



ANNUAL REPORT  
**2019**

DANISH RED CROSS



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Danish Red Cross employee  
at the Sjølsmark Deportation  
Centre help the children to  
good experiences in a  
challenging life.  
Photo: Thomas Sjørup



“We need to talk, also about being lonely. We need each other. We need affirmation that we matter.”

– HER MAJESTY QUEEN MARGRETHE. NEW YEAR'S SPEECH 2019 –

## THE RED CROSS IS STILL NEEDED

**The massive humanitarian needs** around the world and in Denmark in combination with heavy backing and support mean that, in 2019, the Danish Red Cross has had the highest level of activity in international and national social relief work yet. We spent close on DKK 1.5 billion in total.

Climate change really came on the agenda in 2019 when rising temperatures caused extreme weather events in many parts of the world. This was also a year marked by the protracted conflicts in, for example, Yemen and Syria where relief assistance became more and more complex. The Al-Hold camp in north-eastern Syria posed a particular humanitarian challenge with more than 70,000 people living under horrible conditions.

On the last day of the year, Her Majesty The Queen spoke about increasing loneliness in Denmark, and she pointed out that, as human beings, we need each other - a need that has not grown smaller in the light of the corona crisis in 2020. This is why human-contact communities are quite key to the Danish Red Cross' social activities in Denmark. In 2019, we formed a partnership with the digital platform Boblberg to build even more communities together.

A report on mental ill-health of the children living at the Sjælsmark Centre generated a lot of media publicity in the past year. So it was most gratifying when it was decided to have the Danish Red Cross run a centre for the rejected families with children that is to be arranged according to the recommendations of the report. This shows that the Danish Red Cross is being listened to when we speak out for vulnerable people.

We are really pleased about the record-high financial performance by the Danish Red Cross' second-hand activities in 2019. The surplus of DKK 74.5 million is 23% up on the 2018 amount. This strengthens our financial opportunities in 2020 and onwards, with the world still being in massive need of the Red Cross.

All of this - and much, much more - would in no way have been possible without generous donations from private and public donors, 35,000 dedicated volunteers, and contributions by the many capable employees of the Danish Red Cross.

A huge thank you to all of you who helped in 2019 and for your continuing commitment and support.

  
Sven Bak-Jensen  
President

  
Anders Ladekarl  
Secretary General

# HUGE NEEDS AND COMMITMENT

**In 2019, the Danish Red Cross** spent DKK 1.5 billion on relief work in Denmark and around the world.

DKK 762 million was spent on international relief work, and DKK 135 million in Denmark. Both numbers reflect the highest level of activity yet. DKK 281 million was spent on asylum activities, which is 15% down on 2018, and one of the reasons is fewer new arrivals.

The surplus for the year shows that, in 2019, we have used funds for relief work consistent with income for the year, and we continue to have a low administrative expense ratio of 5.2%.

## **Backing by private individuals and businesses**

In 2019, the Danish Red Cross experienced a heavy increase in backing by private individuals and businesses. The number of private donors went up by just over 8%, and partners like Coop, DSV and TV2 all made record-breaking donations. Also - despite intensified competition - the Danish Red Cross National Fundraising Campaign that gathered 25,000 volunteers, among them many young people, received impressive support and resulted in DKK 16 million in donations. Income from legacies, on the other hand, declined in 2019. Total income from fundraising activities reached DKK 145 million in 2019 against DKK 160 million in 2018.

## **Good customer experiences**

The Danish Red Cross shops constantly focus on giving customers the best experiences. This is why many shops have been moved or renovated in 2019. Customers have repaid this with a record revenue growth rate of 10%. This growth is not least thanks to the 10,000 volunteers who collected, sorted and presented the goods so that the customers were tempted - and came back. The total surplus for relief work stood at DKK 74.5 million in 2019, which is a staggering 23% up on the 2018 amount.

## **Computer game about the life as a refugee**

The Danish Red Cross School Service is annually in contact with around 100,000 pupils. In 2019, the School Service issued Brothers Across Borders, to mention one thing, which is a mix of an interactive film, a computer game and teaching resources targeted at the oldest primary school pupils.

## **New Danish Red Cross Experience**

The Danish Red Cross Volunteer House is the gathering point for volunteers, employees, collaborators, and the many pupils visiting the Danish Red Cross Experience. In 2019, we opened our doors to a new Experience where 5,000 guests had the opportunity to see, hear, feel, and taste what relief work is.

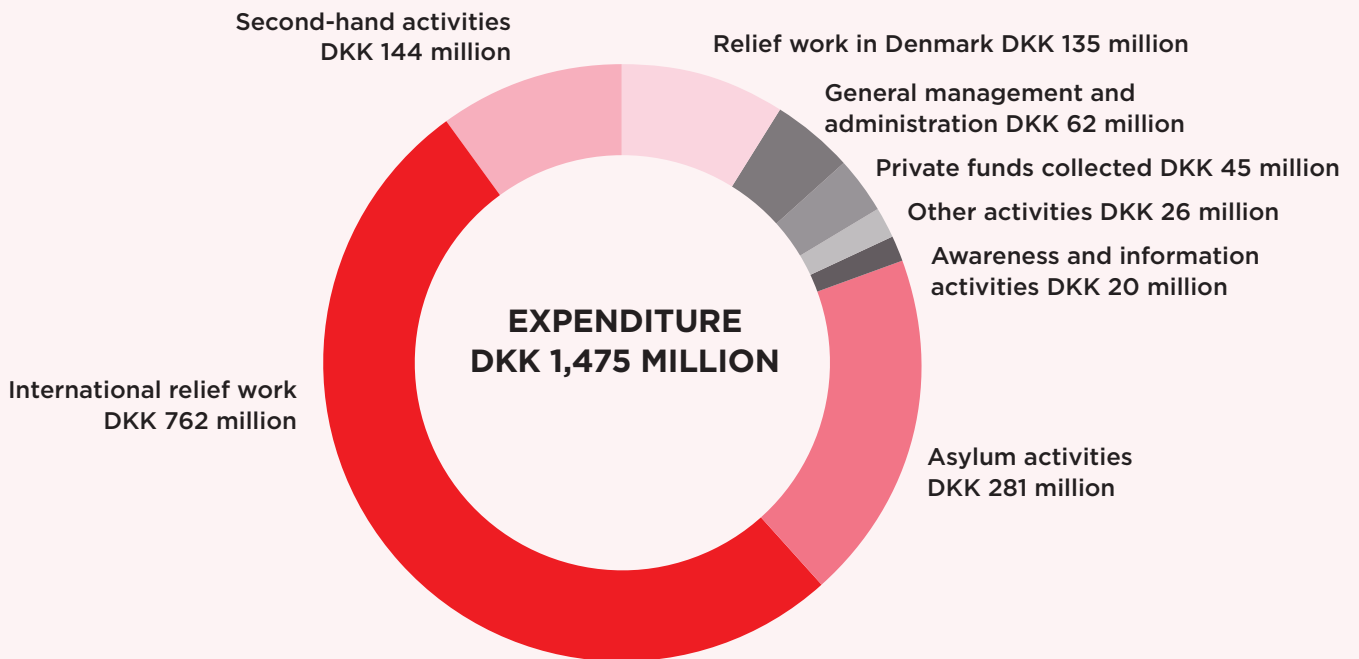
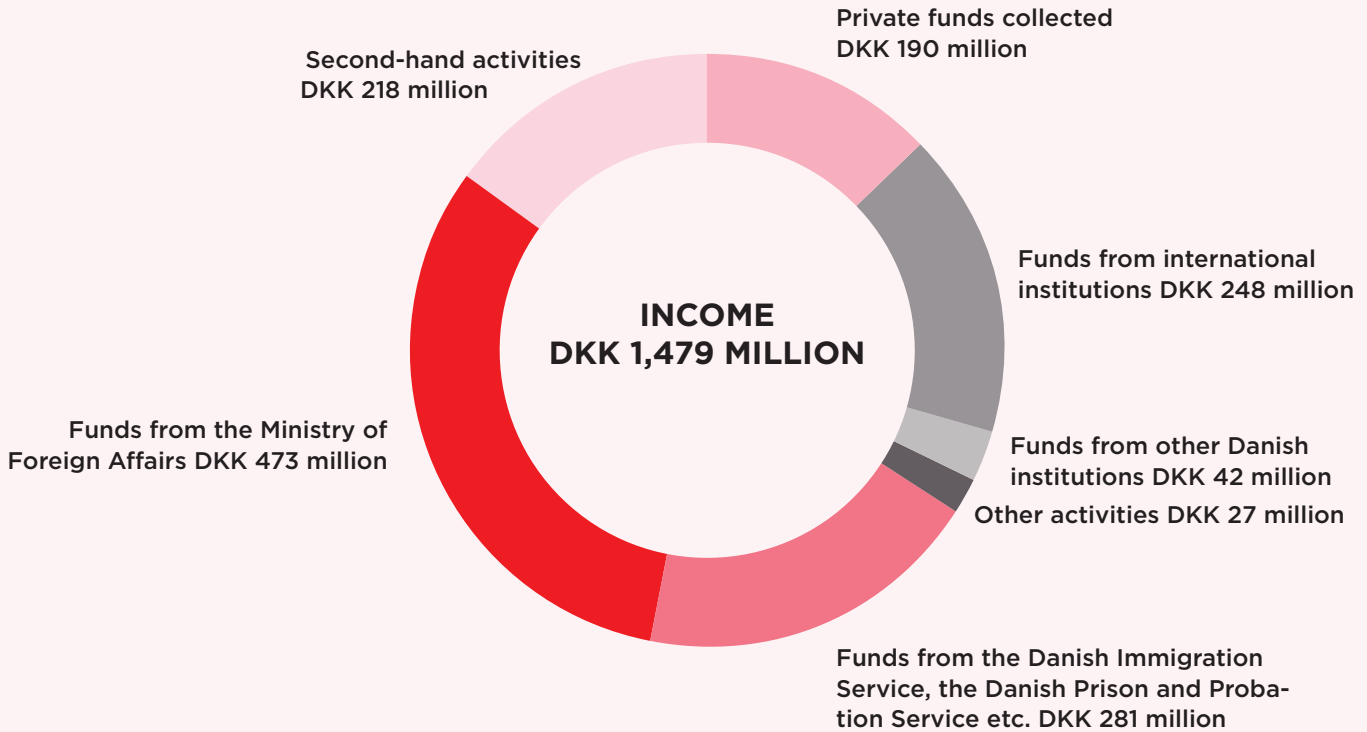
## **A busy year for emergency first aiders**

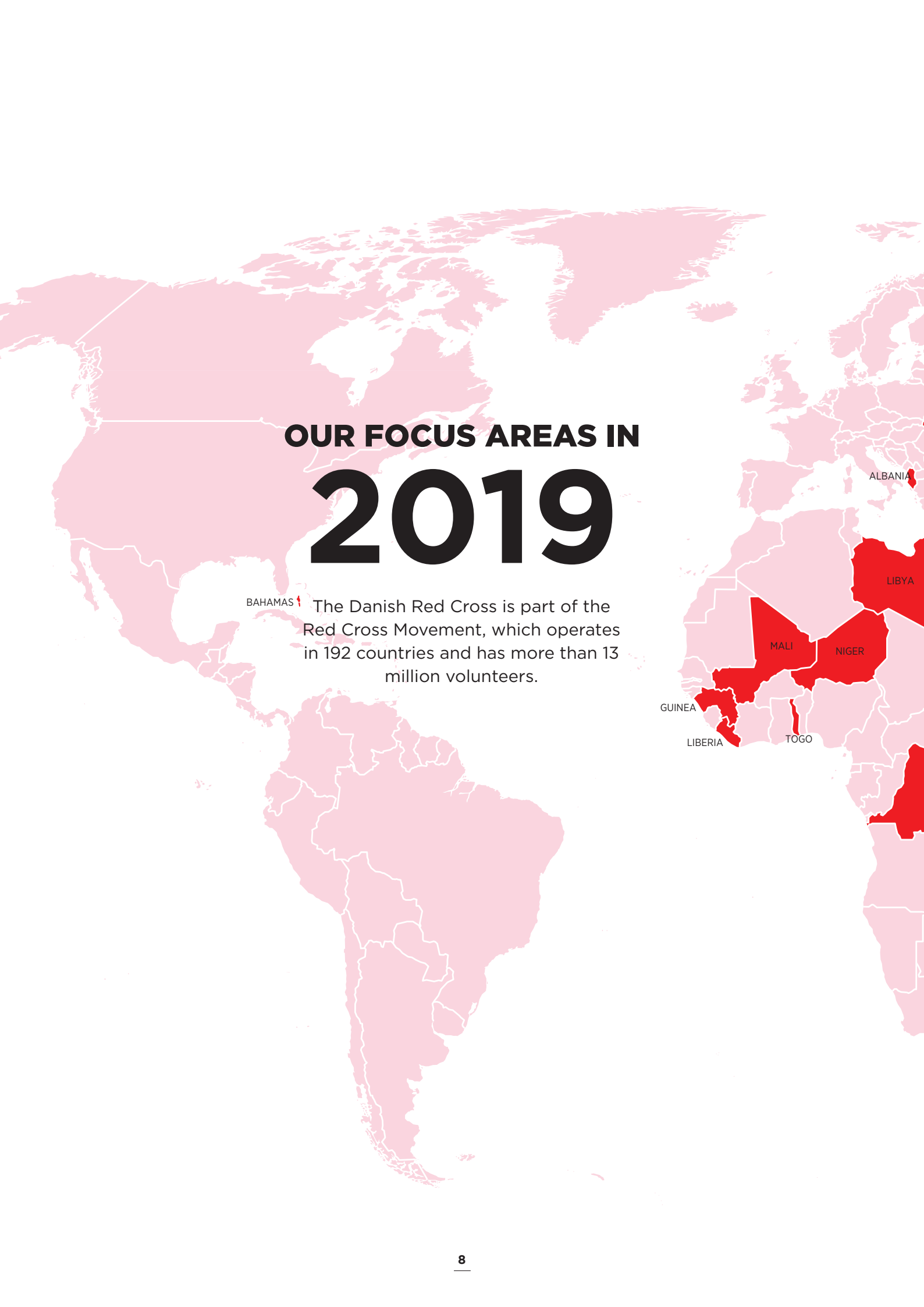
2019 was yet another extremely busy year for the Danish Red Cross emergency first aiders who provide first aid at concerts, small and large sporting events, and festivals. Revenue went up in 2019 because of, for example, increases in the prices of guards so as to have the price match quality and market. The Danish Red Cross also offers first aid courses, and some 100,000 people learned first aid in 2019 - either through a course or the teaching resources.

## **The Danish Red Cross**

The Danish Red Cross also comprises the Red Cross of Greenland, the Red Cross of the Faroe Islands, and the Danish Red Cross Youth, all of which prepare separate financial statements. In the past financial year, the Red Cross of Greenland generated revenue of close on DKK 3.6 million while the Red Cross of the Faroe Islands generated DKK 8.3 million.

In 2019, the Danish Red Cross Youth recorded a decline in income and so sustained a deficit of DKK 4.7 million. Consequently, staff costs and operating expenses were slashed, and arrangements were made with the Danish Red Cross to provide a credit facility. At the end of 2019, the Danish Red Cross Youth had been adjusted to enable its level of activity to continue.



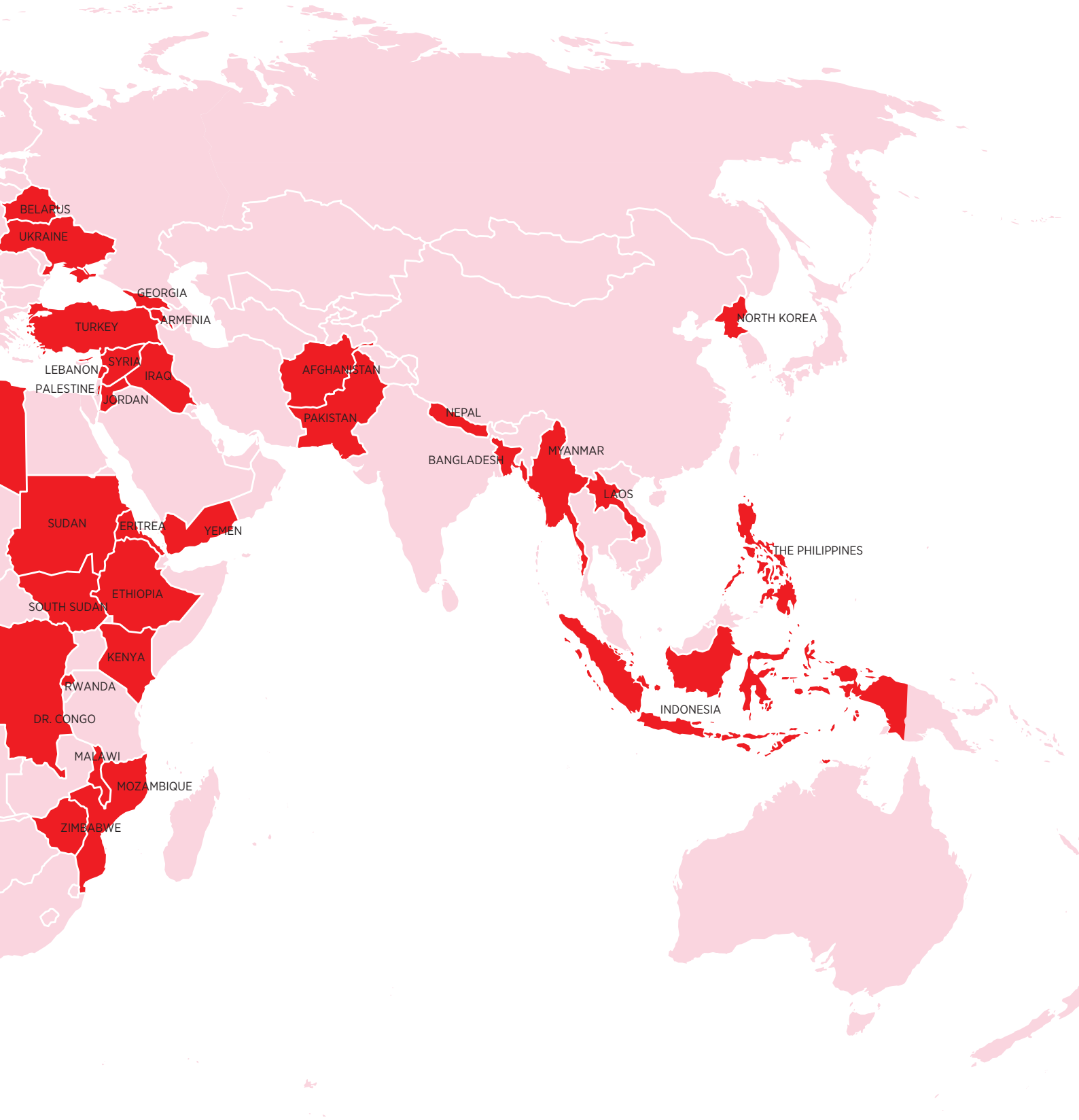


# OUR FOCUS AREAS IN 2019

BAHAMAS 🇧🇸 The Danish Red Cross is part of the Red Cross Movement, which operates in 192 countries and has more than 13 million volunteers.

ALBANIA 🇦🇱  
LIBYA 🇱🇾  
MALI 🇲🇱  
NIGER 🇳🇮  
GUINEA 🇬🇪  
LIBERIA 🇱🇮  
TOGO 🇹🇬





# NATURAL DISASTERS AND CONFLICTS

**The Danish Red Cross'** international relief work has specific focus on the areas where only few other humanitarian players have access and challenges are particularly complex - in Africa, the Middle East, Asia and Europe.

In 2019, the Danish Red Cross spent DKK 762 million on international relief work.

## Prepared for disaster

With climate change follows an increase in the number and severity of disasters caused by weather. When Malawi was hit yet again by floods in the spring of 2019, local volunteers measured water levels in the rivers, and by using weather forecasts, satellite photos and historical data from previous floods, the local community was warned much sooner than it had before. In 2019, the Danish Red Cross helped set up similar systems in other areas in Africa and the Middle East. Being well prepared can save lives and money and reduce the consequences of the disaster.

## Health threats in Yemen

The war in Yemen entered its fifth year in 2019. Even with a ceasefire, the safety situation remained tense, causing huge challenges for the relief work. At the same time, the country was marked by serious health threats such as malnourished children and measles. The Danish Red Cross has worked closely with the Yemen Red Crescent Society for many years and assisted in providing clean water and sanitation, humanitarian aid, medicine, medical care, etc.

## Protracted conflict in Syria

In Syria too did the conflict continue. Besides the urgently needed relief assistance, the Danish Red Cross also helped the many internally displaced Syrians. Protracted and complex conflicts place new demands on

relief work to be able to navigate between relief assistance, long-term development and conflict resolution.

The Al-Hol camp in north-eastern Syria is a particular humanitarian challenge. 70,000 people live here - more than half of them are children - behind barbed wire in the middle of the desert. The Danish Red Cross assisted with, for example, doctors, nurses, and psychosocial activities.

## Supporting migrants

The many natural disasters and conflicts continue to produce massive streams of refugees and migrants. Niger in western Africa is one of the major transit countries from which some migrants move north while others are on their way home after a journey that failed. Together with the Niger Red Cross, the Danish Red Cross assisted with means for health, food, water, and psychosocial activities, to mention some. Migrants may at a separate centre see a nurse, speak to a volunteer, or call the family. Through psychosocial methods, such as drawings, migrants are offered

help to remember the often traumatising journey and to understand and express their feelings.

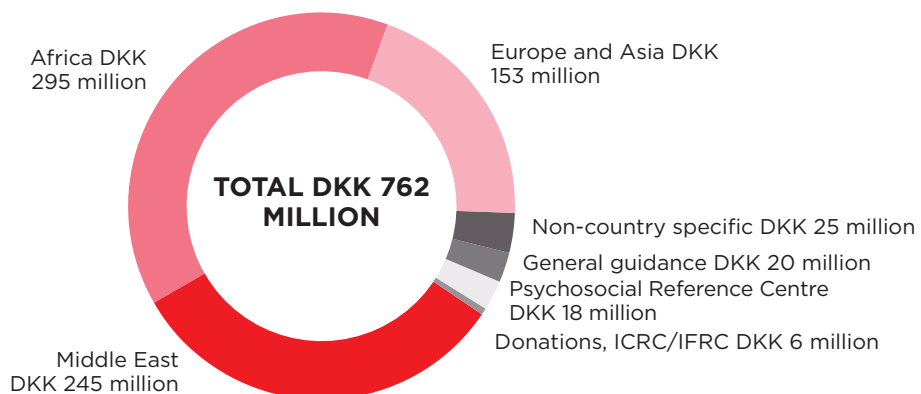
## Mental health

2019 saw the continuance of the efforts of putting the need for mental and psychosocial aspects of conflicts and disasters high on the humanitarian agenda. The Danish Red Cross has for many years been one of the leading members of the Red Cross Red Crescent Movement in psychosocial activities which create safe and secure surroundings for children and adults through play and social communities. In 2019, we reached a total of 50,000 people.

## Focus on young people

Young people are vital in driving change. In collaboration with the Danish Red Cross Youth and the Lebanese Red Cross, young volunteers have, for example, been trained in the SPRINT method, which is designed to strengthen their abilities to act on their own and make a difference in the local community.

## International relief work 2019



The many weather-driven disasters often hit those the hardest that are already vulnerable.

Photo: Michael Drost-Hansen



Danish Red Cross volunteers create safe surroundings for children in the world's largest refugee camp in Cox's Bazar. Photo: Jenelle Eli, American Red Cross



With Red Cross family friends, vulnerable families are given support in their daily lives.  
Photo: Peter Sørensen



The Danish Red Cross has formed a partnership with the digital platform Boblberg to build even more communities together.  
Photo: Michael Drost-Hansen



# COMMUNITIES FOR EVERYONE

**In 2019, Danish Red Cross** volunteers supported more than 35,000 people with a long-term social activity in Denmark. And many more had a helping hand from, for example, the many patient supporters at the Danish hospitals.

The Danish Red Cross spent DKK 135 million in 2019 on building and supporting voluntary social activities, which is 13% up on 2018.

## Vulnerable families

Denmark is a rich country, yet close on 15% of all children are in a socially vulnerable situation. In family networks and on family and holiday camps, Danish Red Cross volunteers create a space, community, and good experiences. Family friends are offered as a new initiative to assist with, for example, homework or to serve as a sounding board on how to handle family life challenges, and volunteer mentors help parents come closer to an education or a job. In 2019, deprivation among families with children was the theme of a collaboration with TV2 to raise money, for example, for Christmas help. Over 12,000 families received Christmas help from the Danish Red Cross in 2019.

## From a house to a home

Through Qnet, Danish Red Cross volunteers help battered women and their children who are to start a new life after having stayed at a shelter. A pilot project was launched in 2019 under which volunteer architects assist women and their children in building a new home.

## Jobs for refugees

In 2019, the collaboration with the Danish Refugee Council continued on the "Friends Pave the Way" initiative. Despite the success stories, many refugees have no education or job and so they are not

part of important social communities. For example, volunteers help them write a CV or contact employers. In many places, the Danish Red Cross also has a consultation café to provide help in, for example, filling in family reunification applications.

## Many lonely people

More than 300,000 Danes feel alone or excluded. The Danish Red Cross has many activities to overcome loneliness: A visitor service, activities for demented people and their relatives, and a host of social cafés and communities. In 2019, the Danish Red Cross formed a close partnership with the digital platform Boblberg where you can invite others to joint activities such as a stroll or the movies. Boblberg had 250,000 members by the end of 2019, and people keep signing up.

## Diligent handicrafters

The Danish Red Cross' diligent handicrafters chatter away when they meet over knitting pins and sewing machines. Some branches also invite to open knitting cafés where everyone is welcome. At other

branches, the handicrafters move the community to care homes where the residents have difficulties in getting outside their home.

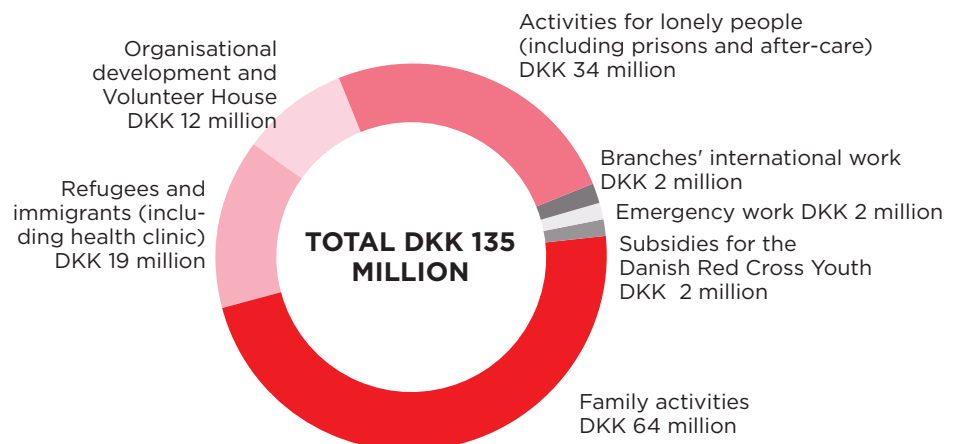
## Transitions in life

In 2019, the Danish Red Cross has focused on supporting people who find themselves in difficult transitions in life. For the homeless, being discharged from hospital to a life on the street is challenging, which is why care centres in Copenhagen and Aarhus assist with recovery for a short period.

## Mental health

Several Danish Red Cross social activities involve mentally ill or vulnerable people. This is why the Danish Red Cross' focus in 2019 has been on promoting mental health, for example, by means of special visitor services or network groups. The Danish Red Cross also offers visitors to people placed under a hospital order in forensic psychiatry and has patient supporters at several psychiatric wards or psychiatric emergency rooms.

## National relief work 2019



# ASYLUM SEEKERS ARE ACTIVE PLAYERS

**The Danish Red Cross** works to give asylum seekers in Denmark a safe, meaningful and decent wait focusing on the future while they live at the Red Cross asylum centres or at other centres where the Danish Red Cross has functions.

The Danish Red Cross undertakes these functions as operator for the Danish State, and the work is regulated by annual contracts with the Danish Immigration Service and the Danish Prison and Probation Service. These contracts are awarded based on invitations to tender for public contracts.

The Danish Red Cross spent DKK 281 million on asylum activities in 2019, against DKK 332 million in 2018.

## Still fewer asylum seekers

Recent years' decline in the number of asylum seekers continued in 2019 when around 1,600 asylum seekers came to Denmark. This low number of arrivals did not lead to changes in the number of centres operated by the Danish Red Cross, which is still five - albeit with much lower occupancy and a change in the composition of inhabitants with more rejected asylum seekers and fewer families with children. This change in the composition of inhabitants has resulted in a new financial base, and 2019 saw the need to strengthen the financial position, one of the means being an organisational change.

The Danish Red Cross also undertakes some specialist functions at the deportation centres of Kærshovedgård and Sjælsmark, which are operated by the Danish Prison and Probation Service. These centres accommodate rejected asylum seekers who do not assist in their deportation.

## Children at the Sjælsmark Centre

In the spring of 2019, the Danish Red Cross issued a report about severe mental ill-health of the children living at the Sjælsmark Centre. The report generated a lot of media publicity and was used in the

Danish parliamentary election campaign. After the election, it was agreed to improve conditions for the children and to have a new deportation centre consider the recommendations of the Danish Red Cross. In December 2019, it was decided that a new deportation centre for rejected families is to be placed with the Avnstrup Centre and to be operated by the Danish Red Cross.

## Sports strengthen the family

In 2019, the gymnasiums at Sjælsmark and Avnstrup have echoed with laughter, shouts and squeals when family sports were on the schedule. The aim is to strengthen family unity and parental abilities through play, music and exercise. This is a project in collaboration with the Department of Nutrition, Exercise and Sports of the University of Copenhagen and part of the Danish Red Cross' focus on strengthening the whole family.

## Active inhabitants

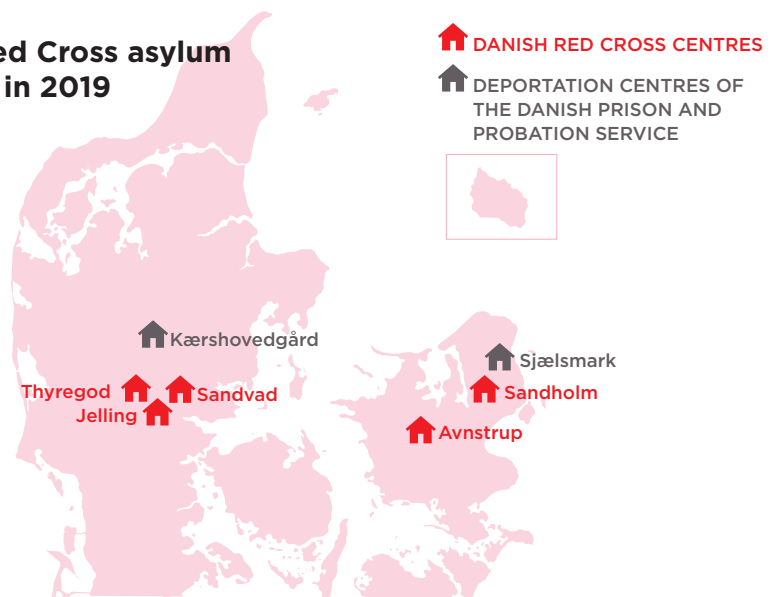
In 2019, the Danish Red Cross has focused particularly on improving the asylum seekers' opportunities to unfold and develop own resources. Among the results

have been a number of activities run by inhabitants, for example, yoga and boxing classes, a poster workshop, and cafés. Other inhabitants have been involved in translating text, light office work or kitchen duties. In addition, a group of inhabitants have been trained to perform mother-tongue teaching.

## Life after the asylum phase

Whether the inhabitants' future is in Denmark or in their home country, it is important to be prepared. To support the families that are to move to a municipality, the Danish Red Cross has developed an e-learning programme describing, for example, the Danish healthcare system, day care facilities, and the view on children. A key element in the preparation is also about being ready for the job market. This is why the Danish Red Cross' focus in 2019 has been on enhancing the qualifications of asylum seekers by means of, for example, competency assessments, adult vocational training courses, and start-up workshops - qualifications that can be used in Denmark as well as in the home country.

## Danish Red Cross asylum activities in 2019



At the Jelling Centre, inhabitants can work as kitchen trainees.  
Photo: Mathilde Bech



The families at the departure and deportation centres really benefit from family sports.  
Photo: Olivia Lønne



# FINANCIAL REVIEW AND DEVELOPMENTS

**The financial statements** of the Danish Red Cross cover the 203 local branches, municipal districts, the Asylum Department, and the headquarter of the Danish Red Cross.

The Red Cross of Greenland, the Red Cross of the Faroe Islands and the Danish Red Cross Youth are not covered by these financial statements.

## Development in activities and finances

The surplus for the year is DKK 3.7 million, which is better than expected.

In 2019, the Danish Red Cross' income totals DKK 1,479 million. DKK 1,043 million of this income comes from Danish and international institutions (primarily Danida, the Danish Immigration Service and EU institutions) and DKK 435 million from private funds collected and income from income-generating activities of the Danish Red Cross.

The Danish Red Cross' expenditure related to relief work and asylum activities stands at DKK 1,179 million, which is largely on a par with 2018. However, broken down, the figure is composed of an 11% increase in national and international relief work and a 15% decrease in asylum activities. In addition, expenditure for awareness and information activities amounts to DKK 20 million, which is the same as the 2018 level. Expenditure related to income-generating activities, including second-hand activities, comes to DKK 214 million. Finally, DKK 62 million has been spent on general management and administration,

which is DKK 9 million up on 2018 and should be viewed in the context of the increase in national and international relief work activities. So the administrative expense ratio remains low and is 5.2%.

The 2019 balance sheet total of the Danish Red Cross amounts to DKK 910 million, which is 20% lower than in 2018. The primary reason for this reduction is the progress in completing the large EU-funded Madad project with DKK 400 million in project revenue from 2016 to 2020.

The Danish Red Cross is a strong organisation with DKK 302 million in equity that may be designated by the Board for specific purposes. In 2019, the International Disaster Fund paid out DKK 11.8 million for own financing of international relief work whereas the National Fund paid out DKK 1 million for the Qnet project. Also, the Development Fund has distributed DKK 5.1 million to develop community activities.

The accounting policies applied to the 2019 financial statements have been changed to the effect that the value of the supplies of emergency aid equipment is recognised as an asset in the balance sheet in the line item "Inventory of goods and emergency aid equipment". Consequently, the 2019 opening balance of equity has gone up by DKK 5.6 million. The comparative figures have been adjusted. Reference is also made to the summary of significant accounting policies.

## Outlook

The Danish Red Cross still expects to

up growth of relief work in 2020, which includes investing in digital development, while having focus on sustainable and strong finances.

## Events after the balance sheet date

No events have occurred from the balance sheet date to the date of signature of these financial statements which would significantly influence the evaluation of the financial statements of the Danish Red Cross.

Not long into 2020 the corona pandemic spread to the entire world - including Denmark. On 13 March 2020, the Danish Red Cross closed its shops temporarily to care for customers and volunteers. The Danish Red Cross will apply for temporary fixed cost compensation to reduce losses of the shops, but even so a loss is expected for 2020 because of the lockdown.

The corona crisis may have an adverse effect on the Danish Red Cross' earnings expectations for 2020. At the time of publication of the Annual Report, it is not possible to determine the scale of any adverse effect.



# FINANCIAL HIGHLIGHTS

<b>Financial highlights</b> (DKK'm)					
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Income statement</b>					
Funds from Danish and international institutions	1,043	988	1,169	1,245	1,092
Private funds collected, second-hand activities etc.	435	443	454	391	394
International and national relief work	-898	-805	-840	-602	-625
Asylum activities	-281	-332	-485	-750	-602
General management and administration	-62	-53	-56	-54	-53
Surplus for the year	3.7	0.3	22.5	17.4	11.8
<b>Balance sheet</b>					
Balance sheet total	910	1,137	1,179	827	815
Current assets	743	975	1,020	667	677
Equity	302	299	293	270	230
Current liabilities	558	796	838	522	569
<b>Financial ratios</b>					
Average FTE, headquarter	340	323	286	270	230
Average FTE, Asylum Department	382	477	724	999	696
Average FTE, delegates	127	112	96	110	91
Total average FTE	849	912	1,106	1,379	1,017
Administrative expense ratio	5.2%	4.8%	4.9%	6.1%	6.0%
Equity ratio	33%	26%	25%	33%	28%
Liquid ratio	133%	123%	122%	128%	119%

Financial highlights for 2015 to 2017 have not been adjusted to reflect the change in accounting policies; refer to the description in the summary of significant accounting policies.



Qnet is the Danish Red Cross' offer to women that have been at a shelter. Here they meet with others.

Photo: Peter Sørensen

# **ANNUAL REPORT 2019**

<b>INCOME STATEMENT (DKK'000)</b>	<b>Note</b>	<b>2019</b>	<b>2018</b>
<b>Income</b>			
Funds from Danish institutions	1	795,617	777,443
Funds from international institutions	2	247,862	210,592
Private funds collected	3	189,965	218,108
Second-hand activities	4	218,329	197,850
Other activities	5	26,750	26,828
<b>Total income</b>		<b>1,478,523</b>	<b>1,430,821</b>
<b>Expenditure</b>			
International relief work	7	-762,296	-685,206
Relief work in Denmark	8	-135,241	-119,898
Asylum activities	9	-281,440	-331,514
Awareness and information activities		-19,441	-19,566
Private funds collected	3	-44,534	-57,747
Second-hand activities	4	-143,788	-137,444
Other activities	5	-25,502	-25,800
General management and administration		-62,381	-52,918
<b>Total expenditure</b>		<b>-1,474,623</b>	<b>-1,430,093</b>
<b>Surplus for the year before financial income and expenses, net</b>		<b>3,900</b>	<b>728</b>
Financial income and expenses, net	10	-247	-381
<b>Surplus for the year</b>		<b>3,653</b>	<b>347</b>

<b>BALANCE SHEET at 31 December (DKK'000) Note</b>		<b>2019</b>	<b>2018</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets		14,537	10,640
Property, plant and equipment		132,134	132,600
Fixed asset investments		20,835	18,674
<b>Total non-current assets</b>	<b>11</b>	<b>167,505</b>	161,913
<b>Current assets</b>			
Inventory of goods and emergency aid equipment		6,777	6,846
Receivables	12	348,123	558,502
Prepayments		1,914	5,608
Securities*		119,020	118,486
Cash and cash equivalents	13	266,994	286,036
<b>Total current assets</b>		<b>742,828</b>	975,478
<b>TOTAL ASSETS</b>		<b>910,333</b>	1,137,391
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Tied up in land and buildings		90,919	87,345
Reserves		102,745	119,779
Retained earnings		108,595	91,481
<b>Total equity</b>	<b>14</b>	<b>302,259</b>	298,605
<b>Provisions</b>		<b>7,922</b>	4,217
<b>Non-current liabilities</b>			
Mortgage debt		4,306	4,953
Other debt		7,315	0
Accrued subsidy for recognised assets	15	30,172	33,678
<b>Total non-current liabilities</b>		<b>41,793</b>	38,631
<b>Current liabilities</b>			
Earmarked funds to be carried forward	6	426,022	629,098
Trade payables		45,875	46,307
Payables to banks and credit institutions		0	1,465
Other payables		86,462	119,068
<b>Total current liabilities</b>		<b>558,359</b>	795,938
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>910,333</b>	1,137,391
Other notes - DanmarksIndsamling	16		

\* In addition to its own securities, the Danish Red Cross manages restricted legacies. Their value at 31 December 2019 was DKK 4,822 thousand.

<b>NOTE 1</b>	<b>2019</b>	<b>2018</b>
<b>Funds from public institutions in Denmark (DKK'000)</b>		
Danish Immigration Service	242,867	290,672
Ministry of Foreign Affairs (Danida)	473,306	405,630
Other ministries and government agencies	66,543	68,342
State gambling pools, LOTFRI*	7,500	7,500
Secretariat grant**	5,400	5,300
<b>Total funds</b>	<b>795,617</b>	<b>777,443</b>

\* The subsidy from LOFTFRI 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 administrative expenses.

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

<b>NOTE 2</b>	<b>2019</b>	<b>2018</b>
<b>Funds from international institutions (DKK'000)</b>		
Red Cross societies/IFRC/ICRC	89,645	62,676
EU institutions, DEVCO	115,164	99,020
EU institutions, ECHO	26,203	43,626
Other institutions	16,849	5,269
<b>Total funds</b>	<b>247,862</b>	<b>210,592</b>

<b>NOTE 3</b>			<b>2019</b>	<b>2018</b>
<b>Private funds collected (DKK'000)</b>				
	Income	Expenditure	Total	Total
Private donations	96,613	-27,001	69,612	55,665
Fundraising activities	39,242	-11,998	27,244	19,689
Foundation grants	17,592	-1,618	15,975	38,129
Legacies	9,040	-139	8,901	25,277
Business cooperation	21,703	-3,760	17,943	16,685
Membership fees	5,775	-18	5,757	4,916
<b>Total funds collected</b>	<b>189,965</b>	<b>-44,534</b>	<b>145,431</b>	<b>160,361</b>

<b>NOTE 4</b>	<b>2019</b>	<b>2018</b>
<b>Second-hand activities (DKK'000)</b>		
Income	218,329	197,850
Expenditure	-143,788	-137,444
<b>Total second-hand activities</b>	<b>74,541</b>	<b>60,406</b>

<b>NOTE 5</b>			<b>2019</b>	<b>2018</b>
<b>Other activities (DKK'000)</b>				
	Income	Expenditure	Total	Total
First aid	18,613	-18,170	443	804
Emergency first aiders	5,947	-7,548	-1,601	-1,364
Other activities	2,190	216	2,406	1,587
<b>Total other activities</b>	<b>26,750</b>	<b>-25,502</b>	<b>1,248</b>	<b>1,028</b>

<b>NOTE 6</b>	<b>2019</b>				
<b>Earmarked funds carried forward (DKK'000)</b>					
	1 Jan.	Received	Used	31 Dec.	Changes for the period
Danish Immigration Service, Danish Prison and Probation Service etc.	11,993	241,574	-242,867	10,700	-1,293
Strategic Partnership agreement (Lot HUM) (Danida)	3,333	128,000	-129,061	2,272	-1,061
Strategic Partnership agreement (Lot CIV) (Danida)	3,434	68,000	-68,060	3,374	-60
Other Danida grants	64,715	223,154	-276,185	11,684	-53,031
EU grants	286,730	31,616	-141,367	176,979	-109,751
Other ministries and government agencies	27,196	66,189	-66,543	26,842	-354
Red Cross societies/IFRC/ICRC	99,643	57,128	-89,706	67,065	-32,577
Other international institutions	14,985	16,059	-16,789	14,256	-729
Collected earmarked funds	116,719	72,234	-76,103	112,851	-3,869
<b>Total</b>	<b>628,749</b>	<b>903,954</b>	<b>-1,106,682</b>	<b>426,022</b>	<b>-202,726</b>

Funds received and used in the Danish Red Cross' International Disaster Fund and National Fund are disclosed in note 14.

<b>NOTE 7</b>			<b>2019</b>	<b>2018</b>
<b>Used for international relief work (DKK'000)</b>				
	Disaster	Development	Total	Total
Middle East	205,971	39,208	245,179	241,829
Africa	218,756	75,759	294,516	190,388
Europe and Asia	70,002	82,760	152,761	194,548
Non-country specific	16,886	8,125	25,010	27,966
General guidance and monitoring	10,190	10,190	20,379	15,898
Donations to IFRC/ICRC	6,244	0	6,244	5,084
Psychosocial Reference Centre	0	18,207	18,207	9,492
<b>Total international relief work</b>	<b>528,048</b>	<b>234,248</b>	<b>726,296</b>	685,206

<b>NOTE 8</b>		<b>2019</b>	<b>2018</b>
<b>Used for relief work in Denmark (DKK'000)</b>			
Family activities		63,573	52,273
Activities for lonely people		34,598	33,350
Integration		19,482	17,611
Organisational development and Volunteer House		12,380	11,797
Branches' international work		1,620	1,711
Subsidies for the Danish Red Cross Youth		1,700	1,700
Emergency work		1,888	1,455
<b>Total relief work in Denmark</b>		<b>135,241</b>	119,898

<b>NOTE 9</b>		<b>2019</b>	<b>2018</b>
<b>Used for asylum activities (DKK'000)</b>			
Accommodation and sustenance		179,400	213,230
Property administration, transport, warehouse, furniture, maintenance, etc.		30,500	41,958
Benefits in kind (clothing and hygiene packets, food, etc.)		12,980	16,512
Asylum agreement		12,660	15,570
Counselling service		0	1,780
Pedagogical pool funds		3,300	1,926
Other operations		42,600	40,537
<b>Total asylum activities</b>		<b>281,440</b>	331,514



<b>NOTE 10</b>		<b>2019</b>	<b>2018</b>	
<b>Financial income and expenses, net (DKK'000)</b>				
	Income	Expenses	Total	Total
Interest	550	-605	-55	-736
Securities	1,420	-493	927	458
Foreign exchange	0	-1,119	-1,119	-104
<b>Total financial income and expenses, net</b>	<b>1,970</b>	<b>-2,217</b>	<b>-247</b>	<b>-381</b>

<b>Note 11</b>					
<b>Non-current assets(DKK'000)</b>					
	Intangible assets	Operating equipment	Land and* buildings	Fixed asset** investments	Total
<b>Acquisition cost at 1 January</b>	<b>42,891</b>	<b>25,342</b>	<b>135,479</b>	<b>18,674</b>	<b>222,386</b>
Adjustment of balance at 1 January	0	0	0	0	0
Additions for the year	7,001	2,430	2,917	2,161	14,509
Disposals for the year	0	-2,246	-1,850	0	-4,096
<b>Acquisition cost at 31 December</b>	<b>49,891</b>	<b>25,527</b>	<b>136,545</b>	<b>20,835</b>	<b>232,798</b>
<b>Amortisation/depreciation at 1 January</b>	<b>-32,251</b>	<b>-18,719</b>	<b>-9,503</b>	<b>0</b>	<b>-60,473</b>
Adjustment of balance at 1 January	0	0	0	0	0
Amortisation/depreciation for the year	-3,103	-2,316	-1,744	0	-7,164
Amortisation/depreciation regarding disposals for the year	0	2,246	98	0	2,344
<b>Amortisation/depreciation at 31 December</b>	<b>-35,355</b>	<b>-18,789</b>	<b>-11,150</b>	<b>0</b>	<b>-65,293</b>
<b>Total non-current assets</b>	<b>14,537</b>	<b>6,738</b>	<b>125,396</b>	<b>20,835</b>	<b>167,505</b>

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

\*\* Fixed asset investments comprise a cooperatively owned property (DKK 5,265 thousand) and deposits on leases mainly related to second-hand activities (DKK 15,570 thousand).

<b>NOTE 12</b>	<b>2019</b>	<b>2018</b>
<b>Receivables</b> (DKK'000)		
Trade receivables	19,262	20,350
Grant commitments	263,439	476,639
Danish Immigration Service	24,389	17,371
Other receivables	41,033	44,143
<b>Total receivables</b>	<b>348,123</b>	558,502

<b>NOTE 13</b>	<b>2019</b>	<b>2018</b>
<b>Cash and cash equivalents</b> (DKK'000)		
Own funds	116,157	104,807
Donor funds	150,837	181,229
<b>Total cash and cash equivalents</b>	<b>266,994</b>	286,036

<b>NOTE 14</b>	Tied up in land and buildings	Reserve, International Disaster Fund	Reserve, International National Fund	Reserve, Development Fund	Reserve, local branch funds	Retained earnings	Total equity
<b>Equity</b> (DKK'000)							
Equity at year end according to the 2018 financial statements	87,345	75,000	19,000	25,000	779	85,837	292,961
Recognition of emergency response inventory	0	0	0	0	0	5,644	5,644
Adjusted opening equity balance 2019	87,345	75,000	19,000	25,000	779	91,481	298,605
Surplus/deficit for the year	0	-11,793	-1,000	-5,139	-34	21,618	3,653
Amount transferred to be tied up in land and buildings	3,574	0	0	0	0	-3,574	0
Designated to funds	0	793	0	139	0	-931	0
<b>Total equity</b>	<b>90,919</b>	<b>64,000</b>	<b>18,000</b>	<b>20,000</b>	<b>745</b>	<b>108,595</b>	<b>302,258</b>

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

Accrued subsidy for recognised assets in non-current liabilities consists of a subsidy received for the construction of the Volunteer House and the health clinic.

<b>NOTE 16</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>Total</b>
<b>Danmarksindsamling (DKK'000)</b>								
Danish Red Cross share	7,794	8,531	9,550	9,717	10,330	9,115	9,382	64,419
Used (including administrative contribution)	-3,361	-6,048	-8,085	-9,717	-10,330	-9,115	-9,382	-56,038
<b>Balance at 31 December</b>	<b>4,433</b>	<b>2,483</b>	<b>1,465</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,381</b>

Separate financial statements are prepared for fundraising activities performed in accordance with the Danish Fundraising Act of 26 May 2014 and Executive Order No. 160 of 26 February 2020.

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Red Cross of Greenland, the Red Cross of the Faroe Islands, and the Danish Red Cross Youth prepare separate financial statements and are not covered by these financial statements.

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 debt due for later payment or settlement is stated in liabilities. Assets and liabilities of the Asylum Department are recognised in the balance sheet of the Danish Red Cross. The Asylum Department's net assets are considered a balance with the Danish Immigration Service and are recognised in the balance sheet in the line item "Earmarked funds to be carried forward".

Being a Danish non-profit charitable organisation, the Danish Red Cross is not subject to specific requirements regarding presentation, recognition, measurement or the like. The financial statements have therefore been presented considering what may be deemed generally accepted accounting principles for similar organisations in Denmark.

The financial statements are presented in Danish kroner in accordance with the accounting policies described.

The accounting policies have been changed effective for the financial year 2019. The value of the supply of emergency aid equipment is recognised as an asset in the balance sheet in the line item "Inventory of goods and emergency aid equipment". Costs incurred for purchases made during the year are recognised in additions. Furthermore, costs are recognised in the income statement in connection with disposals of the supply.

This change in accounting policies entails that the value of the supply of emergency aid equipment measured at cost is recognised as an increase of DKK 5,644 thousand in the 2019 opening balance of equity. The change in accounting policies also entails that costs have been adjusted by DKK 393 thousand and income by DKK 418 thousand in 2019. Consequently, the change has affected surplus or deficit for 2019 positively by DKK 25 thousand.

The comparative figures for 2018 have been adjusted in accordance with the change in accounting policies. This has caused the line item "Inventory of goods and emergency aid equipment" to be adjusted by DKK 5,992 thousand with a counter entry in equity. Income and costs have been adjusted by DKK 578 thousand. The change has no effect on the surplus for 2018.

## 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. Cash and cash equivalents, receivables and liabilities related to earmarked activities are not deemed to be monetary items, for which reason they are not subjected to foreign currency adjustment.

Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the balance sheet date, are recognised in the income statement in the line item "Financial income and expenses, net".

## INCOME STATEMENT

### Income

Income mainly consists of collected funds and grants. Income from the sale of goods and services is recognised in the income statement if delivery is made before year end.

Income from fundraising activities, legacies and gifts is recognised as and when received.

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

The year's change in earmarked funds to be carried forward is recognised in the income statement in the individual line items representing total income. Earmarked funds corresponding to the costs incurred for their specific purpose are thus recognised in the financial statements.

The difference between the earmarked grants received during the year and the amount of such funds used during the financial year is recognised in the line item "Earmarked funds to be carried forward" included in current liabilities on the equity and liabilities side.

Like other international non-profit organisations, the Danish Red Cross includes the value of non-cash donations in the income statement. Donations in the form of, for example, consignments of goods, ancillary equipment or consulting services related to specific projects are recognised. Recognition only takes place of donations the value of which can be reliably determined, and if such value exceeds DKK 0.1 million.

#### **Expenditure**

Funds for international project partners are expensed when the funds are dispatched. Expenditure is accounted for on an accruals basis.

#### **Financial income and expenses, net**

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

#### **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 years and 50 years, respectively, to expected residual value. Depreciation is recognised in the income statement in the line item "General management and administration".

As a main rule, operating equipment is recognised in the year of acquisition. However, based on an individual assessment, costs in connection with major acquisitions may 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 items of property, plant and equipment received as donations or the

like is measured at fair value at the recognition date insofar as such value can be reliably measured. Fair value reflects the amount that the Danish Red Cross would have paid to acquire the asset on an arm's length basis.

Subsidies etc. received for the construction or acquisition of items 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.

#### **Fixed asset investments**

Fixed asset investments, which are composed of capital contributions on purchase of properties and deposits on leases regarding second-hand activities, are recognised at cost.

#### **Inventory of goods and emergency aid equipment**

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.

#### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

#### **Prepayments**

Prepayments comprise prepaid expenses relating to subsequent financial years.

#### **Securities**

Securities comprise listed bonds and investment units measured at fair value.

Realised and unrealised gains and losses on securities are recognised as financial income or financial expenses.

**Cash and bank equivalents**

The portion of cash and cash equivalents consisting of own funds is measured at the balance sheet date rate. No foreign currency adjustment is made of the portion of cash and cash equivalents consisting of funds which are received from various donors and which are earmarked for specific purposes.

**Equity**

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

In equity, an amount is tied up in land and buildings that is equal to the difference between the value of land and buildings less mortgage debt and accrued subsidies for recognised assets.

**Liabilities**

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

**Earmarked funds to be carried forward**

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

**FINANCIAL RATIOS**

Definition and calculation of financial ratios.

**Administrative expense ratio**

$$\frac{\text{General management and administrative expenses} * 100}{\text{Total income minus Asylum Department activities}}$$

**Equity ratio**

$$\frac{\text{Equity at year end} * 100}{\text{Total assets at year end}}$$

**Liquid ratio**

$$\frac{\text{Current assets} * 100}{\text{Current liabilities}}$$

# STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The General Management and the Board have today considered and approved the Annual Report of the Danish Red Cross for the financial year 1 January to 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31 December 2019 and of the results of its operations for the financial year 1 January to 31 December 2019.

Furthermore, in our opinion, the Management's review contains a fair review of the developments in the Danish Red Cross' activities and financial position.

It is our opinion that the transactions covered by the financial statements are in accordance with the subsidies granted, laws and regulations and other rules as well as agreements concluded and common practice. Also, in our opinion, we have established business procedures which ensure financially appropriate administration of the funds covered by the financial statements.

## Fundraising activities

The Danish Red Cross' fundraising activities have been performed consistently with its fundraising licence and in accordance with the Danish Fundraising Act and the related Executive Order. We believe that the financial statements presented for fundraising activities to fulfil the object of the Danish Red Cross for the period 1 January to 31 December 2019 have been prepared in accordance with the accounting provisions of Executive Order No. 160 of 26 February 2020 and the Danish Fundraising Act.

Copenhagen, 15 June 2020

On behalf of the General Management



Anders Ladekarl  
Secretary General



Louise Isafold  
Chief Financial Officer

On behalf of the Board of the Danish Red Cross



Sven Bak-Jensen  
President  
Committee



Benny Schwartz  
Chairman of the Finance and Audit

# 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 to 31 December 2019, which comprise a summary of significant accounting policies, the income statement, balance sheet and notes. The financial statements are prepared in accordance with the accounting policies described.

In our opinion, the financial statements give a true and fair view of the Danish Red Cross' financial position at 31 December 2019 and of the results of its operations for the financial year 1 January to 31 December 2019 in accordance with the accounting policies described.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark as well as generally accepted public auditing standards. 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 the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 described, 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 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 ISAs and the additional requirements applicable in Denmark, and generally accepted public accounting 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 these financial statements.

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

We also:

- Identify and assess the risk 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 described.

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 in 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 accounting policies described.

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 accounting policies described. 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 the transactions covered by the

financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and activities covered by the financial statements.

In performing our audit of the financial statements, it is our responsibility in accordance with generally accepted public auditing standards to select relevant items for both compliance audit and performance audit purposes. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial statements comply with the appropriations granted, legislation and other regulations as well as agreements entered into and usual practice. In a performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.

We must report on any grounds for significant critical comments should we find such in performing our procedures.

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

Copenhagen, 15 June 2020

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Business Registration No. 33 96 35 56



Lars Kronow  
State-Authorised  
Public Accountant  
MNE No.: mne19708



Christian Dalmoose Pedersen  
State-Authorised Public  
Accountant  
MNE No.: mne24730



The conflict in Syria continued in 2019 with a massive humanitarian impact on the population.  
Photo: Lene Vendelbo



