduras	43	71	38	5	71
Happy Hand Donations	147	73	110	8	102
School Kits for Syrian pupils	13	13	0	0	26
Syria	12	0	0	0	12
Thailand flooding	69	33	29	3	70
Food for families in Yemen	186	26	171	19	22
Yemen	111	34	27	3	115
Sudan vegetable seeds		14	0	0	14
Other	21	9	9	1	20
Earmarked projects, total	<u>1.698</u>	<u>707</u>	<u>647</u>	<u>68</u>	<u>1.690</u>

ACCOUNTING POLICIES

The annual report has been prepared in accordance with the requirements of the Articles of Association and the Danish Financial Statements Act for accounting class A with the adjustments resulting from the organisation's special circumstances. Accounting policies are unchanged from last year.

General recognition and measurement

Assets are recognised in the balance sheet when it is likely because of a prior event that future economic benefits will flow to the organisation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the organisation has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the organisation, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue recognition

Purpose-specific funds received from for instance from Danida are recognised as liabilities under the balance sheet item "Earmarked funds". The purpose-specific funds received are subsequently recognised to the extent that costs are incurred on the different projects.

Donations for administrative purposes are recognised in accordance with agreements with the donors, usually when project-related costs are incurred.

Funds which are not purpose-specific, such as bequests, are recognised when payment is received.

Funds from *Kulturstyrelsen* are recognised as income in the year in which the funds have been allocated.

Project costs

Project costs concern national as well as international projects. Costs incurred are recognised according to the time of invoicing and ordinary accruals principles.

Administration costs

Includes expenses for salary, rent and other administrative services. Monitoring revenue for employee time spent on projects is offset by administrative costs.

Financial income

Financial income comprises interest income

Financial expenses

Financial costs comprise interest costs, bank fees and exchange loss

Income taxes

Pursuant to section 1(1)(VI) of the Danish Company Taxation Act, ADRA Denmark is exempted from tax assessment.

Balance sheet

Fixed assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Costs comprise the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost plus revaluation minus estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	5 years
IT and software	3 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost price usually equalling nominal value less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost price.

Other financial liabilities

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial costs.



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