

ANNUAL REPORT
2020

DANISH RED CROSS

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In 25 countries, the Danish Red Cross helped stop the spreading of the coronavirus disease. Also, existing activities had to be rearranged so that essential humanitarian aid in countries such as Syria could continue.
Photo: SARC



“The Danish Red Cross’ strong financial foundation, along with our ability to think innovatively and rearrange activities, have been vital in our presence and readiness to act when the COVID-19 pandemic hit the world in 2020.”

READY TO ACT

Loneliness. Anxiety. Loss of community. Domestic violence. Vanishing jobs. Closed borders. Forgotten wars. Collapsed healthcare systems. 2020 has been a very difficult year with massive humanitarian needs. In both Denmark and around the world.

Thursday, 11 March, Denmark went into lockdown. The next day, the Danish Red Cross was ready with the largest national response since World War 2. We provided assistance in the authorities’ Corona Hotline that concerned citizens could call. 17,000 people volunteered for a nationwide help network.

Relief work around the world changed too. In 25 countries, we were ready and helped stop the spreading of the disease. Also, current activities were rearranged so that essential relief work could continue.

It is indeed in times of crisis like this that the Red Cross is needed. This is why it is also gratifying that, with both innovation and rearrangement of current activities, we managed to maintain such a high level of activity like the one reflected in the Annual Report for 2020. We spent DKK 1.3 billion in total in 2020.

The Annual Report also tells us that, in times of crisis, the Danish public backs the Red Cross. We have seen outstanding growth in funds collected from private donors and companies, and despite having been closed for months, the Danish Red Cross shops generated a surplus of DKK 53 million for relief work.

The Danish Red Cross has built healthy and solid finances over many years. And the Danish Red Cross’ strong financial foundation, along with our ability to think innovatively and rearrange activities, have been vital in our presence and readiness to act when the COVID-19 pandemic hit the world in 2020.

It is our hope that the wish to unite and help others will continue - also when the day comes when the COVID-19 pandemic is over, hopefully. And that the many months behind screens will make many more people want to join the physical communities that bind us humans together.



Sven Bak-Jensen
President



Anders Ladekarl
Secretary-General

“In 2020, the number of private donors went up by 24% on 2019, and partners like Coop, DSV and TV2 all made record-breaking donations.”

GREAT SUPPORT OF THE DANISH RED CROSS IN TIMES OF CRISIS

In 2020, the Danish Red Cross spent DKK 1.3 billion on relief work in Denmark and around the world. DKK 608 million was spent on international relief work, and DKK 143 million in Denmark. DKK 281 million was spent on asylum activities.

The surplus for the year amounted to DKK 12.8 million, which is a result of massive financial support for the Danish Red Cross in general and our key role in times of crisis in particular. The administrative expense ratio remains low at 5.8%.

Outstanding support

The Danish Red Cross has experienced outstanding support in 2020 by private individuals and businesses. The COVID-19 crisis and international disasters like the explosion in Beirut and the burning of the Moria refugee camp in Greece spurred many to make donations. Also the Christmas help campaign 'Alle Vores Børn' ('All Our Children') received overwhelming support and meant that over 13,000 families received Christmas help. Despite the special COVID-19 conditions and intensified competition, the Danish Red Cross fundraising campaign succeeded in raising DKK 13.5 million.

In 2020, the number of private donors went up by 24% on 2019, and partners like Coop, DSV and TV2 all made record-breaking donations. Income from legacies also went up, although it is not unusual that this income varies from year to year. Total income from fundraising activities reached DKK 230 million in 2020 against DKK 190 million in 2019.

School Service

The Danish Red Cross School Service is normally in contact with around 100,000 to 150,000 pupils a year. In 2020, the number was much higher when the teaching resources 'I skole after corona' ('Back in School after COVID-19') were launched just when schools opened after the spring lockdown. So in 2020, the Danish Red Cross was in contact with over 770,000 pupils. School Service also issued 'Krig og medmenneskelighed' ('War and humanity') on the humanitarian law of nations and the special Red Cross mandate in wars.

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 the Faroe Islands generated revenue totalling just over DKK 9.2 million. The Red Cross of Greenland in 2019 generated revenue of around DKK 3.6 million.

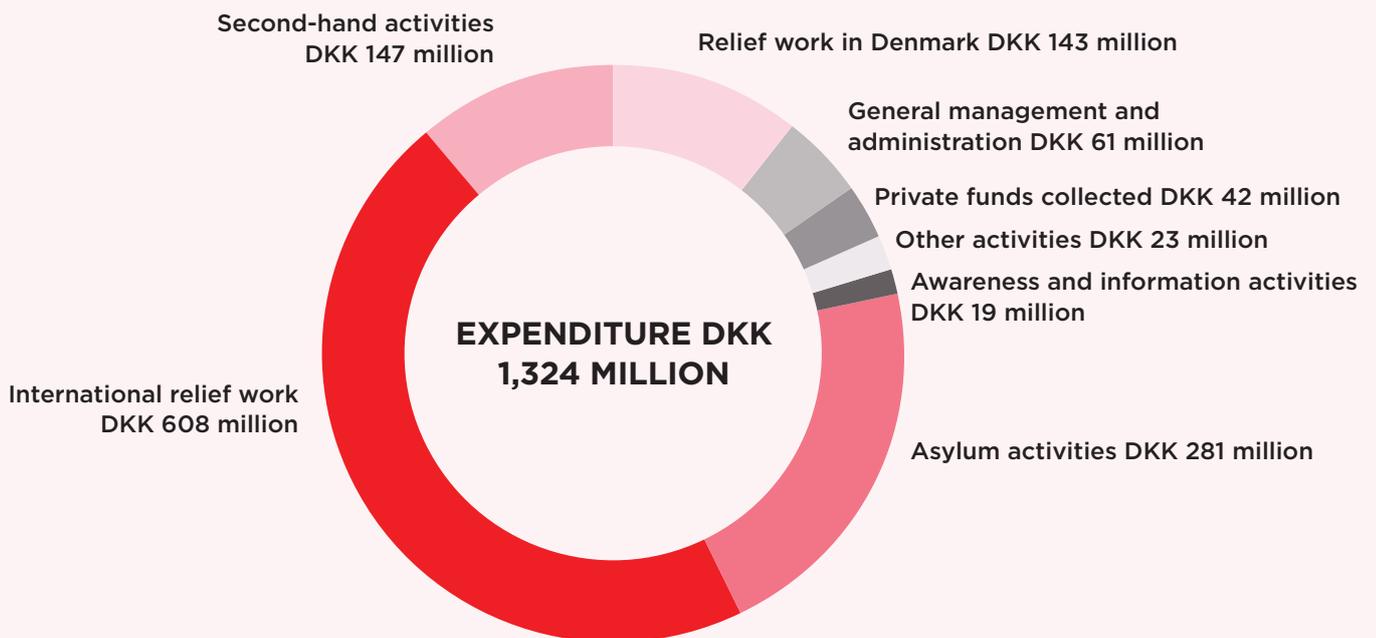
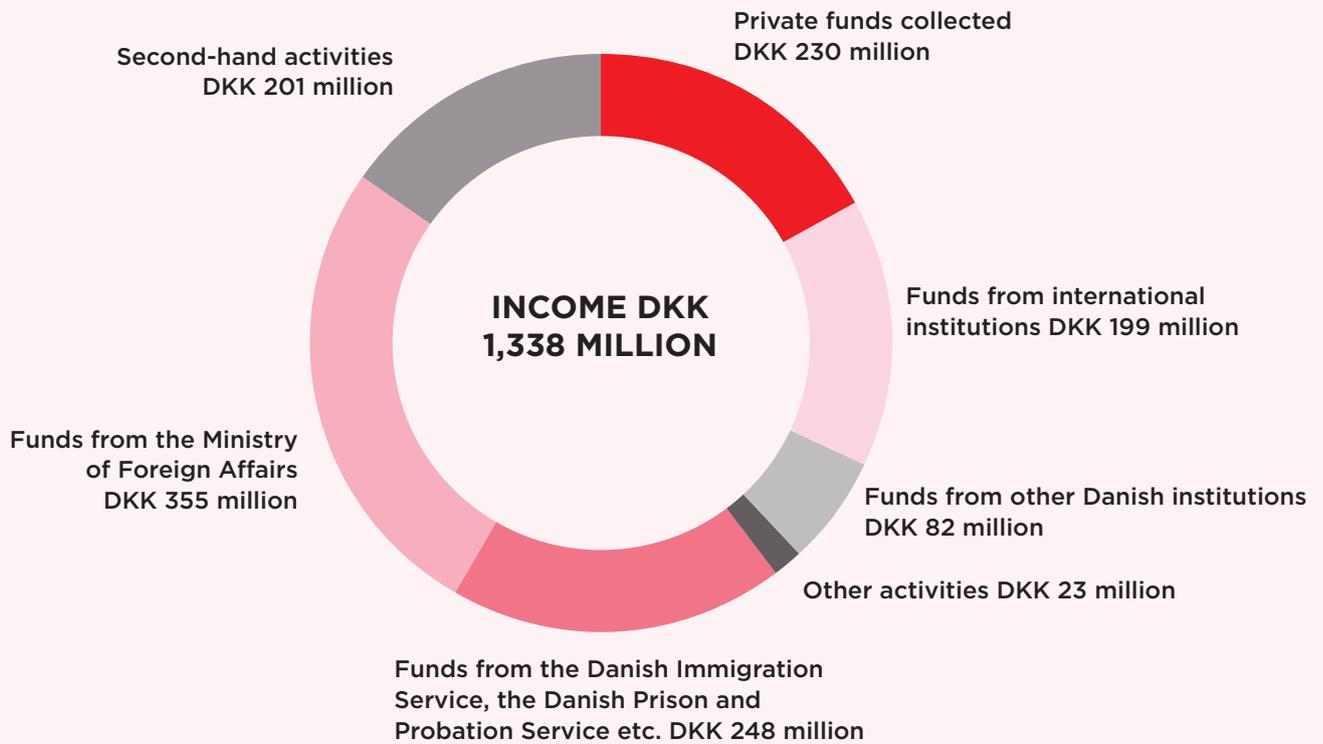
The Danish Red Cross Youth

The Danish Red Cross Youth is Denmark's largest humanitarian youth organisation, with 3,000 volunteers and 27 branches around the country strengthening vulnerable children and young people through equal communities that are created for, by and with children and young people. The COVID-19 crisis has been a particularly difficult time for many children and young people with home schooling, suspension of leisure activities and challenges to families. With creative adjustment and rearrangement of activities, the Danish Red Cross Youth managed to remain present. At Young OnLine, young people were in place to talk to young people experiencing anxiety and isolation, and with COVID-19 Friends, children and young people were matched for online homework assistance or a good chat. Young mentors stayed in contact with their mentees through walks and letters, and during the summer 1,400 children and young people went on holiday camp. Also internationally, young volunteers' travels were successfully replaced with online training and dialogue.

Since the Danish Red Cross Youth went through a major financial crisis in 2019, focus has been on securing a reliable and financially solid organisation, strengthening the branches and their local activities in, for example, residential areas, and on developing and operating sustainable activities particularly in the institution area. In 2020, revenue of the Danish Red Cross Youth reached DKK 34 million and a total surplus of DKK 2.1 million.

MANY WAYS OF INVOLVING ONESELF

3,000 Ready helpers
32,000 volunteers
330,000 active visitors on Boblberg
275,000 financially involved people
770,000 pupils



OUR FOCUS AREAS IN 2020

HONDURAS



DENMARK



ITALY



GREECE



LIBYA

MALI



NIGER



BURKINA FASO



GUINEA



SIX
COUNTRIES
WITH MOST
ACTIVITIES

DENMARK

**SOCIAL ACTIVITIES DKK
143 MILLION**

**ASYLUM ACTIVITIES DKK
281 MILLION**

Volunteers create communities, provide safety and support vulnerable groups like lonely people, vulnerable families with children, and refugees. The Danish Red Cross also runs four asylum centres and performs functions for the Danish Prison and Probation Service at two other centres.

SYRIA

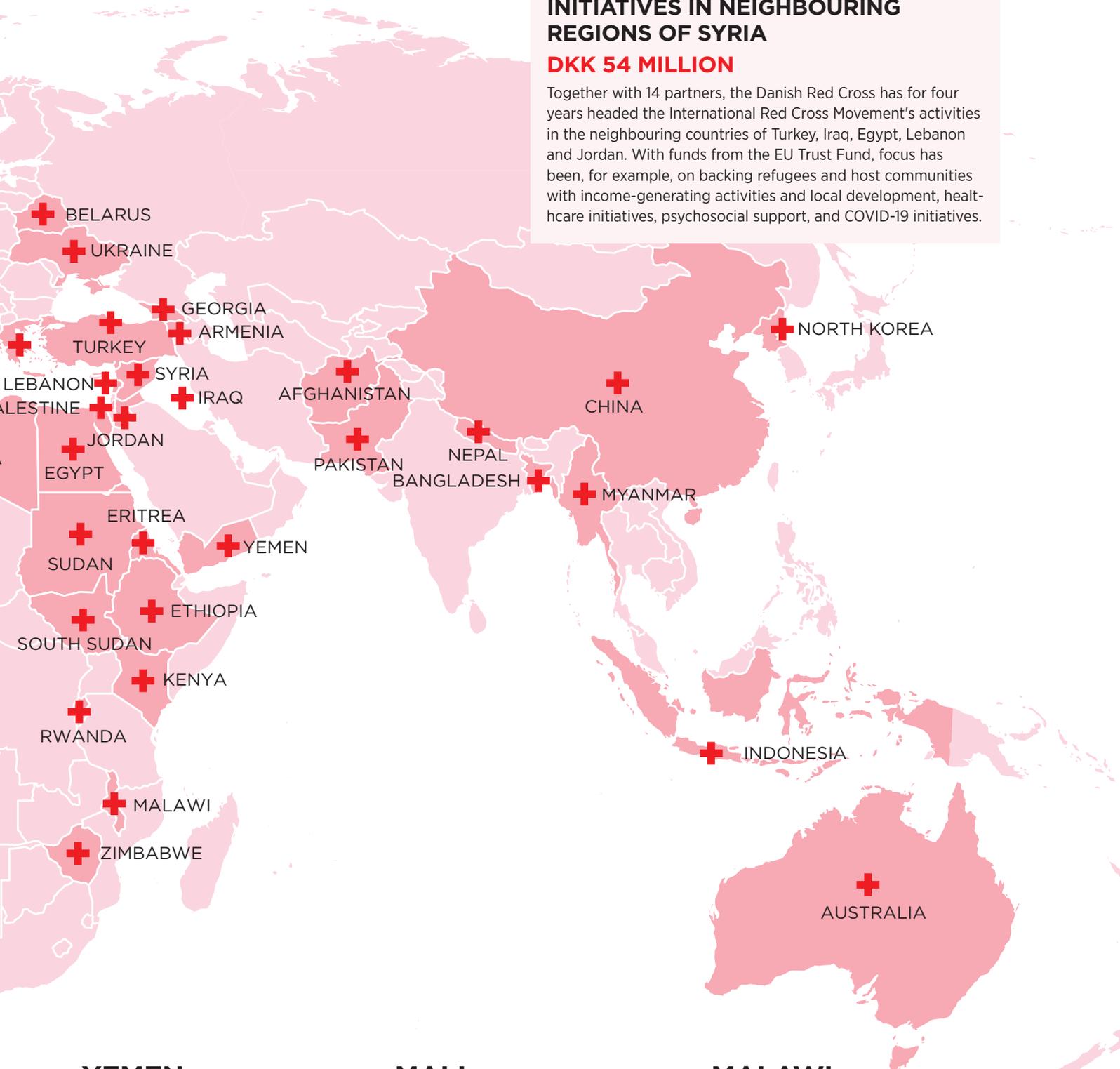
DKK 100 MILLION

Humanitarian aid (distribution of food and shelter materials), access to healthcare and psychosocial support, capacitybuilding of collaborator, and COVID-19 initiatives.

LEBANON

DKK 42 MILLION

Humanitarian aid, shelter, healthcare (medical equipment and medicine), psychosocial support. Special humanitarian aid after the August explosion, healthcare in connection with non-communicable diseases, and COVID-19 initiatives.



**INITIATIVES IN NEIGHBOURING
REGIONS OF SYRIA**
DKK 54 MILLION

Together with 14 partners, the Danish Red Cross has for four years headed the International Red Cross Movement's activities in the neighbouring countries of Turkey, Iraq, Egypt, Lebanon and Jordan. With funds from the EU Trust Fund, focus has been, for example, on backing refugees and host communities with income-generating activities and local development, healthcare initiatives, psychosocial support, and COVID-19 initiatives.

YEMEN
DKK 28 MILLION

Humanitarian aid, access to clean water, sanitation and healthcare, capacitybuilding with focus on mental health and psychosocial support, and COVID-19 initiatives.

MALI
DKK 28 MILLION

Humanitarian aid, migrant support (healthcare), support of income-generating activities, support of local communities to prevent and handle climate-related disasters themselves, disaster risk reduction for vulnerable groups, and COVID-19 initiatives.

MALAWI
DKK 25 MILLION

Access to clean water, sanitation and healthcare, support of local communities to prevent and handle climate-related disasters themselves, commitment of children and young people, capacitybuilding of collaborator, and COVID-19 initiatives.

“A coronavirus outbreak can be catastrophic in a refugee camp or a densely populated slum area.”

NEW TASKS DURING COVID-19

The COVID-19 pandemic affected the Danish Red Cross' work more than anything else in 2020. In Denmark, we contributed to the authorities' response measures. In international relief work, we did everything we could to maintain our presence and helped minimise the risk of infection in 25 different countries while continuing our current activities.

Response measures in Denmark
24 hours before Denmark went into lockdown in March 2020, the Danish National Police asked the Danish Red Cross to set up an additional call centre to answer calls to the authorities' Corona Hotline. Many volunteers were recruited to take calls around the clock from concerned citizens, and the Danish Red Cross' capable emergency first aiders took on the job as health advisers. At the same time, emergency managers assisted the authorities in leading and coordinating the health activities. During lockdown over the winter, volunteers were also on site with comforting activities at mobile test centres.

Help network
People at risk and sick people who could not go outside needed practical help. The Danish Red Cross therefore initiated a nationwide help network expeditiously that offered help to buy groceries, walk the dog, pick up medicine, etc. Many people wanted to help, and soon 17,000 had volunteered. This help network has continued under the name 'Red Cross Ready', and here we have a new setting for offering assistance and enrolling people with the Danish Red Cross for ad hoc tasks.

Particularly vulnerable people
The COVID-19 crisis caused people living at the edge of society to become even more vulnerable. In several major cities, the Danish Red Cross therefore handed out meal vouchers to homeless people, and in Aarhus a soup kitchen was opened together with other organisations.

New digital activities
Since the chances of getting together in physical communities were restricted, activities went digital with, for example, online bingo and meals shared in front of the screen. At the same time, the Danish Red Cross launched some new online communities together with Boblberg. This turned into the online visitor service 'SnakSammen' ('ChatTogether') where lonely people can have volunteers visit them. The same technology was used for a new online language training offer for refugees and migrants, 'Sprogland' ('LanguageLand'). And with 'SikkerSnak' ('SafeChat'), it was possible via video to support women at the Danish women's shelters.

People's festivals
Under the headline 'Brug for hinanden' ('Need Each Other'), the Danish Red Cross held 15 people's festivals all over the country during the summer of 2020, rallying 9,000 participants in all to find solutions that could serve as a social vaccine against COVID-19. The participants either attended in person or online, and the many proposals were compiled in an idea catalogue and ten political recommendations on, for example, the need for a national strategy on loneliness with specific initiatives to

prevent and combat loneliness. All of these recommendations were submitted to the Danish Minister of Social Affairs.

Touched
In the art project 'Berørt' ('Touched'), which was a collaboration between retail cooperative Coop, the National Gallery of Denmark and Hjaltelin Stahl, Danes were encouraged to share a picture of their hand and their thoughts during the COVID-19 crisis and at the same time contribute to helping vulnerable people during this crisis.

Information and protective equipment
A coronavirus outbreak can be catastrophic in a refugee camp or a densely populated slum area. It has therefore been an important task for Red Cross volunteers, and one enjoying great respect in local communities, to provide information about government advice and recommendations, for example, by using car top loudspeakers, putting up posters and using radio or social media.

Many countries in Africa do not have an efficient healthcare system that is able to handle the outbreak of an infectious disease. That is why it has been vital to help provide access to protective equipment as well as soap, water and sanitation. With funds from the Novo Nordisk Foundation among others, a large stock of protective equipment was purchased for the eastern region of Africa. To minimise anxiety and insecurity, the Danish Red Cross also assisted with psychosocial support for particularly vulnerable groups.

Many rang the Danish Red Cross help network to either offer or have help to buy groceries, walk the dog or pick up medicine, etc.
Photo: Peter Sørensen





There was great joy when children were able to go away on the Danish Red Cross' holiday camps in the summer of 2020.
Photo: Peter Sørensen



With phone calls, letters and flowers at front doors, contact was maintained and care demonstrated during the COVID-19 crisis.
Photo: The Danish Red Cross

INTENSIFIED SOCIAL NEEDS IN DENMARK

Even though lockdown and restrictions have obviously had an effect on Danish Red Cross volunteers' social activities in Denmark, innovation and rearrangement of activities have made it possible to still be there for the organisation's core target groups: lonely people, vulnerable families and refugees. In 2020, the Danish Red Cross supported over 24,500 people with a long-term social activity. The Danish Red Cross spent DKK 143 million in 2020 on building and supporting voluntary social activities, which is 6% up on 2019.

Loneliness and isolation

The COVID-19 crisis has been a creator of loneliness and mental ill-health in many people. When the visitor service had to be suspended in the spring because of restrictions, the telephone, greetings by letter, home-baked goods and flowers at the front door became important means of keeping in touch and demonstrating care. Retirement home residents without a family were a particularly vulnerable group, and at several retirement homes, Red Cross visitors were given access as next of kin to maintain human contact. The need for a community is also something we experienced in the collaboration with Boblberg, where the level of activity during the lockdown was very high.

Vulnerable children

The COVID-19 crisis has been particularly hard for vulnerable children who, through the lockdown, lost their daily breather from the families' challenges. In many family networks, creative thinking was used to continue to provide a haven, and it was a great joy when the Danish Red Cross was successful during the summer in sending children off to holiday camp. With funds from the Danish Ministry of Social Affairs and foundations, special activities such as online support and family friend

from a distance were initiated as well. And together with some other organisations, the Danish Red Cross headed a partnership to support vulnerable children during the COVID-19 crisis.

Refugees

Many refugees are still on an integration programme with the municipalities and need a network and social communities. Danish Red Cross volunteers provide assistance, for example, in understanding letters from the authorities or in contacting local employers. These friendships meant that now refugees could return care during the COVID-19 crisis and offer help, for example, to buy groceries for volunteers who could not themselves go out.

Care centres

For many homeless people, the transition from hospital to life on the street is difficult. In 2020, the Danish Red Cross therefore opened Omsorgscentret Svalegangen, a care centre in Middelfart on Funen. Here, sick homeless people are given the opportunity to recover after hospitalisation or a long period of illness. The Danish Red Cross is also running care centres in

Copenhagen and Aarhus in collaboration with regions and municipalities.

Supporting prisoners

The Red Cross is supporting prisoners all over the world and in this country, for example, by means of visits and social activities. When government restrictions shut down these visits, the Danish Prison and Probation Service gave the Danish Red Cross extraordinary permission to hand out Easter parcels and an Advent calendar to prisoners.

Emergency first aiders and first aid

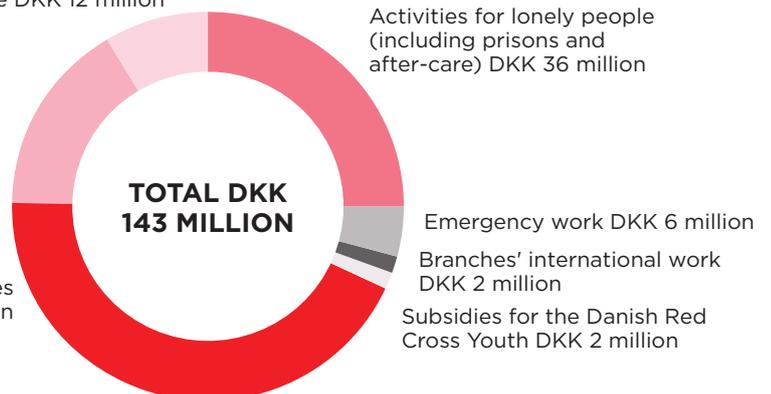
The Danish Red Cross emergency first aiders who are usually busy providing first aid and security at small and large events, were challenged by the many cancellations in 2020. This has had an impact on the finances and social community of the activity. The Danish Red Cross also offers first aid courses and has, despite the lockdown, managed to hold courses in 2020 even though there was a heavy decline in demand by businesses. A total of close on 100,000 people learned first aid through the Danish Red Cross.

National relief work 2020

Organisational development and Volunteer House DKK 12 million

Refugees and immigrants (including health clinic) DKK 23 million

Family activities DKK 62 million



ALWAYS PRESENT IN THE WORLD

The COVID-19 pandemic very much affected the Danish Red Cross' international relief work in 2020 where we supported our partners in minimising the risk of infection and the consequences of the pandemic. Also, we rearranged and continued existing activities so as to be present in those countries where only few other humanitarian players have access and challenges are particularly complex - in Africa, the Middle East, Asia and Europe.

In 2020, the Danish Red Cross spent DKK 608 million on international relief work, which is 20% less than in 2019.

Long-standing conflicts

Many parts of the world are still marked by long-standing conflicts and nearly permanent humanitarian needs. This goes for, for example, Yemen and Syria and the Sahel belt from Senegal in West Africa to Eritrea in East Africa. Here we provide assistance such as humanitarian aid, healthcare support, clean water and sanitation, and psychosocial support. When conflicts drag on, the Red Cross needs to strike a balance between the urgently needed relief assistance, long-term development, and activities spurring social cohesion. Many interests and employees' and volunteers' safety are at stake, and it is quite crucial to maintain the neutrality and independence of the Red Cross.

Beirut explosion

2020 has also been marked by acute crises like the devastating explosion in August in Beirut. The Danish Red Cross was already on site and able to assist quickly with medical equipment and medicine, health clinics, blood banks, shelter, humanitarian aid, and psychosocial support, etc.

Migratory routes

The Danish Red Cross was in 2020 on site on the migratory routes in Africa, for example, in the Sahel region and in East Africa, where some of the world's largest refugee camps are located. In eastern Sudan, we assisted the Sudanese Red Crescent's activities for refugees in need of special protection, for example, women being victims of trafficking. These women have, for example, received training in making their own soap and hand sanitizers for the other inhabitants of the camp, which makes a huge difference in a refugee camp where many people live closely together and it is difficult to get access to clean water.

Strong organisations

Local organisations' capacity and access to provide assistance are becoming increasingly important in humanitarian crises. That is why the Danish Red Cross is working on improving our partners' capacity and ability to act on their own in crises. When villages in South Sudan experienced severe flooding in the autumn of 2020, local emergency groups had been established

with support from the Danish Red Cross to be able themselves to evacuate the local population.

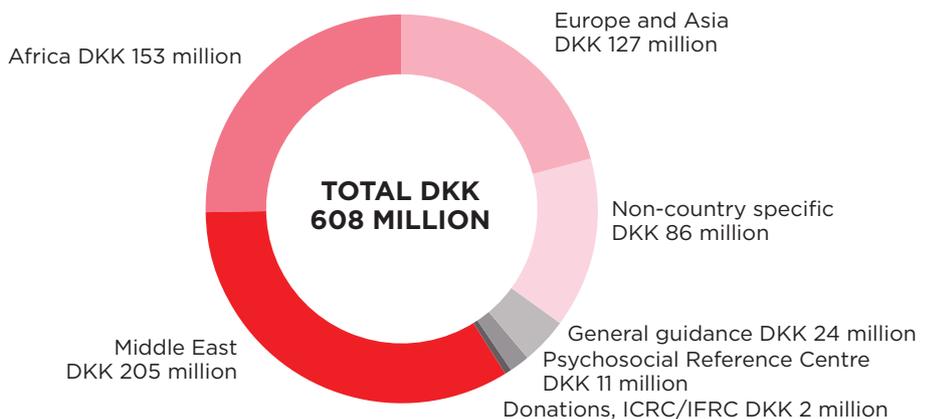
Disaster risk reduction

Recurring monsoons and cyclones that cause, for example, heavy rains and landslides, make the inhabitants of the refugee camp in Cox's Bazar in Bangladesh particularly vulnerable. Here, many people live closely together in simple houses not fit to withstand rain, wind and floods. In 2020, the Danish Red Cross assisted with, for example, disaster risk reduction activities such as reinforcement of hillsides to avoid landsliding.

Digital currency in Kenya

Many people have lost their jobs and income because of the COVID-19 pandemic, so there is a need to think innovatively. With 'Community Inclusion Currency', we have assisted the Kenya Red Cross in developing a digital currency where funds are transmitted directly to the telephone. In doing this, local trade is strengthened and spreading of diseases is prevented.

International relief work 2020



When villages in South Sudan experienced severe flooding in 2020, local emergency groups were able themselves to evacuate the local population. Photo: Anette Selmer-Andersen, IFRC



The Danish Red Cross was already on site and able to assist quickly when a devastating explosion hit Beirut in August 2020. Photo: Nabil Mounzer, EPA



In the summer of 2020, Centre Avnstrup opened as a deportation centre for rejected families with children staying illegally in Denmark. Photo: Kell Schomacker



Many children have broken a sweat and into a smile with the 'On the Move' project which fosters play and movement for children at the Danish Red Cross asylum centres. Photo: Kell Schomacker



“The value of families being in charge of their meals was indeed one of the key recommendations in the Danish Red Cross’ publicised 2019 report on the well-being of the children living at Sjælsmark.”

BETTER CONDITIONS FOR REJECTED FAMILIES WITH CHILDREN

The Danish Red Cross works to give asylum seekers in Denmark safe, meaningful and decent daily lives while they live at the Red Cross asylum centres or at other centres where the Danish Red Cross has functions. We support asylum seekers in maintaining and developing a perspective for their future, regardless of whether they are granted or denied asylum.

The Danish Red Cross undertakes these functions as operator for the Danish State, and the work is regulated by 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 2020, which is the same amount as in 2019.

Still few asylum seekers

The number of asylum seekers continues to go down. Reception Centre Sandholm registered close on 1,050 newly-arrived asylum seekers, which is nearly half of last year’s number. Among the reasons for the low number of arrivals are that immigration laws in both Denmark and the EU have been tightened and that the COVID-19 pandemic has made it more difficult to cross borders.

Closure of centres

The low number of arrivals caused the Danish Immigration Service to decide

that Centre Sandvad and Centre Thyregod should close by the end of 2020. These closures resulted in the Danish Red Cross once again having to adapt the organisation to the new circumstances. At the end of 2020, the Danish Red Cross thus operated four asylum centres: Reception Centre Sandholm, Children’s Centre Sandholm, Deportation Centre Avnstrup and Asylum Centre Jelling. To this should be added two temporary quarantine centres.

As subcontractor to the Danish Prison and Probation Service, the Danish Red Cross also has functions at the deportation centres of Kærshovedgård and Sjælsmark: a health clinic, care activities, teaching and activation, and commitment by volunteers.

Deportation centre for rejected families with children

In the summer of 2020, Centre Avnstrup opened as a deportation centre for rejected families with children staying illegally in Denmark. Here, the Danish Red Cross’ focus is particularly on activities that help strengthen the families, ensure development opportunities for the children, and foster a normalised daily life. Focus is on direct involvement of inhabitants in the form of hallway or activity meetings, and a meal scheme was established for the inhabitants. The value of families being in charge of their meals was indeed one of the key recommendations in the Danish Red Cross’

publicised 2019 report on the well-being of the children living at Sjælsmark.

COVID-19 measures

To prevent the outbreak of COVID-19 at the asylum centre where many people live close together, a number of measures were launched. Guidelines were translated into multiple languages, and a hotline for inhabitants helped adults and children with questions and concerns. There have been very few cases of infection at the Danish Red Cross asylum centres. Online teaching was put in place for both children and adults as well as emergency childcare for the most vulnerable children. Also, focus has been on activities such as walks and outdoor coffee to keep up the inhabitants’ spirit.

Joy of movement

Various projects aim at improving the well-being of children and adults. The ‘On The Move’ project has helped many children break a sweat as well as into a smile. Small videos provide inspiration for playing and movement for children aged between 10 and 15, and they are used at both schools and youth clubs. The project has been developed together with the sports association DGI, the Department of Nutrition, Exercise and Sports of the University of Copenhagen, and the Novo Nordisk Foundation.

“It is obvious that customers have missed the Red Cross shops, and in the months with open shops, revenue is 14% higher than in the same months last year.”

SURPLUS FROM SECOND-HAND ACTIVITIES FOR HUMANITARIAN WORK - DESPITE LOCKDOWN

The lockdown of retail shops during the COVID-19 crisis involved that Danish Red Cross shops all over the country had to close several times in 2020.

In 2020, the Danish Red Cross total second-hand activities generated DKK 201 million in revenue. This is 8% down on the record year of 2019 and directly attributable to the shop closures. Customers have clearly missed the Red Cross shops, and in the months when shops were open, revenue is 14% higher than in the same months last year.

The shops still represent a key contribution to the Danish Red Cross' combined finances and financial headroom. Second-hand activities generated a total surplus of DKK 53 million for relief work, which is DKK 21 million less than in 2019.

Activity in back rooms

Even though the Danish Red Cross' more than 245 shops were closed for several months in 2020, volunteers in many back rooms were very active. They painted, moved things around, and put up new design elements, so that everything was

ready to give customers the best customer experiences.

Many donations

The COVID-19 crisis did not affect Danes' desire to donate second-hand items. On the contrary, many had straightened up their house, and there were many donations in 2020. Clothes, furniture and trinkets were sorted by volunteers, and the best things were put on the shelves. And when the Danish Red Cross shops finally opened again in late spring, many shops saw people queue to get to the goodies first.

Crazy about second-hand shopping

The tendency in recent years has been clear. Customers love buying second-hand. Eight out of ten Danes have bought or sold used items in the past year. The chance of doing a bargain and saving money is important to many people, but sustainability and climate too are important. What one person no longer has any use for, could be a find for another person.

Climate footprint

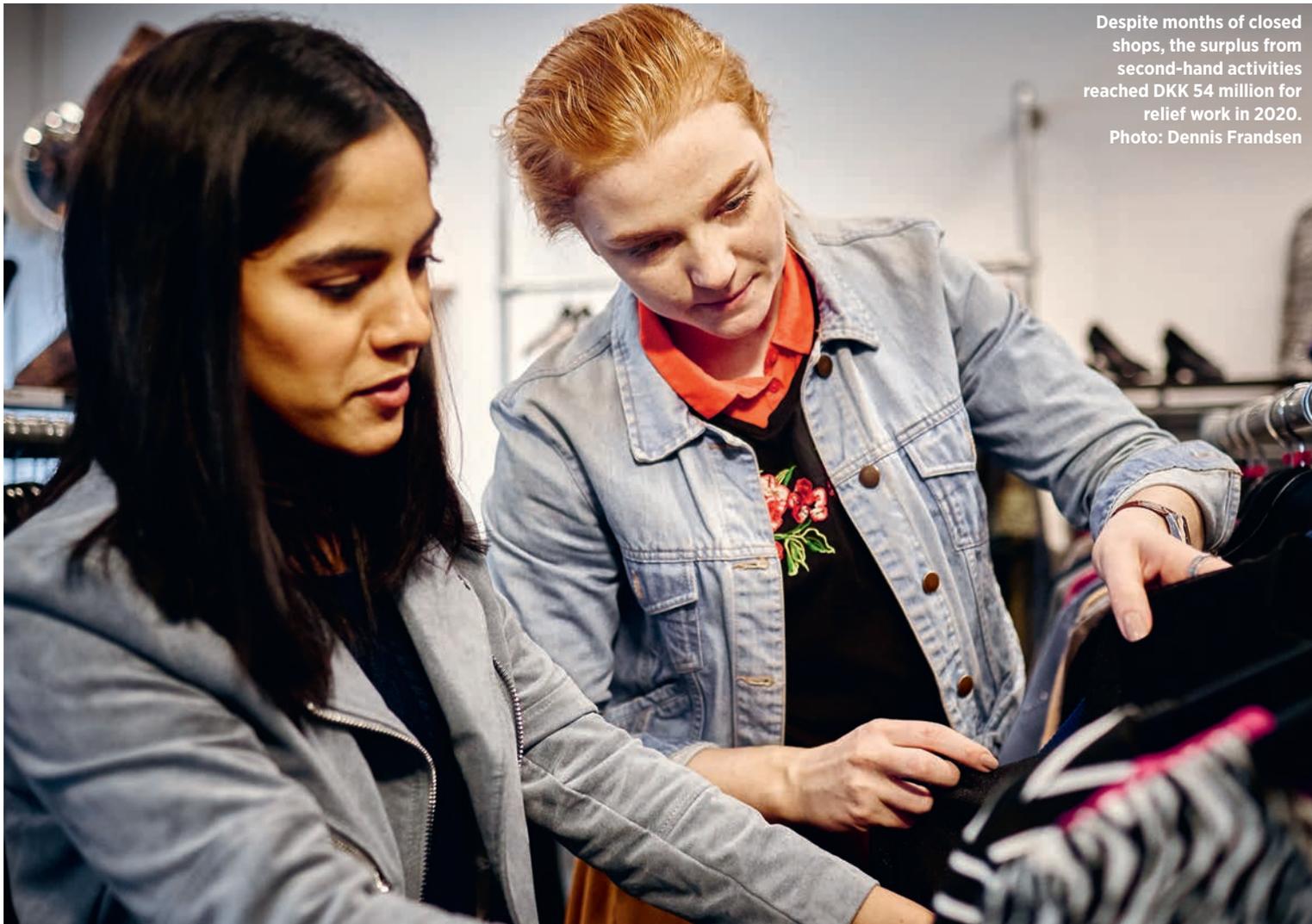
The Danish Red Cross is working in several

areas to reduce our climate footprint, and through our second-hand activities we help consumers do the same. By donating goods or buying second-hand at the Danish Red Cross shops, everybody can help make the world a bit more sustainable in an easy way. Through the upcycling cooperation with the well-known designer Søren Le Schmidt, customers were in 2020 provided with inspiration in a fine book to start changing and adjusting used clothes and furniture.

A sustainable future

Sustainability is a key element of the business model of the Danish Red Cross shops. We would like to sell as many surplus clothes in Denmark as possible and to support ongoing research projects that aim at finding new applications for textiles that are not sold directly in the shops. We also back entrepreneurs and designers in developing sustainable products from torn or unsellable clothes. For example, used scarfs were changed into sustainable Christmas gift wrapping. And together with the clothing company Samsøe Samsøe, we have tested opportunities for reusing surplus textiles by developing new fibres for the textile industry.

Despite months of closed shops, the surplus from second-hand activities reached DKK 54 million for relief work in 2020. Photo: Dennis Frandsen



The COVID-19 crisis did not affect Danes' desire to donate second-hand items. Many had straightened up their house, resulting in many donations. Photo: Lasse Bak Mejlvang



FINANCIAL REVIEW AND DEVELOPMENTS

The Danish Red Cross' 202 branches, municipal districts, and the headquarter of the Danish Red Cross, including the Asylum Department, are consolidated in the financial statements 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.

Development in activities and finances

The surplus for the year is DKK 12.8 million, which is better than expected.

In 2020, the Danish Red Cross' income totals DKK 1,338 million, which is DKK 140 million down on 2019.

The Red Cross shops represent a vital part of the revenue base. With the shops having been closed during the COVID-19 pandemic, the Danish Red Cross envisaged that funds would be insufficient for international and national relief work. However, the decline was not as massive as feared. Revenue from second-hand activities reached DKK 201 million in 2020, which is DKK 18 million down on 2019. Second-hand activities generated total income of DKK 53 million, or DKK 21 million less than in 2019. Huge backing by customers, volunteers and donors, along with the government fixed cost compensation arrangement, helped reduce the deficit.

On the whole, the financial statements bear witness of huge support of the Danish Red Cross. The Danish Red Cross collected DKK 230 million in private funds in 2020, which is DKK 40 million more than in 2019.

Funds from Danish institutions stand at DKK 685 million, which represents a reduction of DKK 110 million because of extraordinarily large grants to the ICRC by the Danish Ministry of Foreign Affairs in 2019. In 2020, the Danish Government granted DKK 107 million to the ICRC, which included an extraordinary grant of DKK 60 million for ICRC COVID-19 response activities.

Funds from international institutions stand at DKK 199 million, which is a reduction too of DKK 49 million on 2019 due to less funds from other Red Cross societies.

The Danish Red Cross' expenditure for relief and asylum work totals DKK 1,032 million, which is DKK 147 million down on 2019. The decline has been caused by international relief work that was reduced by 20% compared to 2019. The reason for this is the completion of the large Madad project with total project revenue of DKK 400 million in the period spanning from 2016 to 2020 and lower donations to the ICRC. National relief work, on the other hand, increased by 6% due to massive national needs during the COVID-19 pandemic. Expenditure related to asylum work stands at DKK 281 million, which is the same as in 2019.

Expenditure for awareness and information totals DKK 18 million while expenditure related to income-generating activities, including second-hand activities, amounts to DKK 212 million. Both on a par with 2019. Finally, DKK 61 million has been spent on general management and administration, which is also on a par with last year. The administrative expense ratio is 5.8%.

The Danish Red Cross is a strong organisation with DKK 315 million in equity that

may be designated by the Board for specific purposes. In 2020, the International Disaster Fund paid out DKK 16.6 million for own financing of international relief work. During the year, the Fund received funds from various donors, causing the net amount drawn from the Fund to be DKK 10.8 million. The National Fund has in 2020 granted loans to the Danish Red Cross shops during the lockdown period and supported national projects with DKK 0.9 million, with most of this amount being allocated to Qnet. In 2020, the Fund received funds from the former Danish Red Cross Foundation, among others, for which reason the Fund recorded a net inflow of DKK 1.3 million. Also, the Development Fund has paid out DKK 3.1 million to develop community activities. The surplus is distributed so as to replenish the Funds by amounts equivalent to their net amounts drawn during the year so that the surplus for the year will be used for relief work in future.

Outlook

The Danish Red Cross expects its relief work to continue to grow in 2021, and this includes investing in digital development, while having focus on sustainable and strong finances.

Events after the balance sheet date

In December 2020, the Danish Red Cross shops were forced to close because of COVID-19 as was the rest of the retail sector. Applications will be filed again for compensation to reduce losses. It is not possible at this point in time to determine the impact on the Danish Red Cross' overall finances.

FINANCIAL HIGHLIGHTS

Financial highlights (DKK'm)	2020	2019	2018	2017	2016
Income statement					
Funds from Danish and international institutions	885	1,043	988	1,169	1,245
Private funds collected, second-hand activities etc.	454	435	443	454	391
International relief work	-608	-762	-685	-732	-503
Relief work in Denmark	-143	-135	-120	-108	-99
Asylum activities	-281	-281	-332	-485	-750
General management and administration	-61	-62	-53	-56	-54
Surplus for the year	12.8	3.7	0.3	22.5	17.4
Balance sheet					
Balance sheet total	932	910	1,137	1,179	827
Current assets	765	743	975	1,020	667
Equity	315	302	299	293	270
Current liabilities	527	558	796	838	522
Financial ratios					
Average FTE, headquarter	354	340	323	286	270
Average FTE, Asylum Department	370	382	477	724	999
Average FTE, delegates	120	127	112	96	110
Total average FTE	844	849	912	1,106	1,379
Administrative expense ratio	5.8%	5.2%	4.8%	4.9%	6.1%
Equity ratio	34%	33%	26%	25%	33%
Liquid ratio	145%	133%	123%	122%	128%

In 2019, accounting policies were changed to the effect that the value of the disaster response stocks measured at cost is recognised in the balance sheet. Financial highlights for 2016 and 2017 have not been restated to reflect the new accounting policies.

Many young people in particular went out for the Danish Red Cross fundraising campaign in October 2020 and raised DKK 13.5 million for relief work.



**ANNUAL REPORT
2020**

INCOME STATEMENT (DKK'000)	NOTE	2020	2019
Income			
Funds from Danish institutions	1	685,438	795,617
Funds from international institutions	2	199,274	247,862
Private funds collected	3	229,553	189,965
Second-hand activities	4	200,557	218,329
Other activities	5	23,403	26,750
Total income		1,338,225	1,478,523
Expenditure			
International relief work	7	-608,169	-762,296
Relief work in Denmark	8	-143,122	-135,241
Asylum activities	9	-281,157	-281,440
Awareness and information activities		-18,431	-19,441
Private funds collected	3	-42,017	-44,534
Second-hand activities	4	-147,305	-143,788
Other activities	5	-22,811	-25,502
General management and administration		-61,351	-62,381
Total expenditure		-1,324,363	-1,474,623
Surplus for the year before financial income and expenses, net		13,862	3,900
Financial income and expenses, net	10	-1,098	-247
Surplus for the year		12,764	3,653
Proposed distribution of surplus for the year			
Retained earnings		12,764	3,653
Total proposed distribution of surplus for the year		12,764	3,653

BALANCE SHEET at 31 December (DKK'000)	NOTE	2020	2019
ASSETS			
Non-current assets			
Intangible assets		14,626	14,537
Property, plant and equipment		129,283	132,134
Fixed asset investments		22,899	20,834
Total non-current assets	11	166,808	167,505
Current assets			
Inventory of goods and emergency aid equipment		10,274	6,777
Receivables	12	344,577	348,123
Prepayments		2,847	1,914
Securities*		120,776	119,020
Cash and cash equivalents	13	286,460	266,994
Total current assets		764,934	742,828
Total assets		931,742	910,333
EQUITY AND LIABILITIES			
Equity			
Tied up in land and buildings		90,588	90,919
Reserves		104,079	102,745
Retained earnings		120,356	108,595
Total equity	14	315,023	302,259
Provisions		23,265	7,922
Non-current liabilities			
Mortgage debt		3,174	4,306
Accrued subsidy for recognised assets	15	30,017	30,172
Other debt		32,768	7,315
Total non-current liabilities		65,959	41,793
Current liabilities			
Earmarked funds to be carried forward	6	417,722	426,022
Trade payables		32,984	45,875
Other payables		76,789	86,462
Total current liabilities		527,495	558,359
Total equity and liabilities		931,742	910,333
Other notes - Danmarks Indsamling	16		

* In addition to its own securities, the Danish Red Cross manages restricted legacies. Their value at 31 December 2020 was DKK 4,826 thousand.

NOTE 1	2020	2019
Funds from public institutions in Denmark (DKK'000)		
Danish Immigration Service	248,472	242,867
Ministry of Foreign Affairs (Danida)	355,498	473,306
Other ministries and government agencies	68,468	66,544
State gambling pools, LOTFRI*	7,500	7,500
Secretariat grant**	5,500	5,400
Total funds	685,438	795,617

* 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.

NOTE 2	2020	2019
Funds from international institutions (DKK'000)		
Red Cross societies/IFRC/ICRC	55,515	89,645
EU institutions, DEVCO	89,832	115,164
EU institutions, ECHO	39,390	26,203
Other institutions	14,537	16,850
Total funds	199,274	247,862

NOTE 3			2020	2019
Private funds collected (DKK'000)				
	Income	Expenditure	Total	Total
Private donations	107,310	-23,231	84,079	69,612
Fundraising activities	25,711	-10,643	15,068	27,244
Foundation grants	48,859	-2,617	46,242	15,975
Legacies	14,063	-196	13,867	8,901
Business cooperation	27,827	-5,316	22,511	17,943
Membership fees	5,783	-14	5,769	5,756
Total funds collected	229,553	-42,017	187,536	145,431

The note covers income from earmarked private funds collected that have been used during the year. Private funds collected during the year, both used and unused, total DKK 253,068 thousand.

NOTE 4	2020	2019
Second-hand activities (DKK'000)		
Income	200,557	218,329
Expenditure	-147,305	-143,788
Total second-hand activities	53,252	74,541

NOTE 5			2020	2019
Other activities (DKK'000)				
	Income	Expenditure	Total	Total
First aid	14,858	-15,152	-294	443
Emergency first aiders	2,279	-4,694	-2,415	-1,601
Other activities	6,266	-2,965	3,301	2,406
Total other activities	23,403	-22,811	592	1,248

The Danish Red Cross has received DKK 4.2 million in cost compensation during the COVID-19 lockdown.

NOTE 6					
Earmarked funds to be carried forward (DKK'000)					
	1 Jan.	Received	Used	31 Dec.	Changes for the period
Danish Immigration Service and Danish Prison and Probation Service etc.	10,700	248,993	-248,472	11,221	521
Strategic Partnership agreement (Lot HUM) (Danida)	2,272	159,000	-153,808	7,464	5,192
Strategic Partnership agreement (Lot CIV) (Danida)	3,374	68,000	-65,782	5,592	2,218
Other Danida grants	11,684	136,909	-135,908	12,685	1,001
EU grants	176,979	97,619	-129,222	145,376	-31,603
Other ministries and government agencies	26,842	76,728	-68,468	35,102	8,260
Red Cross societies/IFRC/ICRC	67,065	42,763	-55,515	54,313	-12,752
Other international institutions	14,256	10,924	-14,537	10,643	-3,613
Collected earmarked funds	112,850	116,917	-94,441	135,326	22,476
Total	426,022	957,853	-966,153	417,722	-8,300

NOTE 7			2020	2019
Used for international relief work (DKK'000)				
	Disaster	Development	Total	Total
Middle East	169,315	35,779	205,094	245,179
Africa	79,311	74,738	154,049	294,516
Europe and Asia	46,559	80,060	126,619	152,761
Non-country specific	79,918	5,850	85,768	25,010
General guidance and monitoring	11,886	11,886	23,772	20,379
Donations to IFRC/ICRC	2,321	0	2,321	6,244
Psychosocial Reference Centre	0	10,546	10,546	18,207
Total international relief work	389,310	218,859	608,169	762,296

NOTE 8		2020	2019
Used for relief work in Denmark (DKK'000)			
Family activities		62,687	63,573
Activities for lonely people		36,014	34,598
Integration		22,919	19,482
Organisational development and Volunteer House		11,776	12,380
Branches' international work		2,284	1,620
Subsidies for the Danish Red Cross Youth		1,700	1,700
Emergency work		5,742	1,888
Total relief work in Denmark		143,122	135,241

NOTE 9		2020	2019
Used for asylum activities (DKK'000)			
Accommodation and sustenance		188,400	179,400
Property administration, transport, warehouse, furniture, maintenance, etc.		31,533	30,500
Benefits in kind (clothing and hygiene packets, food, etc.)		12,690	12,980
Asylum agreement		12,100	12,660
Pedagogical pool funds		1,300	3,300
Other operations		35,134	42,600
Total asylum activities		281,157	281,440

NOTE 10

Financial income and expenses, net (DKK'000)			2020	2019
	Income	Expenses	Total	Total
Interest	30	-897	-867	-55
Securities	1,444	-536	908	927
Foreign exchange	0	-1,139	-1,139	-1,119
Total financial income and expenses, net	1,474	-2,572	-1,098	-247

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

	Intangible assets	Operating equipment	Land and* buildings	Fixed asset** investments	Total
Acquisition cost at 1 January	49,891	25,527	136,545	20,834	232,797
Additions for the year	3,921	1,303	2,081	2,628	9,933
Disposals for the year	-810	-2,403	-2,398	-563	-6,174
Acquisition cost at 31 December	53,002	24,427	136,228	22,899	236,556
Amortisation/depreciation at 1 January	-35,354	-18,789	-11,149	0	-65,292
Amortisation/depreciation for the year	-3,303	-2,152	-1,947	0	-7,402
Amortisation/depreciation regarding disposals for the year	281	2,295	370	0	2,946
Amortisation/depreciation at 31 December	-38,376	-18,646	-12,726	0	-69,748
Total non-current assets	14,626	5,781	123,502	22,899	166,808

* 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 5,685 thousand) and deposits on leases mainly related to second-hand activities (DKK 17,214 thousand).

NOTE 12	2020	2019
Receivables (DKK'000)		
Trade receivables	11,948	19,262
Grant commitments	233,152	263,439
Danish Immigration Service	44,576	24,389
Other receivables	54,901	41,033
Total receivables	344,577	348,123

NOTE 13	2020	2019
Cash and cash equivalents (DKK'000)		
Own funds	165,067	116,157
Donor funds	121,393	150,837
Total cash and cash equivalents	286,460	266,994

NOTE 14	Tied up in land and buildings	Reserve, International Disaster Fund	Reserve, National Fund	Reserve, Development funds	Reserve, local branch	Retained earnings	Total equity
Equity (DKK'000)							
Equity, beginning of year	90,919	64,000	18,000	20,000	745	108,595	302,259
Surplus/deficit for the year	0	0	0	0	0	12,764	12,764
The year's amount used by funds	0	-16,586	-878	-3,055	0	20,519	0
The year's external grants to funds	0	5,777	2,212	0	0	-7,989	0
The year's amount designated to funds	0	10,809	0	3,055	0	-13,864	0
Amount transferred to be tied up in land and buildings	-331	0	0	0	0	331	0
Total equity	90,588	64,000	19,334	20,000	745	120,356	315,023

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.

NOTE 16	2020	2019	2018	2017	2016	2015	2014	Total
Danmarks Indsamling (DKK'000)								
Danish Red Cross share	11,021	7,805	8,531	9,550	9,717	10,330	9,115	56,954
Used (including administrative contribution)	0	-5,229	-8,531	-9,072	-9,717	-10,330	-9,115	-42,879
Balance at 31 December	11,021	2,576	0	478	0	0	0	14,075

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 its 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 applied are consistent with those applied last year.

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 as financial income or financial expenses.

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 from donors are recognised as earmarked funds to be carried forward in equity in the balance sheet when a binding commitment has been received from the appropriating party.

Earmarked funds that have not been spent are recognised as liabilities in the balance sheet item "Earmarked funds to be carried forward". The year's changes in earmarked funds to be carried forward are recognised in the income statement to the effect that a net amount of earmarked funds is taken to income in the financial statements that is equivalent to the expenses incurred for the specific purpose. Changes in earmarked funds thus reflect the difference between the earmarked grants received during the year and the use of such funds in 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 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 as and when transferred to international project partners.

Other external expenses are accounted for on an accruals basis to the effect that such expenses are recognised at the amounts relating to the financial year.

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 write-downs 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 cash 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

*General management and administrative expenses*100*

Total income minus Asylum Department activities

Equity ratio

*Equity at year end * 100*

Total assets at year end

Liquid ratio

*Current assets *100*

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 2020.

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 2020 and of the results of its operations for the financial year 1 January to 31 December 2020.

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

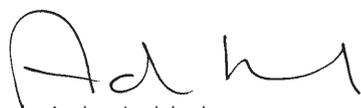
It is our opinion that the transactions covered by the financial statements are in accordance with the subsidies granted, laws and regulations and other rules as well as agreements concluded and common practice. Also, in our opinion, we have established business procedures which ensure financially appropriate 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 2020 have been prepared in accordance with the accounting provisions of Executive Order No. 160 of 26 February 2020 and the Danish Fundraising Act.

Copenhagen, 14 June 2021

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



Maarten van Engeland
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 2020, 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 2020 and of the results of its operations for the financial year 1 January to 31 December 2020 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 go-

ing 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 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, and generally accepted public auditing 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, legislation, other regulations as well as agreements entered into 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.

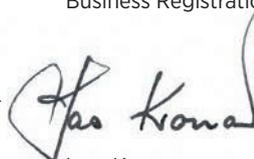
In performing our audit of the financial statements, it is our responsibility in accordance with generally accepted public auditing standards to select relevant items for both compliance audit and performance audit purposes. When conducting a compliance audit, we test the selected items to obtain reasonable 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.

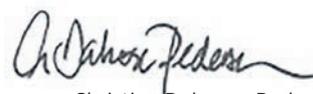
We have no significant critical comments to report in this connection.

Copenhagen, 14 June 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56



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



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

When the opportunities to meet in physical communities were restricted, new digital activities like 'ChatTogether' and 'LanguageLand' were initiated.
Photo: Peter Sørensen



