



ANNUAL REPORT  
**2018**

DANISH RED CROSS



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Girls playing in a Lebanese refugee camp. Supported by the EU Madad Trust Fund, the Danish Red Cross provides relief to the many Syrian refugees in neighbouring countries.  
Photo: IFRC/Stephen Ryan





“We want to be the movement that turns humanity into everyone’s concern in Denmark.”

– DANISH RED CROSS MANIFESTO –

## A MOVEMENT FOR HUMANITY

**The annual report** 2018 of the Danish Red Cross illustrates that 2018 was another year with serious and complex humanitarian challenges.

The protracted wars in Syria and Yemen continued. As a result of climate change, we saw more – and more dangerous – disasters caused by extreme weather. And in the Middle East and Africa, the massive streams of refugees continued. In Denmark, a growing number of people are socially marginalised or excluded, living in loneliness, insecurity and isolation.

With the enormous humanitarian needs in Denmark and around the world, 2018 was another busy year for the Danish Red Cross. Our total expenditure amounted to DKK 1.4 billion.

Our financial statements also reflect a broad willingness among Danes to reach out and do something for others, whether by signing up as volunteers, by making donations or by otherwise supporting the work of the Red Cross. We welcome this, because there is lots to be done.


To successfully bring help to many more people in the future, we need even more to commit to our cause. To this end, we adopted a ‘Red Cross Manifesto’ in the autumn of 2018, pronouncing our strong ambition for the Danish Red Cross to be the movement that turns humanity into everyone’s concern in Denmark.

Sadly, in 2018 we lost our patron of many years, HRH Prince Henrik. We were very honoured that HRH Crown Prince Frederik last autumn became patron of the Danish Red Cross in his father’s place.

We want to thank everyone who contributed in 2018 to make the world a little more humane. We hope you will show your commitment the next time it is needed, as well.



Sven Bak-Jensen  
President



Anders Ladekarl  
Secretary General

# SUPPORT FROM THE DANISH PEOPLE

**In 2018, the** Danish Red Cross spent DKK 1.4 billion on relief work in Denmark and around the world.

We spent DKK 685 million on international relief work and DKK 120 million in Denmark. In addition, we spent DKK 332 million on asylum activities, which was 30% less than in 2017 due to fewer new asylum seekers. In 2018, the funds spent on relief work corresponded to our income, and we maintained a ratio of costs to funds of just under 5%.

## **Solid foundation**

A solid financial foundation with adequate financial resources and a variety of sources of income is essential for us to be able to step up and act on the humanitarian challenges and needs we encounter. In addition to our financial resources, our foundation of 34,000 volunteers and 204 local branches is key to our local presence and ability to take action.

## **Increased donations from private individuals**

In 2018, the Danish Red Cross saw a surge in support from the Danish people and a 7% increase in the number of contributors. The increased support was mainly the result of our investing in greater diversifi-

cation of our fundraising, and we expect to see further financial effects of this in the coming years. We collected a total amount of DKK 213 million in 2018. This was slightly below the 2017 figure, mainly due to a drop in income from legacies and foundations.

## **Second hand shopping on the rise**

Our 240 Red Cross shops once again saw an increase in revenue in 2018 with 3% growth over 2017. This was in part explained by the fact that people increasingly shop second hand and that donations of clothes, shoes and furniture to the Red Cross shops were at an all-time high. The DKK 60 million surplus was slightly lower than last year's due to our massive investment in enhancing the customer experience at our shops and in additional containers and vehicles for collecting furniture.

## **First aid and emergency first aiders**

The highly skilled Red Cross emergency first aiders provide first aid at sporting events, festivals and concerts around the country. In 2018, revenue grew due to factors such as higher professional standards, price increases and cost reductions. The Danish Red Cross also offers first aid

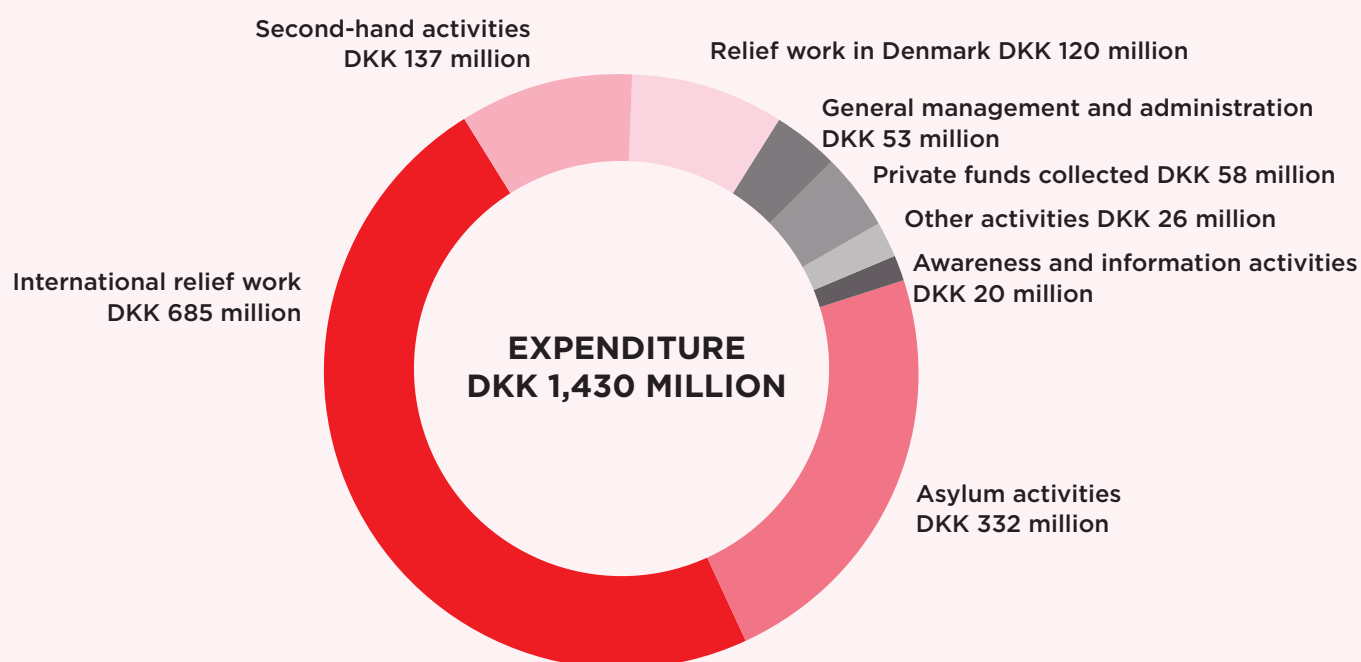
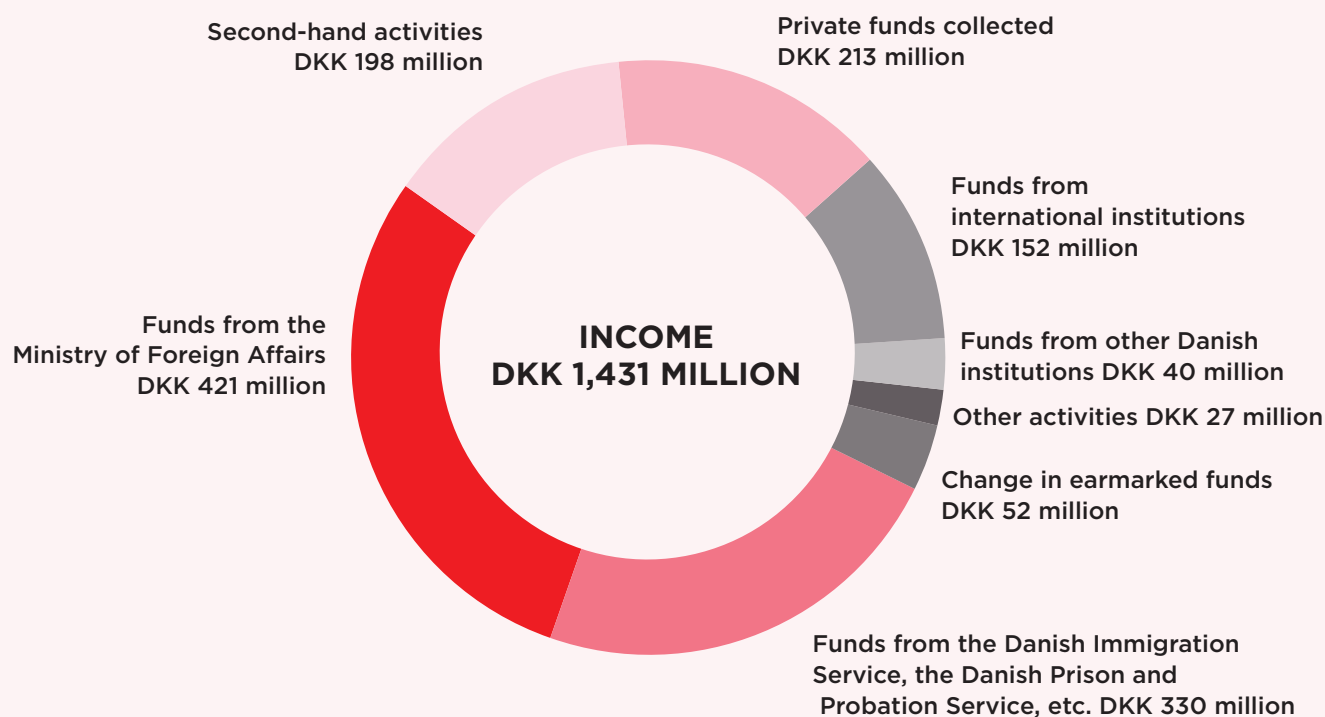
courses throughout Denmark, and in 2018 some 100,000 people learned first aid through either a first aid course or the Red Cross teaching resources.

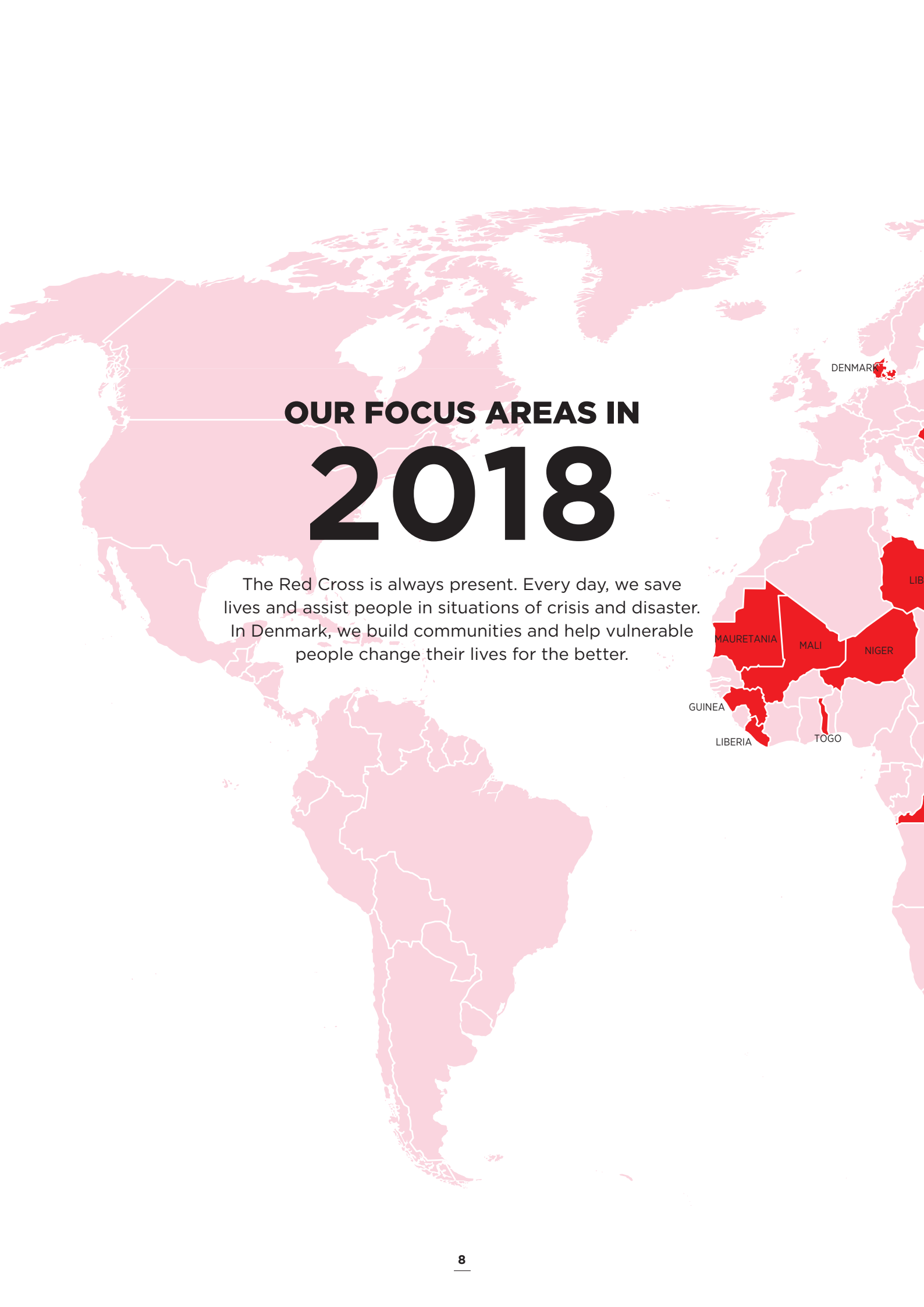
## **Awareness of relief work**

Promoting awareness of humanitarian needs is important in order to secure the support of the people. In 2018, the Danish Red Cross issued the teaching resource 'act MODIG', which is about helping anyone - no matter who you are. Also, the Red Cross Volunteer House organised conferences, company visits, the CPH DOX film festival, seminars and workshops. With the Red Cross Experience, some 8,000 school children, volunteers and other guests have had a chance to feel on their own bodies what it is like to be a relief worker in the world's hotspots.

## **The Danish Red Cross**

The Danish Red Cross also comprises the Danish Red Cross Youth, the Red Cross of Greenland and the Red Cross of the Faroe Islands, which prepare separate financial statements. In the past financial year, the Danish Red Cross Youth generated total revenue of DKK 38 million, the Red Cross of Greenland generated just over DKK 3 million and the Red Cross of the Faroe Islands generated DKK 2 million.

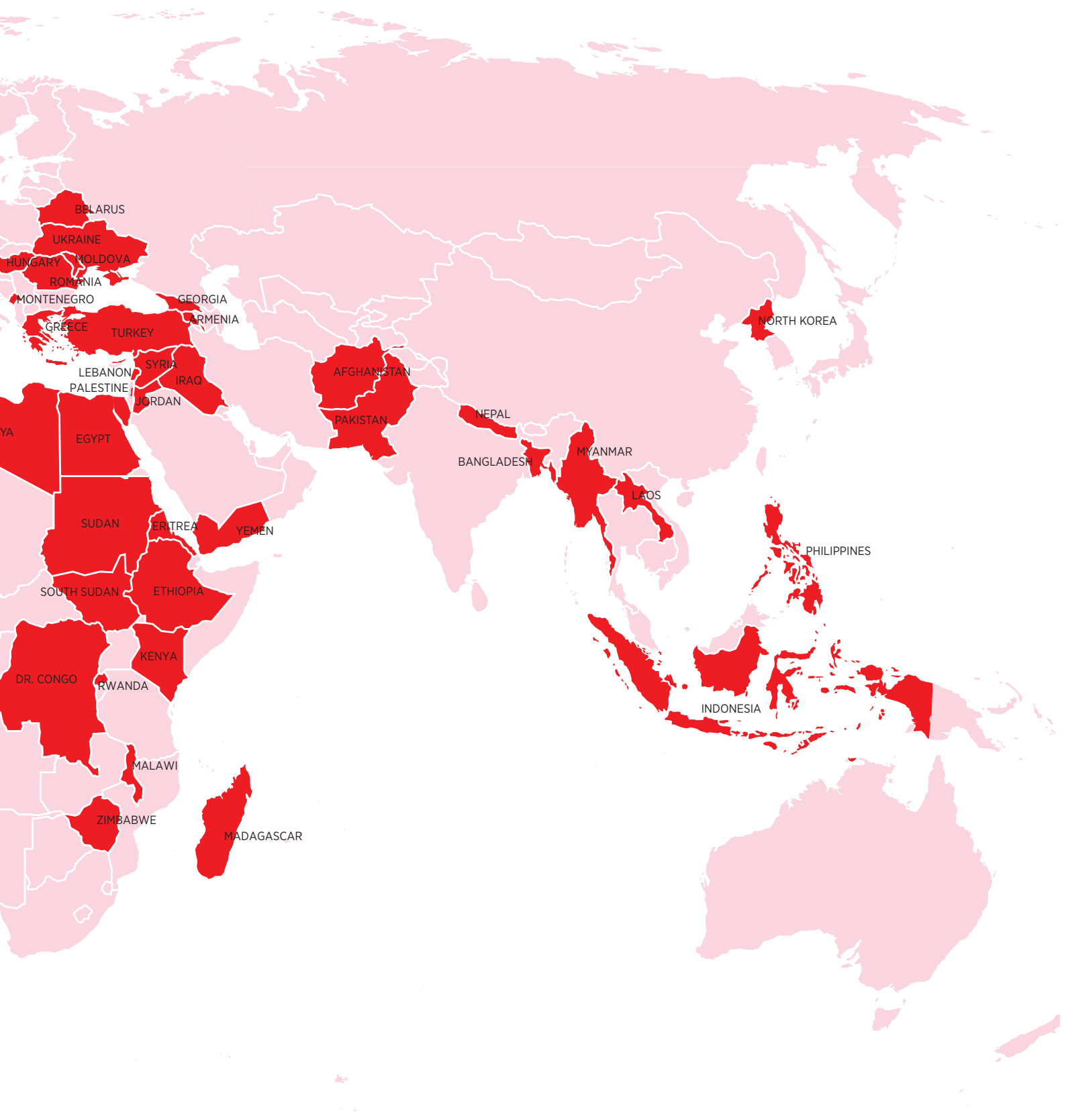




## OUR FOCUS AREAS IN 2018

The Red Cross is always present. Every day, we save lives and assist people in situations of crisis and disaster. In Denmark, we build communities and help vulnerable people change their lives for the better.





# COMPLEX HUMANITARIAN CHALLENGES AROUND THE WORLD

**The Danish Red Cross** is part of the Red Cross Movement, which operates in over 190 countries and has more than 11 million volunteers.

The Danish Red Cross provides aid particularly in areas with very limited access and complex crises. In 2018, we had operations in Africa, the Middle East, Asia and Europe. We always collaborate with the local Red Cross/Red Crescent organisation, the International Committee of the Red Cross (ICRC) or the Federation (IFRC).

In 2018, we spent DKK 685 million on our international relief work.

## The Yemen civil war

The Yemen civil war is one of the world's worst humanitarian disasters. It is an extremely dangerous country to work in, and in the past few years several colleagues from the Red Cross movement have been either kidnapped or killed. In 2018, our assistance included health units, training of health workers, medicines, clean water and sanitation. Food shortages are a major challenge – not least for children. We have therefore established special centres dedicated to helping malnourished children.

## The war in Syria continued

Since the onset of the war, we have operated in close collaboration with the 7,000 Syrian Arab Red Crescent volunteers who risk their lives on a daily basis to provide humanitarian aid, first aid and psychosocial support. We also collaborate with ICRC to gain access and ensure that the rules of humanitarian law are respected. More than 5 million people have sought refuge in other countries. With financial support from the EU Madad Trust Fund, the Danish Red Cross in 2018 coordinated a very large response to assist refugees in neighbouring countries.

## Vast numbers of displaced people

There are still some 68.5 million displaced people worldwide. In 2018, we provided the many refugees in Cox's Bazar in Bangladesh with a field hospital, clean water and sanitation as well as with psychosocial support to enable the children in the camp to play in safety. We also helped the many people in need of assistance on the migrant route through Africa and assisted those who gave up the journey and returned to Ethiopia, Guinea, Mali and Niger reintegrate into the local community.

## Early warning systems work

With climate change come more – and more dangerous – disasters caused by extreme weather conditions, such as floods, drought and hurricanes. New methods facilitate responses before disaster strikes. In a collaboration with the authorities in Malawi, Zimbabwe, Nepal, Sudan and Mali, weather forecasts are carefully scrutinised so that if, for example, flooding is on the way, early action can be taken to warn and evacuate the population. This method

is also useful for early identification of outbreaks of ebola, cholera and other epidemics.

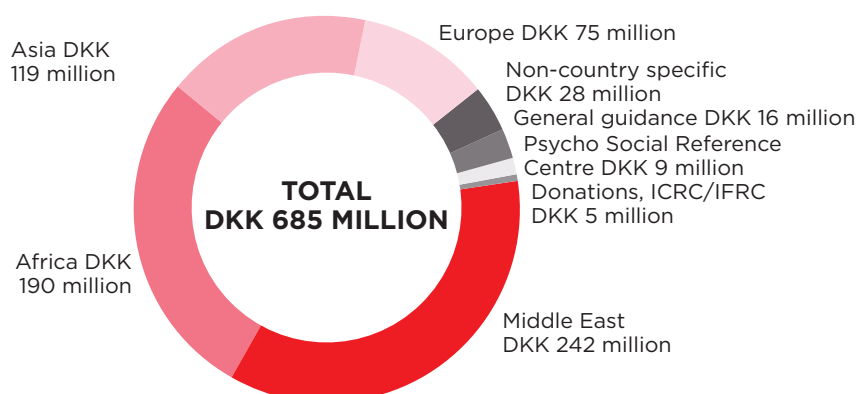
## Collaboration with Novo Nordisk

Chronic diseases such as diabetes and cardiovascular diseases are a huge challenge in crisis and conflict zones, where vital treatment is difficult to ensure. In 2018, the Danish Red Cross formed a partnership with ICRC and Novo Nordisk on prevention and treatment of chronic diseases in humanitarian crises.

## A strong civil society

In collaboration with the local Red Cross national society, the Danish Red Cross contributes to strengthening the civil society, including the local population's ability to organise and discuss their rights and needs with local authorities. In Pakistan, this approach has led to the establishment and recognition of several new village organisations.

## International relief work 2018





A convoy bringing aid to 50,000 internally displaced Syrians.  
Photo: Syrian Arab Red Crescent



Refugees in Niger receiving aid from the Red Cross along the migrant route.  
Photo: Noemi Monu



Climate change hits already vulnerable people particularly hard.  
Photo: Lene Vendelbo







Networks and new friendships in the local community are instrumental in helping newcomers settle in Denmark.  
Photo: Johnny Wichmann



The host and the volunteer visitor decide how they want to spend their time together.  
Photo: Poul Henning Nielsen



The family network gives children of vulnerable families positive experiences.  
Photo: Maria Fonfara



# A DENMARK WITH COMMUNITIES BINDING US TOGETHER

**In Denmark, growing** numbers of people face social marginalisation or exclusion. Many people don't thrive, feel isolated and find it difficult to function in their daily lives.

In 2018, the Danish Red Cross supported some 29,000 people with long-term social activities in Denmark. In addition, more than 472,000 received 'here-and-now' assistance such as emergency first aid or patient support.

In 2018, the Danish Red Cross spent DKK 120 million on developing and supporting volunteer-based social efforts in Denmark. This was an increase of 11% on 2017.

## Families suffering privation

There are children in Denmark who grow up in families with limited resources and who live a life of privation. The Danish Red Cross supports families through family networks, provides financial support for leisure activities and, as a new initiative, offers business and educational mentors to support parents in finding employment. At our family camps, families can enjoy shared experiences, find new friends and learn new ways of solving conflicts in their daily lives.

## Isolation at Christmas

To some people, Christmas is the most difficult time of year, a time when it is easy to feel socially isolated. More and more people cannot afford to buy Christmas dinner and presents for their children. In 2018, the Danish Red Cross distributed Christmas help to more than 10,000 families across Denmark. Others have nobody to celebrate the holidays with, and being alone at Christmas can intensify the feeling of loneliness. In 2018, the Danish Red Cross matched Christmas guests with hosts who

wanted to share their Christmas eve with others.

## Friends make a difference

In 2018, the Danish Red Cross teamed up with the Danish Refugee Council to offer almost all refugees arriving in Denmark a Danish volunteer friend. And at the first Danish Red Cross Tech Academy in autumn 2018, young unaccompanied tech-minded refugees learned about drones, micro bits, coding and robotics and – importantly – made new friends.

## Restoring family links

Through the international Red Cross network, the Danish Red Cross helps reunite refugees with family members who have been separated from their loved ones during wars or disasters. In 2018, we were in contact with 260 people searching for over 700 family members.

## Difficult transition

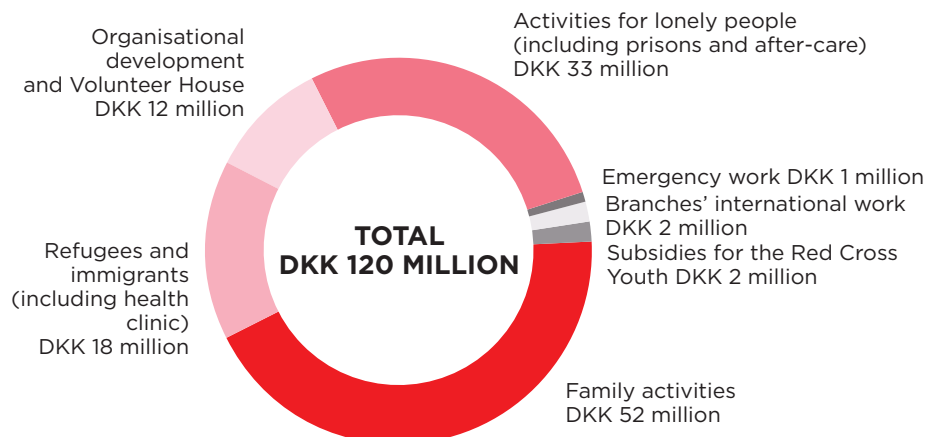
Visiting inmates in prisons is a central Red

Cross activity all over the world. Often, these visits are combined with social activities. To many Danish prison inmates, the transition from prison to freedom is difficult. Reconnecting, building a life and integrating into local networks and communities can be a challenge. In the Primus Motor project, Red Cross volunteers offer inmates support in re-establishing a life on the outside.

## New needs arising

Our social activities evolve as new needs arise. An example is our initiative to support close relatives of persons with serious illness, who are often alone with their burden. The Danish Red Cross helps them maintain social relations to prevent them from falling ill themselves or becoming isolated. There is also an increased need for initiatives aimed at mentally ill people, to whom interacting with a fellow human being can provide a break from systems.

## National relief work 2018





# RECEIVING ASYLUM SEEKERS WITH HUMANITY

**The Danish Red Cross** operates a number of centres accommodating asylum seekers while they wait for their applications to be processed.

Our work as operator for the Danish State is regulated through annual contracts with the Danish Immigration Service and with the Danish Prison and Probation Service. These contracts are awarded by public tender. In 2018, the Danish Red Cross spent DKK 332 million on asylum activities, against DKK 485 million in 2017.

## Fewer asylum seekers

Our asylum activities in 2018 were affected by a significantly reduced number of asylum seekers. In 2018, Denmark received 3,500 asylum seekers.

As a consequence, many asylum centres were closed down, activities were moved, the capacity of several centres was reduced and a large group of employees made redundant. In 2017, the Danish Red Cross ran 19 asylum centres. At the end of 2018, five centres remained: Sandholm, Avnstrup, Jelling, Thyregod and Sandvad.

## Specialist functions

Based on our long-standing experience and capabilities, the Danish Red Cross handled some of the most difficult specialist asylum functions in 2018: A reception centre for adults and unaccompanied minors, a unit for North African street youths, a care unit, a unit for women and a transit centre for rejected asylum seekers willing to assist in their deportation.

## Departure centres

As sub-contractor to the Danish State, the Danish Red Cross also undertook specialist functions at the departure centres of Sjølsmark and Kærshovedgård, operated by the Danish Prison and Probation Ser-

vice. These centres accommodate rejected asylum seekers who do not assist in their deportation, and special restrictions apply here.

## Many are rejected

Our asylum activities are generally dictated by the fact that the vast majority of asylum seekers are not granted residence and will therefore be deported. This group of asylum seekers are in a difficult situation, their future being uncertain, and this greatly affects their well-being and health. In 2018, we therefore focused on ensuring that Red Cross employees have the right capabilities to handle this task, placing more emphasis on preventing physical and psychological reactions and preparing the inhabitants for a dignified departure.

## Supporting families with children

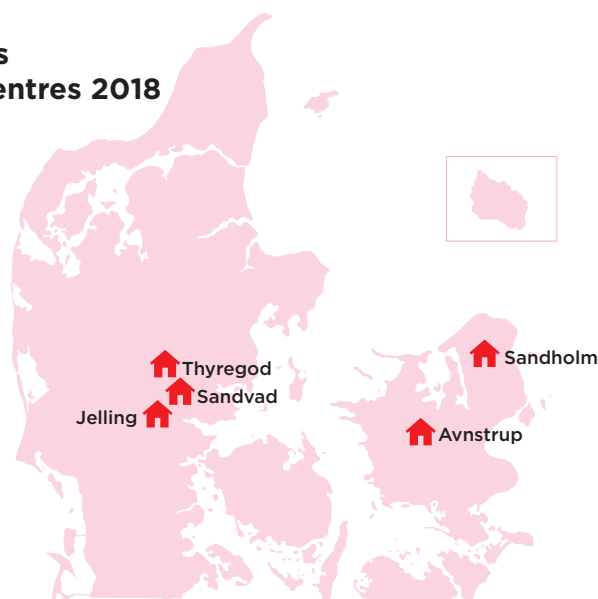
Being denied a residence permit is particularly difficult for families with young children. Many families tend not to discuss the risk of rejection, and their children

form their own ideas about their home country. To support them, the Danish Red Cross has established family groups so that the children are not left alone with their thoughts. At the Avnstrup transit centre, we have enlisted the help of parents in the kindergarten by getting them to show children games from their home country and cook for the children. Cooking and eating together is very important to the families, as they are not allowed to do their own housekeeping at the centre.

## Victims of human trafficking

Another very vulnerable group of asylum seekers is unaccompanied minors who are victims of human trafficking. In collaboration with the Danish Centre against Human Trafficking, the Red Cross in 2018 launched a four-year project to ensure that these children are given the support and protection they are entitled to under the UN Convention on the Rights of the Child and other rules.

## Red Cross asylum centres 2018



The Red Cross health-care professionals are trained to identify the special needs that asylum seekers and their children may have. Photo: Mathilde Bech



The staff at the kindergarten in Jelling apply special asylum pedagogical principles focusing on predictability and collaboration with parents. Photo: Mathilde Bech





Some Red Cross volunteer visitors bring their children along to meetings with their hosts – to everyone's benefit.  
Photo: Poul Henning Nielsen





# **FINANCIAL STATEMENTS 2018**

<b>INCOME STATEMENT (DKK'000)</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>Income</b>			
Funds from Danish institutions	1	790,235	894,542
Funds from international institutions	2	151,512	615,870
Private funds collected	3	212,644	227,965
Second-hand activities	4	197,850	192,579
Other activities	5	26,828	33,854
Change in earmarked funds	6	52,014	-340,938
<b>Total income</b>		<b>1,431,082</b>	1,623,872
<b>Expenditure</b>			
International relief work	7	-685,468	-731,834
Relief work in Denmark	8	-119,898	-108,211
Asylum activities	9	-331,514	-484,917
Awareness and information activities		-19,566	-17,420
Private funds collected	3	-57,747	-48,686
Second-hand activities	4	-137,444	-126,630
Other activities	5	-25,800	-27,009
General management and administration		-52,918	-56,166
<b>Total expenditure</b>		<b>-1,430,354</b>	-1,600,872
Surplus for the year before financial items		728	23,000
Financial items	10	-381	-500
<b>Surplus for the year</b>		<b>347</b>	22,500



<b>BALANCE SHEET at 31 December (DKK'000)</b>		<b>Note</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets			10,640	7,846
Property, plant and equipment			132,600	133,994
Financial assets			18,674	17,099
<b>Total non-current assets</b>		11	<b>161,913</b>	158,939
<b>Current assets</b>				
Inventories			854	1,332
Receivables		12	558,502	579,298
Prepayments			5,608	11,420
Securities*			118,486	117,813
Cash and cash equivalents		13	286,036	310,431
<b>Total current assets</b>			<b>969,486</b>	1,020,294
<b>Total assets</b>			<b>1,131,399</b>	1,179,233
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Capital funds			87,345	89,008
Reserves			119,779	125,238
Retained earnings			85,837	78,367
<b>Total equity</b>		14	<b>292,961</b>	292,613
<b>Provisions</b>			<b>4,217</b>	11,637
<b>Non-current liabilities</b>				
Mortgage debt			4,953	5,895
Accrued subsidies for recognised assets		15	33,678	31,061
<b>Total non-current liabilities</b>			<b>38,631</b>	36,956
<b>Current liabilities</b>				
Earmarked funds to be carried forward		6	628,750	680,765
Trade payables			46,307	48,124
Debt to banks and credit institutions			465	550
Other payables			119,068	108,588
<b>Total current liabilities</b>			<b>795,590</b>	838,027
<b>Total equity and liabilities</b>			<b>1,131,399</b>	1,179,233

\*In addition to its own securities, the Danish Red Cross manages restricted legacies. The value of these at 31 December 2018 was DKK 4,878 thousand.

For disclosure of emergency supplies, see note 16.

<b>NOTE 1</b>	<b>2018</b>	<b>2017</b>
<b>Funds from public institutions in Denmark (DKK'000)</b>		
Danish Immigration Service	288,268	424,704
Ministry of Foreign Affairs (Danida)	420,996	400,077
Other ministries and government agencies	68,172	56,961
State gambling pools, LOTFRI*	7,500	7,500
Secretariat grant**	5,300	5,300
<b>Total funds</b>	<b>790,235</b>	<b>894,542</b>

\* The subsidy from LOTFRI was used during the subsidy period and was used as authorised, mainly to cover expenditure as set out in note 8 and general management and administration costs.

\*\* The subsidy under the secretariat grant, which is attributable to the asylum activities of the Danish Red Cross, was used as authorised, mainly to cover expenditure as set out in note 9 and general management and administration costs.

<b>NOTE 2</b>	<b>2018</b>	<b>2017</b>
<b>Funds from international institutions (DKK'000)</b>		
Red Cross societies/IFRC/ICRC	94,761	72,676
EU institutions	43,694	532,523
Other institutions	13,056	10,671
<b>Total funds</b>	<b>151,512</b>	<b>615,870</b>

<b>NOTE 3</b>	<b>2018</b>	<b>2017</b>
<b>Private funds collected (DKK'000)</b>		
	<b>Income</b>	<b>Expenditure</b>
		<b>Total</b>
Private donations	81,146	-26,020
Fundraising efforts	42,554	-25,061
Foundation grants	41,567	-3,438
Legacies	25,424	-147
Business cooperation	16,847	-2,890
Membership fees	5,107	-191
<b>Total collected funds</b>	<b>212,644</b>	<b>-57,747</b>

**NOTE 4****2018****2017****Second-hand activities (DKK'000)**

Income	197,850	192,579
Expenditure	-137,444	-126,630
<b>Total second-hand activities</b>	<b>60,406</b>	65,949

**NOTE 5****2018****2017****Other activities (DKK'000)**

	Income	Expenditure	Total	Total
First aid	19,382	-18,578	804	1,395
Emergency first aiders	5,858	-7,222	-1,364	-2,027
Other activities	1,587	0	1,587	7,477
<b>Total other activities</b>	26,828	-25,800	<b>1,028</b>	6,845

**NOTE 6****2018****Earmarked funds carried forward (DKK'000)**

	1 Jan.	Received	Used	31 Dec.	Changes for the period
Danish Immigration Service, Danish Prison and Probation Service etc.	14,397	329,722	-332,126	11,993	-2,404
Humanitarian partnership grant (Danida)	3,143	128,000	-127,810	3,333	190
Adjustable grant (Danida)	3,731	68,000	-68,297	3,434	-297
Other Danida grants	49,243	224,996	-209,523	64,715	15,473
EU grants	385,682	41,096	-140,048	286,730	-98,952
Other ministries and government agencies	27,366	22,373	-22,543	27,196	-170
Red Cross societies/IFRC/ICRC	67,819	94,761	-62,938	99,643	31,823
Other international institutions	7,198	15,655	-7,868	14,985	7,787
Collected earmarked funds	121,315	75,610	-81,092	115,833	-5,482
Funds under the DRC international disaster fund	872	16,882	-16,866	887	15
Funds under the Red Cross National Fund	-1	0	0	-1	0
<b>Total</b>	<b>680,765</b>	<b>1,024,394</b>	<b>-1,076,410</b>	<b>628,749</b>	<b>-52,015</b>

<b>NOTE 7</b>			<b>2018</b>	<b>2017</b>
<b>Used for international relief work (DKK'000)</b>				
	Disaster	Development	Total	Total
Middle East	187,345	54,484	241,829	238,904
Africa	102,755	87,633	190,388	252,584
Asia	90,658	28,549	119,207	88,972
Europe	12,917	62,425	75,341	94,798
Non-country specific	21,555	6,673	28,228	24,491
General guidance and monitoring	7,949	7,949	15,898	20,092
Donations to IFRC/ICRC	2,542	2,542	5,084	3,012
Psycho-social reference centre	-	9,492	9,492	8,982
<b>Total international relief work</b>	<b>425,721</b>	<b>259,747</b>	<b>685,468</b>	<b>731,835</b>

<b>NOTE 8</b>			<b>2018</b>	<b>2017</b>
<b>Used for relief work in Denmark (DKK'000)</b>				
Family activities			52,273	42,978
Activities for lonely people			33,350	29,279
Integration			17,611	19,141
Organisational development and Volunteer House			11,797	11,510
Branches' international work			1,711	1,349
Subsidies for the Red Cross Youth			1,700	1,700
Emergency work			1,455	2,254
<b>Total relief work in Denmark</b>			<b>119,898</b>	<b>108,211</b>

**NOTE 9****2018****2017****Used for asylum activities (DKK'000)**

Accommodation and sustenance	213,230	340,938
Property administration, transport, warehouse, furniture, maintenance, etc.	41,958	74,187
Benefits in kind (clothing and hygiene packets, food, etc.)	16,512	14,287
Asylum agreement	15,570	18,294
Counselling service	1,780	6,256
Pedagogical pool funds	1,926	2,447
Other operations	40,537	28,508
<b>Total asylum activities</b>	<b>331,514</b>	484,917

**NOTE 10****2018****2017****Financial items (DKK'000)**

	Income	Expenditure	Total	Total
Interest	47	-783	-736	-997
Securities	1,910	-1,451	458	2,542
Foreign exchange	86	-190	-104	-2,045
<b>Total financial items</b>	2,043	-2,424	<b>-381</b>	-500



**NOTE 11****Non-current assets** (DKK'000)

	Intangible assets	Machinery	Land and* buildings	Financial** assets	Total
Acquisition cost at 1 January	29,640	41,170	134,050	17,099	221,958
Adjustment of amount at 1 Jan.	14,193	-14,193	0	0	-
Additions during the year	6,792	1,531	4,069	1,575	13,966
Disposals during the year	-7,733	-3,165	-2,640	0	-13,538
Acquisition cost at 31 December	42,892	25,342	135,479	18,674	222,386
Depreciation/amortisation at 1 Jan.	-21,793	-32,583	-8,643	0	-63,019
Adjustment of amount at 1 Jan.	-14,193	14,193	0	0	-
Depreciation/amortisation for the year	-3,998	-2,834	-958	0	-7,789
Depreciation/amortisation re. year's disposals	7,733	2,505	98	0	10,336
Depreciation/amortisation at 31 Dec.	-32,251	-18,719	-9,503	0	-60,473
<b>Total non-current assets</b>	<b>10,640</b>	<b>6,624</b>	<b>125,976</b>	<b>18,674</b>	<b>161,914</b>

\* The properties of the Danish Red Cross are mortgaged in the total amount of DKK 14,760 thousand as security for bank and mortgage credit commitments.

\* Financial assets comprise cooperatively owned property (DKK 4,288 thousand) and deposits on leases regarding second-hand activities (DKK 14,386 thousand)

**NOTE 12****Receivables** (DKK'000)

	<b>2018</b>	<b>2017</b>
Sale of goods and services	20,350	13,450
Grant commitments	476,639	475,039
Danish Immigration Service	17,371	21,868
Other receivables	44,143	68,941
<b>Total receivables</b>	<b>558,502</b>	<b>579,298</b>

**NOTE 13****2018****2017****Cash and cash equivalents** (DKK'000)

Own funds	104,807	169,072
Donor funds	181,229	141,359
<b>Total cash and cash equivalents</b>	<b>286,036</b>	<b>310,431</b>

**NOTE 14****Equity** (DKK'000)

	1 Jan.	Add./disp.	Distribution of surplus for the year	31 Dec.
Capital funds	89,008	-1,833	0	87,175
Reserve, International Disaster Fund	74,893	0	107	75,000
Reserve, National Fund	19,136	0	-136	19,000
Reserve, Development Fund	30,000	0	-5,000	25,000
Reserve, local branch funds	1,209	-430	0	779
Retained earnings	78,368	2,263	5,376	86,007
<b>Total equity</b>	<b>292,614</b>	<b>-</b>	<b>347</b>	<b>292,961</b>

**NOTE 15****Accrued subsidy for recognised assets**

Accrued subsidy for recognised assets under non-current liabilities consists of subsidy received for the construction of the Volunteer House.

**NOTE 16****Supplies of emergency aid equipment**

The Danish Red Cross maintains a supply of emergency aid equipment for use in disasters. The supplies are held in order to be able to offer fast and efficient assistance in disaster situations. These supplies are not recognised in the balance sheet. The cost of the emergency equipment was DKK 5.99 million at 31 December 2018 (DKK 7.44 million at 31 December 2017).

# ACCOUNTING POLICIES

The financial statements cover the local branches and municipal districts of the Danish Red Cross (joint activities between branches) and the headquarters including the Asylum Department.

The Asylum Department prepares separate financial statements in accordance with the Danish State's cost accounting principle. Costs are accounted for on an accruals basis, and costs due for later payment or settlement are stated under liabilities. The Asylum Department's surplus or deficit for the year is not included in the income statement of the Danish Red Cross. The Asylum Department's assets and liabilities are recognised in the balance sheet of the Danish Red Cross. The Asylum Department's equity is considered a balance with the Danish Immigration Service, recognised in the balance sheet under 'Earmarked funds'.

The financial statements are presented in Danish kroner in accordance with the accounting policies described, which are consistent with those applied in last year's financial statements.

The Annual Report 2018 is presented in the same layout as in 2017 with specific focus on enhancing transparency and reader friendliness. As a Danish non-profit charitable organisation, the Red Cross is not subject to any specific requirements regarding presentation, recognition, measurement or the like, but the financial statements are prepared in accordance with what is considered generally ac-

cepted accounting principles for similar organisations in Denmark.

## INCOME STATEMENT

### Income

Income mainly consists in collected funds and grants. Income from the sale of goods and services is recognised in the income statement provided that delivery and invoicing have taken place before year end.

Income from fundraising activities, legacies and gifts is recognised as the funds are received.

Grants are recognised as income when a binding commitment has been received from the appropriating party.

Earmarked funds not used are recognised as a liability under "Earmarked funds to be carried forward". The change for the year in earmarked funds to be carried forward is recognised in the income statement as a net amount corresponding to the earmarked funds used. The change in earmarked funds thus represents the difference between earmarked grants received during the year and the amount of such funds used during the financial year.

Like other international non-profit organisations, the Danish Red Cross includes the value of non-cash donations in the income statement. Donations, e.g. in the form of consignments of goods, ancillary equipment or consulting services related to specific projects, with a value in excess of DKK 0.1 million are included. On recogni-

tion and use of the donations etc., the value of non-cash donations is included to the extent that the value of the donation can be reliably measured and exceeds DKK 0.1 million.

The value of the work of Red Cross volunteers is not recognised.

### Expenditure

Funds for international projects are expensed when the funds are dispatched. Income and expenses are accounted for on an accruals basis.

### Financial items

Financial income and expenses are recognised in the income statement in the amounts relating to the financial year. These items comprise interest income and expenses, realised and unrealised capital gains and losses on securities, debt and transactions in foreign currency.

### Tax on surplus for the year

The Danish Red Cross is exempt from taxation pursuant to section 1(1)(vi) of the Danish Corporation Tax Act.

## BALANCE SHEET

### Intangible assets

Intangible assets are recognised at cost and amortised on a straight-line basis in the income statement over a period of five or seven years.

Cost is determined at the original acquisition cost.

**Property, plant and equipment**

Buildings and land are measured at cost less accumulated depreciation effective from the financial year 2015. Land is not depreciated.

Cost is determined at the original acquisition cost plus any improvements. Where no other value can be determined, the cost of individual properties is stated at the most recent official property value of 2014.

For the headquarter properties and properties of the local branches, depreciation is provided on a straight-line basis over 100 and 50 years, respectively, to expected residual value. Depreciation is recognised in the income statement under 'General management and administration'.

Generally, machinery is expensed in the year of acquisition. Costs in connection with major acquisitions or creations may, however, (according to individual assessments) be capitalised and depreciated over the asset's useful life if the acquisition cost of the asset exceeds DKK 0.1 million and its useful life is at least five years.

The cost of property, plant and equipment received as donations or the like is measured at fair value at the recognition date, to the extent that such value can be reliably measured. Fair value reflects the amount that the Red Cross would have paid to acquire the asset on normal market terms.

Subsidies etc. received for the construc-

tion or acquisition of property, plant and equipment are not set off against the cost of the asset but are recognised as a separate liability in the balance sheet and recognised as income over the useful life of the asset.

**Financial assets**

Financial assets, comprising capital contributions on purchase of properties and deposits on leases regarding second-hand activities, are recognised at cost.

**Inventories**

Inventories of first aid products and books and supplies of essentials at the asylum centres are measured at the lower of cost and net realisable value.

The Danish Red Cross maintains a supply of emergency aid equipment for use in disasters. The supplies are held for the purpose of being able to offer fast and efficient assistance in connection with disasters. These supplies of emergency equipment are not recognised in the balance sheet, but the cost of the emergency equipment is disclosed in a note to the financial statements.

**Receivables**

Receivables are recognised less provision for bad debt losses.

**Prepayments**

Prepayments comprise prepaid expenses relating to subsequent financial years.

**Securities**

Securities comprise listed bonds and unit certificates measured at fair value. Real-

ised and unrealised gains on securities are recognised as financial items.

**Cash and cash equivalents**

Cash and cash equivalents are measured at market value at the balance sheet date and comprise own funds and funds received from various donors, earmarked for specific purposes.

**Equity**

Amounts designated for specific purposes by the Board are recognised as reserves under internal funds in equity. Grants to and from the internal funds are treated as earmarked funds, depending on their nature, in accordance with the general accounting policy in this respect.

Under equity, an amount equal to the difference between the value of land and buildings less mortgage debt and accrued subsidies for recognised assets is recognised as capital funds.

**Liabilities**

Liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Earmarked funds to be carried forward**

Earmarked funds to be carried forward are donations received that are earmarked for a specific purpose but have yet to be used for that purpose.

# STATEMENT BY MANAGEMENT

The general management and the Board have today discussed and approved the financial statements of the Danish Red Cross for the financial year 1 January - 31 December 2018.

The financial statements have been prepared in accordance with the described accounting policies.

In our opinion, the financial statements give a true and fair view of the Danish Red Cross' assets, liabilities and financial position at 31 December 2018 and of the results of the Danish Red Cross' operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the management's review includes a fair review of the developments in the Danish Red Cross' activities and financial position.

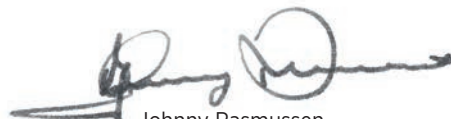
In our opinion, the arrangements comprised by the financial reporting are in accordance with the grants received, legislation and other regulations as well as with agreements entered into and common practice. Also, in our opinion, we have set up business procedures which ensure financially appropriate management of the funds reported on in the financial statements.

Copenhagen, 17 June 2019

On behalf of the general management



Anders Ladekarl  
Secretary General

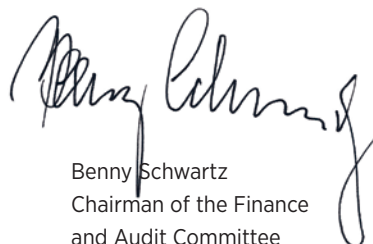


Johnny Rasmussen  
CFO

On behalf of the Board of the Danish Red Cross



Sven Bak-Jensen  
President



Benny Schwartz  
Chairman of the Finance  
and Audit Committee



# INDEPENDENT AUDITOR'S REPORT

*To the Board of the Danish Red Cross*

## AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of the Danish Red Cross for the financial year 1 January – 31 December 2018. The financial statements comprise accounting policies, income statement, balance sheet and notes to the financial statements. The financial statements have been prepared in accordance with the accounting policies.

In our opinion, the financial statements give a true and fair view of the Danish Red Cross' financial position at 31 December 2018 and of the results of the Danish Red Cross' operations for the financial year 1 January – 31 December 2018 in accordance with the accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark and in accordance with the Danish public-sector auditing standards as the audit is conducted on the basis of the provisions of Executive Order no. 98 of 27 January 2014 on financial reporting and auditing, etc. of the financial statements of recipients of grants from the Danish Ministry of Social Affairs, Children and Integration's funds pursuant to the Danish Act on Allocation of Revenue from Lotteries and Horse and Dog Betting. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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

accounting policies 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, for disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the organisation 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 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 International Standards on Auditing and additional requirements applicable in Denmark and in accordance with the Danish public-sector 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 International Standards on Auditing and additional requirements applicable in Denmark and the Danish public-sector 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 organisation'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 disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view in accordance with the accounting policies.

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 in accordance with the accounting policies.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial state-

ments and has been prepared in accordance with the accounting policies. We did not identify any material misstatements of the Management's review.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

##### Statement on compliance 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 the operation of the activities comprised by the financial statements.

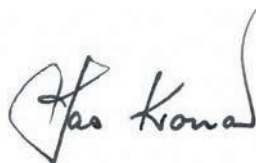
In connection with our audit of the financial statements, our responsibility is in accordance with the Danish public-sector auditing standards to select relevant subjects for the compliance audit and the performance audit, respectively. In a compliance audit, we verify with reasonable assurance whether the transactions covered by the financial reporting comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice. In a performance audit, we assess with reasonable assurance whether the examined systems, processes or transactions support due financial consideration of the management of the funds and the operation of the activities comprised by the financial statements.

If, on the basis of the work performed, we conclude that this gives rise to material critical comments, we are required to report thereon.

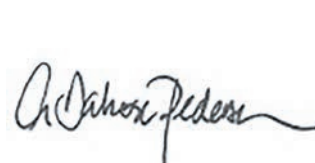
We have no material critical comments to report in that respect.

Copenhagen, 17 June 2019

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33 96 35 56



Lars Kronow  
State authorised  
public accountant  
MNE no.: mne19708



Christian Dalmose Pedersen  
State authorised  
public accountant  
MNE no.: mne24730

I, the undersigned Merete Bert-Lassen, translator (MA in translation and interpreting), hereby certify the preceding text to be a true and faithful translation of the attached document in the Danish language produced to me on the date set forth below.

Copenhagen, 1 July 2019





Merete Bert-Lassen

The Danish Chamber of Commerce do hereby confirm  
that this person is known to us as a certified translator  
and worthy of confidence

02 JUL 2019

Danish Chamber of Commerce  
Secretary: Tina Hüsigg

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