



ANNUAL REPORT **2021**

DANISH RED CROSS

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**“It has been fantastic to see
so much compassion in a time
of crisis!”**

UNITED IN ACTION

Conflicts, climate change and no healthcare. Increasing loneliness and mental ill-health. And on top of that, COVID-19.

That was what 2021 was like. This was a year when more people than ever before were in need of humanitarian aid.

People close ranks in times of crisis, so it's said. At the Danish Red Cross, we experienced this in the way that we were really many people united in action:

Many people approached the Danish Red Cross because they wanted to help, and we involved 36,000 people in volunteer relief work in Denmark in 2021.

Even more wanted to help financially, and the Danish Red Cross collected a record DKK 391 million during the year.

The authorities approached the Danish Red Cross for assistance in performing some of the huge tasks faced by society. And during the year, we expanded our collaboration with foundations, companies and institutional donors.

With the massive support we have seen in 2021, we were able to help 3.5 million people. It has been fantastic to see so much compassion in a time of crisis!

In our 2021 Annual Report, we describe for the first time our efforts to reduce the climate footprints of the Danish Red Cross. As a new element, the Annual Report also includes consolidation of the finances of multiple entities in the Danish Red Cross and hence also the results of the Danish Red Cross Youth, which has realised a surplus for the year of DKK 3.9 million.


Sven Bak-Jensen
President


Anders Ladekarl
Secretary General

With the climate crisis come violent weather events that may lead to disasters. In Malawi, the Danish Red Cross is working together with the Malawi Red Cross Society to improve local disaster preparedness so that people will be ready to act when disaster hits. This project is supported by ECHO.
Photo: The Danish Red Cross

HUGE COMMITMENT AND ACTIVITY IN 2021

The Danish Red Cross has as its ambition to involve more people to help more people. We involve people in many different ways, through volunteering, financially, on social media, and through the Danish Red Cross School Service. Below, it is evident how many people were involved in the Danish Red Cross in 2021, and how many we helped.

Volunteer communities

The total number of volunteers involved in the Danish Red Cross increased in 2021 compared to last year and now stands at 36,000 people, 3,000 of whom are involved through the Danish Red Cross Youth. There has been a slight decline in the number of regular volunteers, whereas the number of Red Cross Ready helpers has gone up from just under 3,000 in 2020 to over 5,000 at the end of 2021. Especially COVID-19 activities like vaccination accompaniment have spurred many to volunteer as Ready helpers. In 2021, Boblberg had over 400,000 users to join the social digital network community.

Financial involvement

Once again, the financial involvement was record-breaking in 2021. The number of regular donors has increased from around 41,000 in 2020 to 47,500 at the end of

2021. A total of around 322,000 people have donated money to the work of the Danish Red Cross in 2021. The number of donors donating to national purposes has gone up. The Danish Red Cross Youth too has seen an increase in financial involvement in 2021 with around 11,500 regular donors (members and donors).

School Service

208,000 primary school and upper secondary school pupils have worked with Danish Red Cross teaching resources in 2021. During the year, the Danish Red Cross issued some new teaching resources for all grades and with topics reflecting the Danish Red Cross' national and international activities, for example, loneliness, vulnerable children and families, the laws or customs of war, natural disasters, and health.

Social media

Also on social media like Facebook, Instagram and LinkedIn, the Danish Red Cross is seeing great involvement. We had close on 57 million views on these three channels in 2021, which is 13% up on last year. Every day, a little over 4,000 users on average like, comment on, share, or click on our posts on Facebook. The Danish Red Cross Youth had 62,000 followers on social media in 2021.

International relief work

Internationally, the Danish Red Cross helped over 3.2 million people in 2021, which is a little less than last year. Several people received help in different ways. We helped 1.4 million people with COVID-19-related activities ranging from information and prevention to treatment and vaccines. In emergency situations, we helped 1.5 million people with other types of healthcare and over 620,000 people with humanitarian aid in the form of food, blankets, tents and other equipment. Moreover, we have intensified our focus on chronic diseases and on psychosocial support and mental health in times of crisis.

National relief work

Nationally, the Danish Red Cross assisted 23,300 people through long-term activities and provided help to over 264,000 people through here-and-now activities. This is 5% and 20%, respectively, down on last year. It has been difficult to maintain joint activities in particular in a year with COVID-19 restrictions and lockdowns. At year-end, 95% of the social activities were up and running again. 45,000 people took a first aid course with the Danish Red Cross in 2021. The Danish Red Cross welcomed 1,875 newly arrived asylum seekers.



Volunteers 31,309



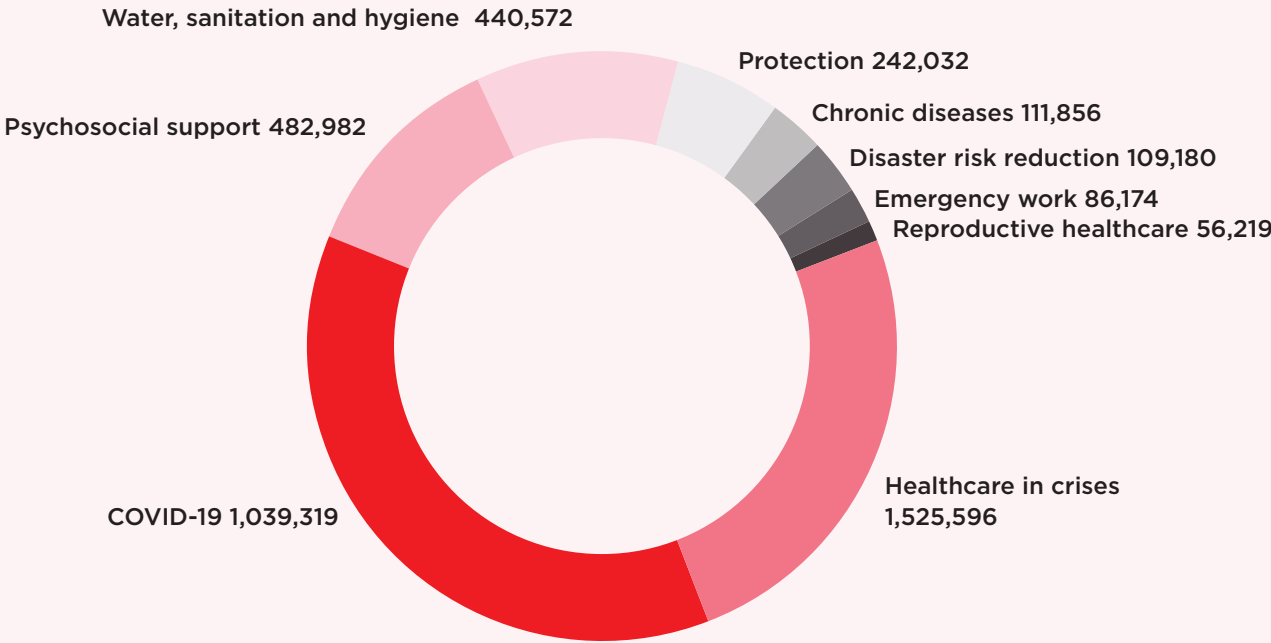
Ready helpers 5,296



Danish Red Cross donors 322,000

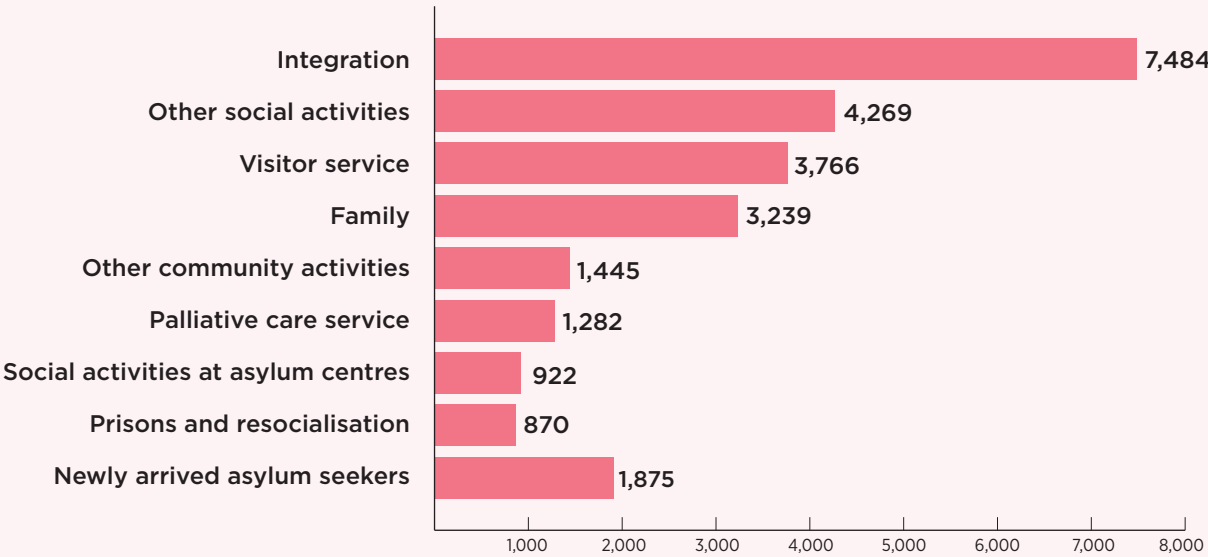
THIS IS HOW MANY PEOPLE WE HELPED IN 2021

In our **international relief work**, we reached 3,241,060 people.



Some people have had help through multiple activities, and the total number of people in the chart is therefore higher than the number of 3.2 million unique people assisted by the Danish Red Cross in international relief work in 2021.

In our **national relief work**, we reached 23,300 people through long-term activities.



The number of newly arrived asylum seekers received by the Danish Red Cross in 2021 exceeds the 23,300 people assisted by the Danish Red Cross through long-term activities in 2021. In addition to this, the Danish Red Cross helped 264,000 people by means of here-and-now activities.

“We have focus on spreading our sources of income to reduce our vulnerability”

A ROBUST FINANCIAL BASE

In 2021, the Danish Red Cross spent DKK 1.1 billion on relief work in Denmark and around the world. The surplus for the year stands at DKK 35 million, which is reserved for future relief work.

We have focus on spreading our sources of income to reduce our vulnerability, in both national and international relief work. It is important for the Danish Red Cross to be financially independent so that we can act when we come across new needs and on an independent basis.

Reuse and private donations

Even though the second-hand shops were closed at the beginning of the year, second-hand activities generated DKK 221 million in sales and a surplus of DKK 66 million for relief work in 2021.

Funds collected from fundraising activities too reached a record high in 2021 when a total of DKK 391 million in private funds was collected. There are many different causes - both national and international ones - that make donors want to donate money for the relief work of the Danish Red Cross. In 2021, we experienced huge support when nearly 1,000 Afghans were evacuated to Denmark after the Taliban took power in Afghanistan in August.

New partnerships

Public development funding is not commensurate with the huge humanitarian needs around the world. The Danish Red Cross is working determinedly to build new partnerships that may generate more resources for humanitarian work and in other ways add value to the projects. Besides the continued collaboration with institutional donors such as Danida and the EU, we have expanded our collaboration with private foundations. To give an example, we have partnered with Ole Kirk's Fond ('Ole Kirk's Foundation') and the Novo Nordisk Foundation on major programmes that are to step up the work on chronic diseases in times of crisis in Africa and the Middle East. We are also working on introducing other funding mechanisms such as insurance and prevention bonds that have not traditionally been instruments used in a humanitarian context.

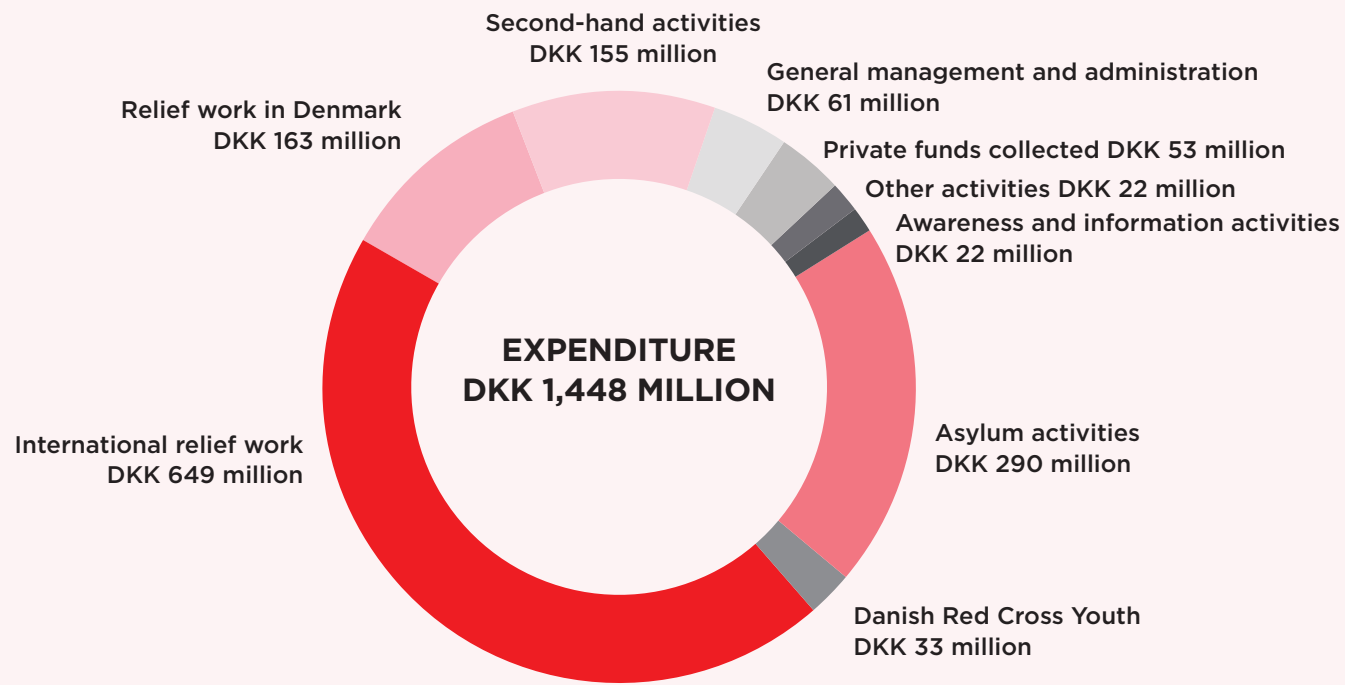
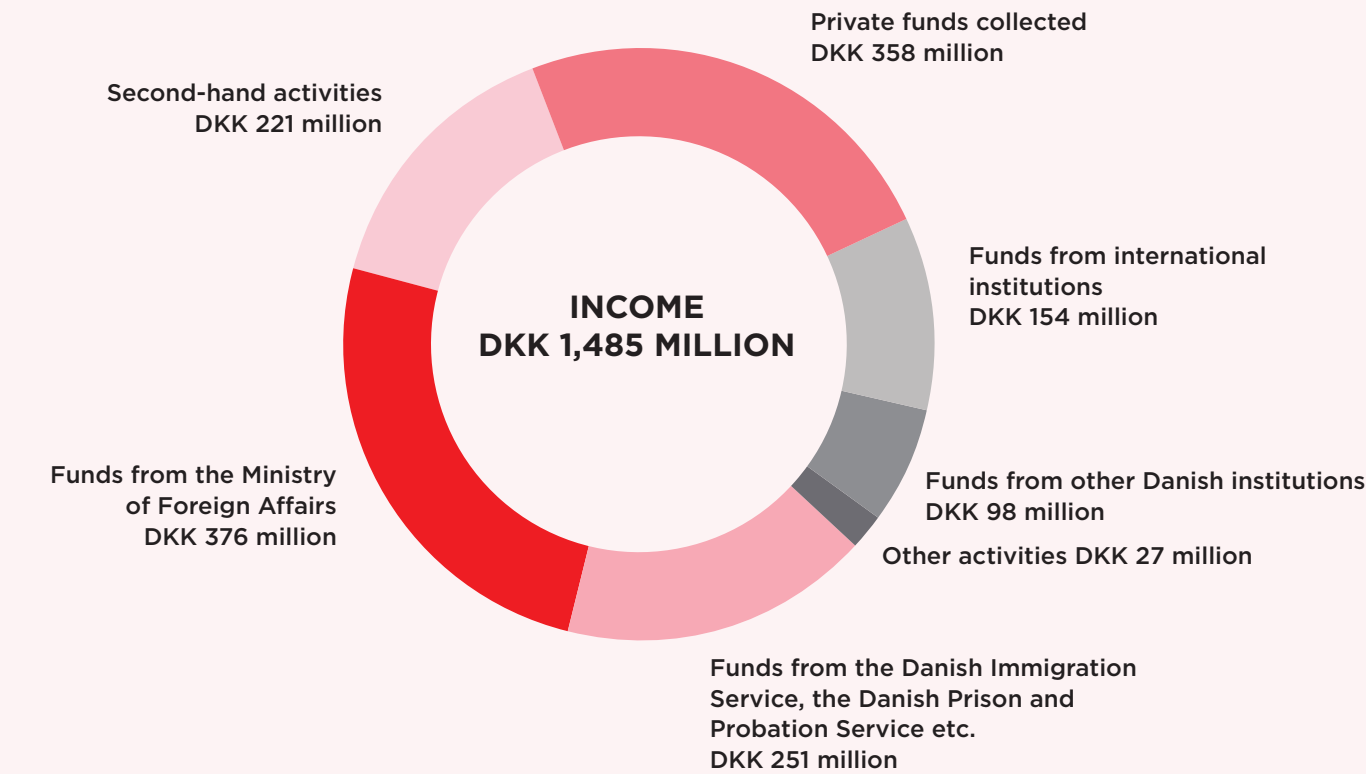
The Novo Nordisk Foundation, the Egmont Foundation, and the Nordea Foundation have funded projects at the Danish Red Cross asylum centres in 2021, and we have also expanded our collaboration with foundations on our social activities.

Collaboration with authorities

The Danish Red Cross has become part of the established welfare infrastructure, and in 2021 we received more funding from public institutions than in previous years. For example, we have received DKK 4.5 million from the National Board of Social Services for vaccination accompaniment and also special COVID-19 funding that has contributed to reopening communities and to inviting more people in.

All Our Children

A partnership with TV2 also contributed to this year's handsome surplus. A TV2 show in November 2021 brought focus on vulnerable children in Denmark and raised a total of DKK 9.5 million. The show was a collaboration between TV2, Fodbold-fonden ('the Football Foundation'), and the Danish Red Cross. The funds collected are used, for example, for helping vulnerable children and their families through the Danish Red Cross family networks and with leisure activities etc. After the show, TV2 and the Danish Red Cross continued a joint fundraising campaign in December with focus on Christmas help for vulnerable children and their families.



OUR FOCUS AREAS IN 2021

SIX
COUNTRIES
WITH MOST
ACTIVITIES



DENMARK DKK 485 MILLION

DKK 163 million was spent on relief work in Denmark to create communities and provide support for vulnerable groups. The Danish Red Cross Youth spent DKK 32 million on activities for young people in Denmark and around the world. In asylum activities, DKK 290 million was spent on running five asylum centres and handling healthcare and social functions at the deportation centres.

SYRIA DKK 86 MILLION

Humanitarian aid, healthcare, improving medicine supply efficiency, treatment of chronic diseases and mental health, and activities for young people directed at improving both mental health and job readiness. Development of weather-related contingency plans.

AFGHANISTAN DKK 72 MILLION

Humanitarian aid, support for income-earning activities, and distribution of materials for basic needs, healthcare, psychosocial support for young people and local communities, treatment of prisoners, restoring of family relations, and compliance with the rules or customs of war.

YEMEN DKK 55 MILLION

Humanitarian aid, clean water, sanitation, basic healthcare, COVID-19 prevention and response, psychosocial support, capacity building, and humanitarian diplomacy to ensure access to people in need.

ETHIOPIA DKK 28 MILLION

Humanitarian aid for victims of the Tigray conflict, prevention of violence in connection with elections, support for returning migrants, a study of migration risks, training of response teams, building capacity in psychosocial support and psychological first aid, maintaining respect for the Red Cross badge.

LEBANON DKK 37 MILLION

Providing basic healthcare and psychosocial support for refugees and vulnerable families through centres and mobile units, building capacity of local branches, and training in psychosocial support, and self-help for volunteers.

INCREASING HUMANITARIAN NEEDS AROUND THE WORLD

Humanitarian needs around the world increased in 2021, and COVID-19 worsened the situation for millions of people. The Danish Red Cross supports our partners all over the world by providing humanitarian aid, healthcare and better preparedness in some of the world's most complex crises. We always involve the people we help directly in the development and adjustment of all humanitarian activities. In 2021, the Red Cross developed a new international strategy with focus on providing help in the world's most fragile contexts.

Long-standing crises

Many countries around the world are affected by long-standing crises and virtually permanent humanitarian needs. The Red Cross provides humanitarian aid, healthcare, clean water and psychosocial support in complex crises in countries such as Mali, Yemen, Syria, Afghanistan and Myanmar. In 2021, we made a particular effort for the people impacted by the resurging conflict in the Tigray Region of Ethiopia. The Red Cross provides both here-and-now humanitarian aid and long-term capacity building that will strengthen our partners.

Multiple waves of COVID-19

In many countries, the COVID-19 vaccination roll-out is still limited in scale, and misinformation on the risk of infection and on prevention flourishes. In 2021, the Danish Red Cross helped over 1.4 million people with COVID-19-related activities which focus on information, prevention, treatment and vaccines. Volunteers have gone from door to door in Malawi to gather examples of misinformation that have been used to target communication material with advice on how to prevent transmission.

Chronic diseases

The access to healthcare is uneven in the world, and in fragile contexts in particular

it is difficult to gain access to a doctor, maintain a course of treatment, or secure the medicine needed. Chronic diseases are growing and are globally the cause of more than 70% of all deaths. Our aspiration is to be a leader in alleviating chronic diseases in humanitarian crises where people are most vulnerable.

Local preparedness

With the climate crisis come more violent and more frequent weather events that may lead to disasters. The Red Cross is in the process of developing systems that may predict these events so that we can take action before disaster hits. We are working on setting up systems to predict drought and flooding in seven countries, including Nepal, and more are on their way. This way, we can equip the most vulnerable population groups to better deal with future events. Because of the initiative in Nepal, it was possible to evacuate 2,000 families from a flood caused by heavy rains. This saved many lives.

Knowledge-driven development

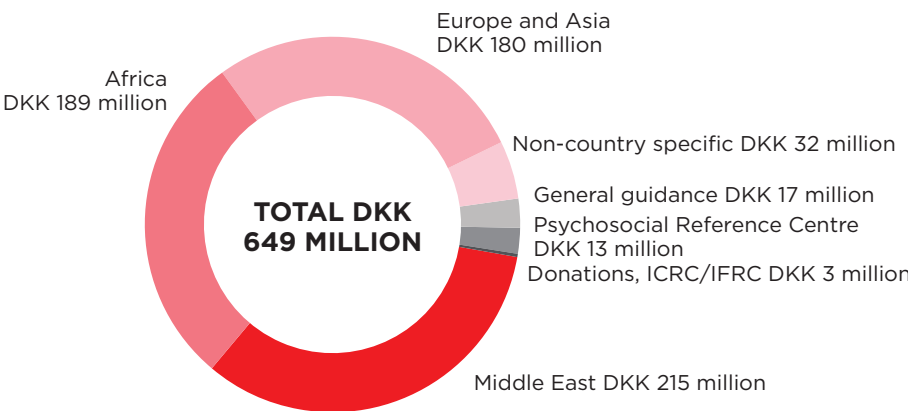
The Danish Red Cross is constantly working on becoming even better at dealing with the complex challenges faced by the most marginalised people of the world. We do

so, for example, in collaboration with recognised research institutions on in-depth studies. To give an example, the Danish Red Cross and the Danish Institute for International Studies, DIIS, together issued a report on the dangers that young Ethiopian migrants are exposed to when they migrate to find a job, for example, in Saudi Arabia. The information can be used to target our initiatives in order to help migrants when they are in transit and when they return to their home countries.

Innovative funding

The world's most risk-exposed people often have no access to insurance or other financial products. At the same time, the humanitarian needs are increasing, and public benefits are not enough to cover them. That is why the Danish Red Cross has launched and tested a series of innovative financial instruments to ensure more funding for humanitarian needs. In 2021, we launched the world's first disaster bond that will provide insurance for the villages affected by volcanic eruptions. The Danish Red Cross is leading in the world in terms of testing innovative financial mechanisms that have the potential of creating new ways of operation for the entire humanitarian sector.

International relief work 2021



Lebanon is one of the five countries in the world where the Danish Red Cross was most involved in 2021. Here, we assisted with healthcare and psychosocial support. Photo: ICRC/Marko Kokic



The Danish Red Cross helped over 1.4 million people with COVID-19-related activities in 2021, for example, in Malawi. Photo: Jakob Dall



In 2021, 3,239 adults and children got help through the Danish Red Cross' family activities, among them, family camps. The Danish Red Cross offers both individual support and joint activities.
Photo: Peter Sørensen



In the Primus Motor programme, volunteer mentors help released prisoners in the difficult transition from prison to freedom. In 2021, 30 released prisoners had a Red Cross mentor.
Photo: The Danish Red Cross

READY TO ACT ON NEW NEEDS

The Danish Red Cross is ready to act on needs we see. In 2021, we assisted the authorities in accompanying vulnerable citizens to and from vaccination sites. Together with the National Board of Social Services, we set up the telephone help line 'Et godt stik' (A Good Needle Stick) to answer citizens' questions about vaccination, get help to book their vaccination or vaccination accompaniment. More than 25,000 citizens have had help through the Danish Red Cross' vaccination activities in 2021.

Loneliness
COVID-19 has intensified the widespread loneliness in Denmark. The Danish Red Cross is combatting loneliness by communities, for example, through the visitor service, network groups and social cafés. On the digital platform 'SnakSammen' ('Chat-Together'), people can meet via videolinks. Extensive activities are needed to stamp out loneliness. That is why the Danish Red Cross has been a vocal advocate of a national strategy on loneliness. In November 2021, the Danish Parliament passed a resolution to provide funding for this, and the Ministry of Social Affairs and Senior Citizens has asked the Danish Red Cross and Ældre Sagen ('the Danish Elderly Association'), which represents senior citizens, together to head the national partnership that is to develop the strategy.

Supporting prisoners
In 2021, the Danish Red Cross was on site at 49 prisons and penitentiaries where 285 prisoners had visits by a Red Cross visitor, and 555 prisoners participated in joint activities such as bingo, book clubs, film clubs and first aid activities. That is more than the year before. In addition, 30 released prisoners had a volunteer Red Cross mentor to help them become part of society after having completed their sentences. A research study documented in 2021 that the mentoring scheme cuts recidivism among repeated criminals by more than a half.

Help for women and children exposed to violence
In 2021, 570 women and children having been exposed to close-relationship violence attended Qnet, which is a network where the women get new relations and help with practicalities. Women who are to live in their own homes after having stayed at a crisis centre can also get help from a volunteer interior designer to furnish their new homes as well as financial support for this purpose. 97% of the women having received help experience that it contributes to changing their lives for the better, and 86% get a sense of being part of a community.

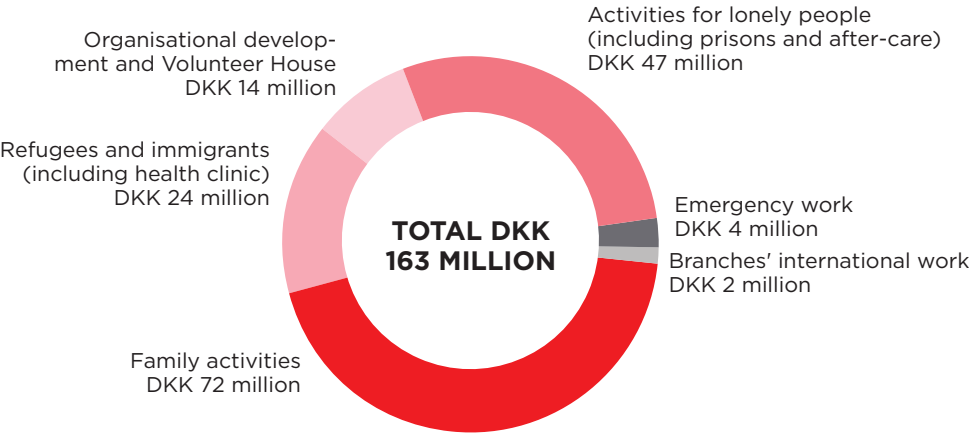
Homeless care
In 2021, 267 sick, homeless people discharged from hospital were given accommodation at one of the Danish Red Cross' three care centres in Copenhagen, Aarhus or Middelfart. Homeless are given peace at these centres to recover after hospitalisation. Activities were affected by COVID-19 with periodic lockdowns.

Refugees and migrants
The Danish Red Cross had integration activities in 61 municipalities in 2021, among them, friendship families, language practice and legal assistance. Volunteers also serve as temporary persons having rights of custody for unaccompanied refugee

children. We run three health clinics for undocumented migrants. Since 2016, over 9,000 refugees have received help through 'Venner Viser Vej' ('Friends Show the Way'), which is a co-project of the Danish Red Cross and the Danish Refugee Council. An evaluation in 2021 showed that the initiative helps refugees improve their Danish language skills, get closer to the job market, and thrive better and that especially children benefit from the volunteers' assistance in finding activities in associations.

Vulnerable families
The Danish Red Cross offers individual support to families by using volunteer family friends or training or job mentors who can guide the individual family members in their daily lives, and we organise joint activities in family networks and at family camps. 3,239 adults and children received help in 2021 through the Danish Red Cross' family activities, and 15,000 financially vulnerable families received support to be able to celebrate Christmas. Financially vulnerable families can also apply for financial support to cover specific expenses such as school camps, celebration of special occasions, etc. An evaluation of the family activities shows that 35% of the parents having had a job mentor find employment. All of those who have had a training mentor stick to their training programme.

National relief work 2021



“The Danish Red Cross works to give asylum seekers safe, meaningful and decent daily lives”

NEW TASKS IN ASYLUM ACTIVITIES

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.

Stable low number of arrivals

The number of asylum seekers remained low in 2021, yet with an increase in the second half of the year. This increase was primarily due to around 850 evacuated Afghans being received in August. Reception Centre Sandholm registered 1,875 newly-arrived asylum seekers during the year.

Reception of Afghans

In August 2021, the Danish Red Cross took part in receiving the group of Afghans who were evacuated from Afghanistan when the Taliban took power in the country. The task was to set up reception facilities at the airport, be present when they arrived, and then ensure accommodation. This took place over a two-week timeline from the first notification about the task and until all nine evacuation airplanes had landed, and around 850 people had been put up at Reception Centre Sandholm and at reopened Centre Thyregod. All children over the age of six were offered schooling under the Danish Red Cross auspices, and small

children were quickly put into child care. Everybody was offered a health screening, and families with children were also offered mental health screenings. In early September, the adults were offered training and work experience.

United to help

The entire Danish Red Cross community assisted in the activity together with the Asylum Department. The Danish Red Cross' Tracing Service was available to the Afghans at Sandholm, the headquarter of the Danish Red Cross and the local Red Cross branches were in charge of organising and planning the volunteer operation of getting a grip on the many private donations that were made to the Afghans and that resulted in four shipping containers being filled at Sandholm alone within a short period of time. In a fundraising initiative directed at companies, schoolbags for children, furniture and equipment for a new day care centre at Sandholm and additional hygiene products were donated. Also, the huge media interest was handled and resulted in over 30 appearances in all major Danish media.

New special centre

At the end of November, the Danish Red Cross opened a new special centre for adult asylum seekers or persons with no legal residence and a behaviour that cannot be accommodated by the general centre system. This could be persons with drug addiction, traumas, mental health or similar problems. The centre is placed at Sandvad and can accommodate 20 people. The opening of the centre gave rise to

some protests from local neighbours. The purpose of action at this centre is to retain and strengthen the residents' resources to enable them to thrive and cope with their daily lives and potentially enable them to shift to the general centre system.

Meal scheme at Avnstrup

Early in the year, the Danish Red Cross introduced a long-awaited food-shopping scheme at Deportation Centre Avnstrup, entailing that the rejected families can now cook their own food. With this scheme, the last recommendation from the Danish Red Cross' report on children's conditions at Deportation Centre Sjælsmark has now been realised. As agreed with the Danish Immigration Service, the food-shopping scheme has been launched as a pilot project.

New Orderly Return Act

A new orderly return act became effective in 2021, involving, for example, that rejected asylum seekers will be refused access to training and activation if they do not assist in their orderly return. Prior to its enactment, the Danish Red Cross commented on the Act, pointing out the inappropriateness of refusing the access to training and activation. However, the comments of the Danish Red Cross were not incorporated in the final Act. As part of the implementation of the Act, the Danish Red Cross has signed a contract with the Danish Return Agency ('Hjemrejsestyrelsen') on special training programmes designed to inform the residents of the consequences of non-assistance.



In August 2021, the Danish Red Cross welcomed the around 850 Afghans who had been evacuated from Afghanistan to Denmark. A lot of donated bikes made the daily lives of children at Sandholm and Jelling a little more fun. Photo: Susan Hoffmann/Danish Red Cross



As part of receiving the evacuated Afghans, the Danish Red Cross ensured that all children over the age of six were offered schooling under the Danish Red Cross auspices, and small children were quickly put into child care. Photo: Susan Hoffmann/Danish Red Cross



The DRCY has trained young volunteers in Kenya who have in 2021 helped young people in Mukuru design small projects to solve local challenges. Photo: Kenya Red Cross Society



In 2021, the DRCY and the Red Cross of Greenland have supported 250 young people all over Greenland in implementing a series of projects for young people. Photo: The Danish Red Cross Youth

“The project has improved the local community’s view on young people”

EVERYONE CAN BE SOMETHING SPECIAL FOR SOMEONE

After a couple of years of financial crisis, the Danish Red Cross Youth (DRCY) came out of 2021 with a surplus of DKK 3.9 million and slightly over DKK 3 million in equity. Behind this recovery is a dedicated effort involving the implementation of a series of management tools and a new five-year strategy.

The strategy contains three overall objectives towards 2025: We want to make sure that more children and young people who are vulnerable become part of equal and empowering communities. We want to create a space for ignored voices and shed light on the dark side areas of society. We want to build a reliable and financially strong organisation that is able to deliver high-quality activities.

The DRCY is present in five institutional areas: Asylum centres, crisis centres, 24-hour care centres, hospitals (psychiatric and somatic wards), and prisons.

Youth Reform

Every day, the DRCY meets young people who grow up in institutions of the public system as placed persons, as psychiatric patients or as prisoners. And these young people’s stories have one thing in common: The sense of abandonment in the transition from child to adult. The DRCY has gathered input from young people and, together with them, prepared a Youth Reform proposal. This proposal comprises 11 specific political proposals that the DRCY has handed over to the Danish

Minister of Social Affairs, Astrid Krag.

#SygtUng

In 2021, the DRCY set up the #SygtUng (‘#SickYoung’) campaign. Here, ten young people who have or have had physical or mental illness in their lives in different ways came forward and told their stories, honestly and vulnerably. Five well-known young personalities - singers, actors and actresses - who have struggled with similar issues came forward too to back the message. The #SickYoung campaign created awareness about and collected money for the DRCY’s 15 hospital cafés around the country where sick children and young people have a haven and a break from illness.

Chicken farms in Mukuru

In 2021, 12 young Kenyan Red Cross volunteers trained by the DRCY facilitated workshops for groups of young people at the informal Mukuru settlement in Nairobi. These volunteers have assisted young people in identifying local challenges and in designing small projects to address those challenges. The projects concerned, for example, separation of waste, chicken farms, and organising sporting activities and provision of information about drug and alcohol abuse. The evaluation shows that it has been a successful project in that 18 out of 20 groups of young people have managed to set up projects that are still ongoing. Also, the project has improved

the local community’s view on young people because they have played a positive role there. The good experience from the pilot project will be carried on in a larger Civil Society in Development project that was initiated in July 2021 and will run until the end of 2023.

Operation Day’s Work

The DRCY and the Red Cross of Greenland are working together on an Operation Day’s Work project which, despite COVID-19 lockdown, reached 250 young people all over Greenland in 2021. Following a sprint development programme, the young people implemented some youth-driven projects, such as polka dancing, ghost story nights, and a drop-centre for children and young people of parents with addictions.

Young people’s mental well-being

Through its policy work, the DRCY has run a working group under the Red Cross and Red Crescent movement. The objective is to determine to what extent and in what way the movement should act on the worldwide deterioration of young people’s mental health. During the year, the working group has gathered input from around 5,500 young volunteers from 63 different countries and, together with IFRC President Francesco Rocca, it has presented the results to nearly 200 national companies’ management bodies.

“Climate awareness is among the reasons why our customers choose to shop at the Danish Red Cross second-hand shops”

BUSINESS IS THRIVING – DESPITE LOCKDOWN

Much of Denmark was in lockdown when 2021 started, and for two months, the Danish Red Cross shops were closed for customers. This inspired the volunteers to find alternative sales channels, and many shops started selling goods online, especially 'Den Blå Avis' ('The Blue Paper') and Facebook. In fact, the volunteers at the shops were adaptable, and people were conceiving new solutions all over the country.

Despite the lockdown, 2021 proved to be a fantastic year for the Danish Red Cross in terms of second-hand activities. Sales of the shops reached DKK 204 million, which is a record high. In aggregate, second-hand activities generated DKK 221 million in sales and a surplus of DKK 66 million for relief work in 2021.

New shops and concepts

The mainspring of growth has been the Danish Red Cross' now 250 shops. Five new large, full-range shops opened in 2021, and new concepts were launched. Selling house and garden materials is a growing market, so it will be exciting to follow the two second-hand building

materials shops that the Danish Red Cross has opened in Jutland. Another market that keeps growing is online sales, and the Danish Red Cross opened the first second-hand webshop in 2021. This is a business area expected to grow.

Climate and reuse

We know that sustainability and climate awareness are among the reasons why our customers choose to shop at the Danish Red Cross second-hand shops. As the first reuse organisation, the Danish Red Cross in 2021 quantified the massive positive climatic effect of second-hand sales. We have been able to use this in our communication with customers and in our advocacy work. Together with the Danish Waste Association, DanChurchSocial, and DanChurchAid, the Danish Red Cross has made a promise to double reuse in Denmark. The aim is to develop partnerships for the benefit of the climate and circular economy in Denmark.

Raw material

The Danish Red Cross is working continuously on developing the field of reuse. Sales at our shops are our core business,

yet it is the Danish Red Cross' ambition to constantly explore concepts and initiatives that might be a supplement to the activities of the shops. Particularly clothes that the shops cannot sell we are looking into how to use them in Denmark. That is why we have launched, for example, 'Røde Kors Råstof' ('Red Cross Raw Material') where both individuals and businesses can buy textiles through the Danish Red Cross. The interest in using used materials is great, and the Danish Red Cross has developed a fine concept via the reuse centre in Horsens.

A year of reuse

Another initiative aimed at putting focus on sustainability is the campaign called 'Et år med genbrug' ('A Year of Reuse'). Here some Danes are followed who have volunteered to only buy used items for a year. They share their experience with reuse and with new reuse projects. Both 'Red Cross Raw Material' and 'A Year with Reuse' are part of the Danish Red Cross' strategy for boosting reuse in Denmark and supporting sensible use of resources that have already been created.

'A Year of Reuse' is a campaign inspiring sustainability where a number of people share their experience of only buying reused items for a year.
Photo: The Danish Red Cross



'Red Cross Raw Material' is a sustainable concept and a part of the Danish Red Cross' strategy for boosting reuse in Denmark and supporting sensible use of resources.
Photo: Adobe Stock



“Sustainability is an integral part of the Danish Red Cross’ policies and strategic framework”

DANISH RED CROSS AND THE CLIMATE

The core of Danish Red Cross work is always to be available for people who are vulnerable and at risk around the world. We emphasise acting with the utmost responsibility in our activities, both when it comes to people and economy and to climate.

The Danish Red Cross is working in several areas to reduce our own climate footprint, and through our second-hand activities we help Danish consumers do the same. We help people to cope with the consequences of climate change in the form of, for example, drought and flooding and to predict and prepare for changes, and we are working on finding more environmentally and climate friendly approaches to relief work.

Humanitarian climate charter

Sustainability is an integral part of the Danish Red Cross’ policies and strategic framework. In September 2021, the Danish Red Cross adopted ‘The Climate and Environment Charter for Humanitarian Organizations’, which the IFRC and the ICRC have been the drivers in developing. By adopting this Charter, we commit ourselves to playing an active role and to setting ambitious targets for reducing our CO2 emissions and to helping people affected by climate change.

Carbon footprint report

The Danish Red Cross has prepared a carbon footprint report since 2019 to determine the activities contributing to the annual climate impact and to identify areas where the Danish Red Cross can reduce its emissions. The climate footprint report is prepared under the Greenhouse Gas Protocol and reflects the Danish Red Cross’ consumption of fuels, energy and transport services. The report covers the headquarter inclusive of reuse centres, warehouse, second-hand shops and flights to overseas offices. Currently, emissions of the Asylum Department, overseas offices and the Danish Red Cross Youth are not included in the calculations.

The 2021 carbon footprint report estimates the climate impact at 2,982 tonnes of CO2 equivalents (CO2e) in 2021, which is largely on a par with 2020 (2,965 tonnes of CO2e). The increase compared to 2020 should be seen in conjunction with the COVID-19 pandemic, which led partly to more activity at the Danish Red Cross reuse centres because of more donations and partly to reduced travel in and outside Denmark.

Climatic effect of reuse

The Danish Red Cross second-hand shops enable our customers to do something

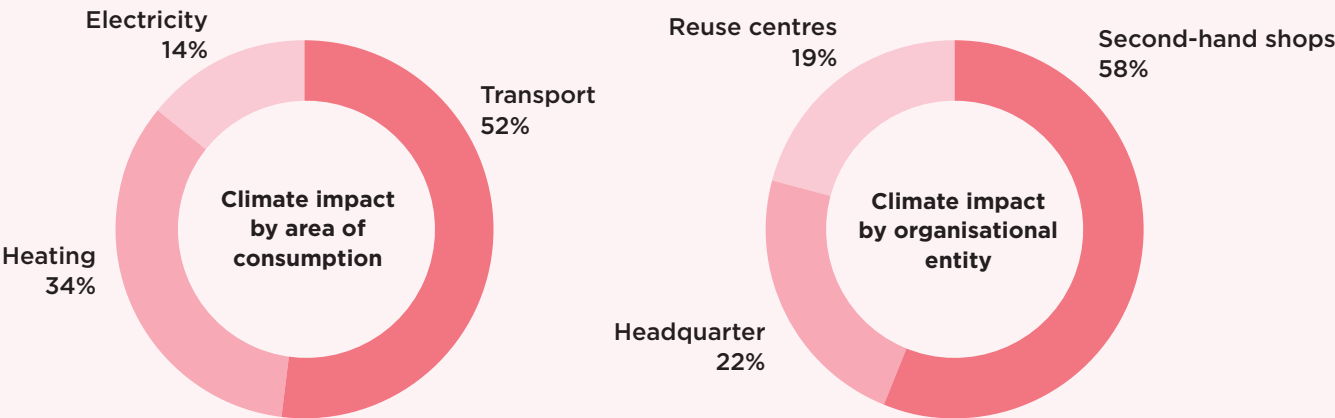
good for the climate. The positive climatic effects arise when reused textiles, furniture and other things replace production of new products, thereby suppressing emissions from production, distribution and removal. As the first reuse organisation, the Danish Red Cross has determined these positive effects by taking samples from a number of product categories and calculating the samples’ weight and material composition, and estimating their remaining technical life (quality ratio) and replacement ratio. Based on these samples, the climate impact is determined for a similar new product from the production phase to the removal phase of the product. A total of 562 samples were taken distributed on 15 different product categories.

7.2 million second-hand products were sold through the Danish Red Cross shops in 2021. Suppressed emissions from second-hand activities at the Danish Red Cross shops have been calculated at 20,369 tonnes of CO2e in 2021. This is 1,603 tonnes of CO2e up on 2020 because of increased sales at the shops in 2021.

By comparison, emissions from the Danish Red Cross’ second-hand activities have been calculated at 2,315 tonnes of CO2e in 2021, and net savings for our second-hand activities in 2021 can thus be estimated at 18,081 tonnes of CO2e.

CLIMATE IMPACT OF THE DANISH RED CROSS IN 2021

In 2021, the Danish Red Cross emitted 2,982 tonnes of CO2e

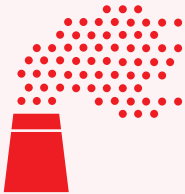


Climatic effect of reuse



Emissions saved

Sales of furniture, home furnishings, clothes, electronics and other items at the Danish Red Cross shops delivered CO2 savings amounting to **20,396 tonnes of CO2e** in 2021. These savings were achieved by reused products replacing the purchase of new products.



Reuse is also an emitter

The Danish Red Cross’ second-hand activities also emit CO2. Transport from clothes recycling containers to shops and operation of shops and reuse centres emitted **2,315 tonnes of CO2e** in 2021.



The total balance

So, net savings from the Danish Red Cross’ second-hand activities in 2021 can be estimated at **18,081 tonnes of CO2e**.

HRH Crown Prince Frederik is a dedicated patron of the Danish Red Cross, and here he is briefed on the situation in Afghanistan and the Danish Red Cross' reception of evacuated Afghans who arrived in Denmark in August 2021. Photo: Jakob Dall/Danish Red Cross



After 18 months of virtual meetings, chairs of the local Danish Red Cross branches were finally able to meet in person at the conference of chairs in November 2021. Photo: Nikolaj Kristian Carlsen/Danish Red Cross



FINANCIAL REVIEW AND DEVELOPMENTS

The 202 local branches, municipal districts, and the headquarter of the Danish Red Cross, including the Asylum Department and, as a new element, the Danish Red Cross Youth, are consolidated in the financial statements of the Danish Red Cross.

The Red Cross of Greenland and the Red Cross of the Faroe Islands prepare separate financial statements.

Development in activities and finances

The surplus for the year is DKK 35 million, which is much better than expected.

Income of the Danish Red Cross totals DKK 1,485 million, which is DKK 120 million up on 2020. The increase is a result particularly of an increase in private funds collected, for example, in relation to Afghanistan.

Revenue generated by the Danish Red Cross second-hand activities reached DKK 221 million, which is DKK 20 million more than in 2020 and on a par with 2019 revenue. The shops were closed for two months at the beginning of 2021. So, shop sales have soared, which makes up for the lacking sales in the two months the shops were closed.

The amount used for international relief work has increased by DKK 43 million compared to 2020. The increase is primarily attributable to the MENA and African regions.

The amount used for national relief work has gone up by DKK 24 million, or 17%. This is a result particularly of special

COVID-19 grants that have been used on supporting the Danish Red Cross' loneliness-combating activities and establishment of vaccination initiatives together with the authorities.

Also, the Danish Red Cross Youth has increased their relief work by DKK 2 million in 2021, financed in part by extraordinary COVID-19 grants.

The amount spent on asylum work has gone up by DKK 8 million on 2020. The increase is attributable to accommodation of the close on 1,000 people evacuated from Afghanistan to Denmark in August 2021 and the opening of a new special centre for adult asylum seekers or persons with no legal residence and a behaviour that cannot be accommodated by the general centre system.

General management and administrative expenses are on a par with 2020. In 2021, the Danish Red Cross implemented a new model for cost allocation to provide a fairer view of the expenditure incurred in connection with the organisation's activities. The administrative expense ratio has been calculated at 5.3%, which is lower than last year because of the increased level of activities.

The Danish Red Cross is a strong organisation with DKK 349 million in equity that may be designated by the Board for specific purposes. In 2021, the International Disaster Fund paid out DKK 12 million for own financing of international relief work. The National Fund has paid out DKK 1 million in 2021 to finance Red Cross Ready, and the Development Fund paid

out DKK 3.5 million to develop community activities. The surplus for 2021 is reserved for future relief work.

The Red Cross of Greenland and the Red Cross of the Faroe Islands

The Red Cross of the Faroe Islands and the Red Cross of Greenland possess the status of independent organisations under the Danish Red Cross. In 2021, the Red Cross of the Faroe Islands realised total revenue of DKK 8.9 million and a surplus of DKK 0.1 million, and the Red Cross of Greenland realised total revenue of DKK 3.6 million and a surplus of DKK 0.1 million.

Outlook

The Danish Red Cross expects income and relief work to continue to grow in 2022. Investments will continue to be made in the digital development of the organisation while maintaining focus on having a sustainable and robust financial position.

Events after the balance sheet date

The armed conflict in Ukraine that started in February 2022 has led to massive support of the Danish Red Cross in the form of donations and volunteers. The Danish Red Cross has received over DKK 500 million in new funds and is in the process of converting this large amount into help in Ukraine and for the national relief work. Since these funds are to be used over a two-year period, 2022 too is expected to see a significant surplus.

FINANCIAL HIGHLIGHTS

Financial highlights (DKK'm)	2021	2020	2019	2018	2017
Income statement					
Funds from Danish and international institutions	879	893	1,043	988	1,169
Private funds collected, second-hand activities etc.	605	472	435	443	454
International relief work	-649	-606	-762	-685	-732
Relief work in Denmark	-163	-139	-135	-120	-108
Asylum activities	-290	-281	-281	-332	-485
Danish Red Cross Youth relief work*	-33	-31	-	-	-
General management and administration**	-61	-61	-62	-53	-56
Surplus for the year	34.8	14.9	3.7	0.3	22.5
Balance sheet					
Balance sheet total	1,095	953	910	1,137	1,179
Current assets	923	786	743	975	1,020
Equity	349	314	302	299	293
Current liabilities	673	548	558	796	838
Financial ratios					
Average FTE, headquarter	373	354	340	323	286
Average FTE, Asylum Department	373	370	382	477	724
Average FTE, delegates	99	120	127	112	96
Total average FTE	845	844	849	912	1,106
Administrative expense ratio**	5.3%	5.8%	5.2%	4.8%	4.9%
Equity ratio	32%	33%	33%	26%	25%
Liquid ratio	137%	143%	133%	123%	122%
Earmarked activities ratio	88%	90%	92%	91%	91%
Consolidation ratio	2%	1%	0%	0%	1%
Safety margin	24%	23%	20%	21%	18%
Share of public funding	49%	51%	54%	55%	55%

*The Danish Red Cross Youth is included in the Annual Report effective from 2021, including comparative figures. Consequently, the financial highlights for the years 2017 to 2019 are not comparable.

**A new model for cost allocation has been implemented in 2021. The comparative figures have not been adjusted as part of this, for which reason the line item 'General management and administration' is not comparable with prior years. For 2021, this has resulted in DKK 30 million being reallocated from general management and administration to relief work.

FINANCIAL STATEMENTS

INCOME STATEMENT (DKK'000)	NOTE	2021	2020
Income			
Funds from Danish institutions	1	724,984	693,601
Funds from international institutions	2	154,128	199,274
Private funds collected	3	357,672	247,830
Second-hand activities	4	220,968	200,557
Other activities	5	26,767	23,502
Total income		1,484,519	1,364,764
Expenditure			
International relief work	6	-649,476	-606,087
Relief work in Denmark	7	-162,926	-138,691
Asylum activities	8	-289,649	-281,157
Danish Red Cross Youth relief work	9	-32,560	-30,849
Awareness and information activities		-22,231	-18,431
Private funds collected	3	-53,471	-42,017
Second-hand activities	4	-154,614	-147,305
Other activities	5	-21,588	-22,811
General management and administration		-61,410	-61,351
Total expenditure		-1,447,925	-1,348,699
Surplus for the year before financial income and expenses, net		36,594	16,065
Financial income and expenses, net	10	-1,747	-1,201
Surplus for the year		34,847	14,864
Proposed distribution of surplus for the year			
Retained earnings		34,847	14,864
Total proposed distribution of surplus for the year		34,847	14,864

BALANCE SHEET at 31 December (DKK'000) NOTE	2021	2020
ASSETS		
Non-current assets		
Intangible assets	21,058	14,626
Property, plant and equipment	127,321	129,283
Fixed asset investments	23,630	22,898
Total non-current assets 11	172,009	166,807
Current assets		
Inventory of goods and emergency aid equipment	9,287	10,274
Receivables 12	387,812	355,184
Prepayments	2,386	2,848
Securities*	118,238	120,776
Cash and cash equivalents 13	405,739	296,683
Total current assets	923,462	785,765
Total assets	1,095,471	952,572
EQUITY AND LIABILITIES		
Equity		
Tied up in land and buildings	88,927	90,588
Reserves	134,245	104,079
Retained earnings	125,995	119,653
Total equity 14	349,167	314,320
Provisions	23,514	23,265
Non-current liabilities		
Mortgage debt	2,925	3,174
Accrued subsidy for recognised assets 15	29,309	30,017
Other debt	17,146	33,867
Total non-current liabilities	49,380	67,058
Current liabilities		
Earmarked funds to be carried forward 16	542,760	434,726
Trade payables	44,540	34,470
Other payables	86,110	78,733
Total current liabilities	673,405	547,929
Total equity and liabilities	1,095,471	952,572
Other notes - Danmarks Indsamling 17		
Non-recognised rental and lease commitments 18		

* In addition to its own securities, the Danish Red Cross manages restricted legacies. Their value at 31 December 2021 was DKK 4,700 thousand.

NOTE 1	2021	2020
Funds from public institutions in Denmark (DKK'000)		
Danish Immigration Service	250,795	248,472
Ministry of Foreign Affairs (Danida)	375,795	355,498
Other ministries and government agencies	85,394	76,631
State gambling pools, LOTFRI*	7,500	7,500
Secretariat grant**	5,500	5,500
Total funds	724,984	693,601

* The subsidy from LOTFRI was used during the subsidy period and was used as authorised, mainly to cover expenditure as set out in note 7 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 8 and general management and administrative expenses.

NOTE 2	2021	2020
Funds from international institutions (DKK'000)		
Red Cross societies/IFRC/ICRC	37,597	55,515
EU institutions, DEVCO	55,917	89,832
EU institutions, ECHO	46,893	39,390
Other institutions	13,721	14,537
Total funds	154,128	199,274

NOTE 3	2021	2020
Private funds collected (DKK'000)		
Funds collected		
Private donations	121,052	107,310
Fundraising activities	56,833	49,226
Foundation grants	148,510	64,227
Legacies	19,849	14,063
Business cooperation	35,357	27,827
Membership fees	9,788	8,692
Total funds collected	391,389	271,345
Carry-forward of earmarked funds	-33,717	-23,515
Total funds collected	357,672	247,830
Expenses related to income-generating activities		
Private donations	-24,378	-23,231
Fundraising activities	-19,104	-10,643
Foundation grants	-2,252	-2,617
Legacies	-284	-196
Business cooperation	-7,424	-5,316
Membership fees	-29	-14
Total collection expenses	-53,471	-42,017
Income from fundraising activities (exclusive of carry-forward of earmarked funds)	337,918	229,328
Income from fundraising activities (inclusive of carry-forward of earmarked funds)	304,201	205,813

The funds collected are made up of regular donations and spontaneous individual donations. Funds are collected through different channels, such as payments via website, bank transfers, SMS payments and MobilePay payments. The most significant campaigns this year have been the Danish Red Cross fundraising campaign, the Christmas help campaign 'All Our Children', and collections for Afghanistan.

In 2021, funds were collected to finance the Danish Red Cross' activities and in accordance with the Danish Fundraising Act of 26 May 2014 and Executive Order no. 160 of 26 February 2020.

The fundraising surplus has during the year been used for the object of the Danish Red Cross and distributed to Danish Red Cross reserves in accordance with the distribution of surplus in these financial statements, refer to the income statement of the Annual Report.

NOTE 4	2021	2020
Second-hand activities (DKK'000)		
Income	220,968	200,557
Expenditure	-154,614	-147,305
Total second-hand activities	66,354	53,252

NOTE 5			2021	2020
Other activities (DKK'000)				
	Income	Expenditure	Total	Total
First aid	15,028	-16,466	-1,438	-294
Emergency first aiders	2,687	-5,122	-2,435	-2,415
Other activities	9,052	0	9,052	3,400
Total other activities	26,767	-21,588	5,179	691

In 2021, the Danish Red Cross has received DKK 4,300 thousand in total cost compensation during the COVID-19 lockdown.

NOTE 6	2021	2020
Used for international relief work (DKK'000)		
Middle East	217,307	205,094
Africa	188,991	154,049
Europe and Asia	179,710	126,619
Non-country specific	31,736	83,686
General guidance and monitoring	16,703	23,772
Donations to IFRC/ICRC	2,506	2,321
Psychosocial Reference Centre	12,523	10,546
Total international relief work	649,476	606,087

NOTE 7	2021	2020
Used for relief work in Denmark (DKK'000)		
Family activities	71,414	59,730
Activities for lonely people	46,652	36,007
Integration	24,392	23,073
Organisational development and Volunteer House	14,196	11,855
Branches' international work	2,156	2,284
Emergency work	4,116	5,742
Total relief work in Denmark	162,926	138,691

NOTE 8	2021	2020
Used for asylum activities (DKK'000)		
Accommodation and sustenance	200,300	188,400
Property administration, transport, warehouse, furniture, maintenance, etc.	24,135	31,533
Benefits in kind (clothing and hygiene packets, food, etc.)	15,832	12,690
Asylum agreement	10,973	12,100
Pedagogical pool funds	1,623	1,300
Other operations	36,786	35,134
Total asylum activities	289,649	281,157

NOTE 9	2021	2020
The Danish Red Cross Youth (DKK'000)		
National activities	20,644	17,741
Fundraising & Communication	6,124	6,140
International activities	4,853	5,311
Overhead costs	939	1,657
Total youth activities	32,560	30,849

NOTE 10			2021	2020
Financial income and expenses, net (DKK'000)				
	Income	Expenses	Total	Total
Interest	48	-1,144	-1,096	-970
Securities	1,300	-2,891	-1,591	908
Foreign exchange	940	0	940	-1,139
Total financial income and expenses, net	2,288	-4,035	-1,747	-1,201

NOTE 11					
Non-current assets (DKK'000)					
	Intangible assets	Operating equipment	Land and buildings*	Fixed asset investments**	Total
Acquisition cost at 1 January	53,002	24,427	136,228	22,899	236,556
Additions for the year	10,706	1,454	65	1,241	13,466
Disposals for the year	-3,061	0	-500	-510	-4,071
Acquisition cost at 31 December	60,647	25,881	135,793	23,630	245,951
Amortisation/depreciation at 1 January	-38,376	-18,646	-12,726	0	-69,748
Amortisation/depreciation for the year	-3,925	-1,074	-2,007	0	-7,006
Amortisation/depreciation regarding disposals for the year	2,712	0	100	0	2,812
Amortisation/depreciation at 31 December	-39,589	-19,720	-14,633	0	-73,942
Total non-current assets	21,058	6,161	121,160	23,630	172,009

* 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 5,855 thousand) and deposits on leases related to second-hand activities (DKK 17,775 thousand).

NOTE 12	2021	2020
Receivables (DKK'000)		
Trade receivables	27,112	11,948
Grant commitments	279,440	243,254
Danish Immigration Service	46,051	44,576
Other receivables	35,209	55,406
Total receivables	387,812	355,184

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

	2021	2020
Own funds	232,220	170,552
Donor funds	173,519	126,131
Total cash and cash equivalents	405,739	296,683

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

	Tied up in land and buildings	Reserve, International Disaster Fund	Reserve, National Fund	Reserve, Development Fund	Reserve, local branch funds	Retained earnings	Total equity
Equity at 31 December, according to 2020 financial statements	90,588	64,000	19,334	20,000	745	120,355	315,022
Recognition of DRCY equity	0	0	0	0	0	-702	-702
Adjusted balance at 1 January 2021	90,588	64,000	19,334	20,000	745	119,653	314,320
Surplus for the year	0	0	0	0	0	34,847	34,847
The year's amount used by funds	0	-12,240	-1,100	-3,500	0	16,840	0
The year's external grants to funds	0	7,130	9,661	0	0	-16,791	0
The year's amount designated to funds	0	10,110	10,105	10,000	0	-30,215	0
Transferred from amounts tied up in land and buildings	-1,661	0	0	0	0	1,661	0
Total equity	88,927	69,000	38,000	26,500	745	125,995	349,167

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**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.	11,221	251,071	-250,795	11,497	276
Strategic Partnership agreement (Lot HUM) (Danida)	5,191	128,001	-133,185	7	-5,184
Strategic Partnership agreement (Lot CIV) (Danida)	2,218	68,000	-68,116	2,102	-116
Other Danida grants	12,685	232,708	-174,495	70,898	58,213
EU grants	145,376	63,160	-102,810	105,726	-39,650
Other ministries and government agencies	37,902	140,407	-85,394	92,915	55,013
Red Cross societies/IFRC/ICRC	54,312	34,571	-37,597	51,286	-3,026
Other international institutions	10,643	22,514	-13,721	19,436	8,793
Collected earmarked funds	155,178	219,870	-186,155	188,893	33,715
Total	434,726	1,160,302	-1,052,268	542,760	108,034

NOTE 17**Danmarks Indsamling** (DKK'000)

	2021	2020	2019	2018	2017	2016	2015	Total
Danish Red Cross share	15,681	11,021	7,805	8,531	9,550	9,717	10,330	72,635
Used (including administrative contribution)	-5,829	-3,068	-7,259	-8,531	-9,550	-9,717	-10,330	-54,284
Balance at 31 December	9,852	7,953	546	0	0	0	0	18,351

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.

NOTE 18**Non-recognised rental and lease commitments**

Commitments under rental or lease agreements have been incurred and amount to DKK 2,873 thousand until maturity.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 202 local branches, municipal districts, and the headquarter of the Danish Red Cross, including the Asylum Department and the Danish Red Cross Youth with holiday camps, are consolidated in the financial statements of the Danish Red Cross.

The Red Cross of Greenland, the Red Cross of the Faroe Islands 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".

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.

Applicable from the 2021 financial statements, the Danish Red Cross Youth inclusive of holiday camps are included in the Danish Red Cross' consolidated

financial statements. This implies consolidation of balance sheet items and income statement items as well as elimination of intercompany transactions and balance sheet items. Consequently, total assets increase by DKK 31 million whereas equity at 1 January 2021 is adjusted by a negative DKK 1 million. The surplus for 2021 is affected positively by DKK 4 million.

The comparative figures for 2020 have been adjusted accordingly. This results in an adjustment of total assets by DKK 21 million, an adjustment of equity by a negative DKK 1 million, and an adjustment of the surplus for 2020 by DKK 2 million.

Aside from the above areas, the accounting policies remain unchanged compared to 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.

ACCOUNTING ESTIMATES AND JUDGMENTS

The financial statements are prepared based on specific assumptions which involve the use of judgements and estimates. These judgements and estimates are made by Management in accordance with the accounting policies and based on historical experience, and on assumptions which Management considers reasonable and realistic. The assumptions may be incomplete, and unexpected future events or circumstances may occur, and other parties may arrive at different estimates.

The areas involving a higher level of judgement or complexity or areas in which assumptions and estimates are material to the financial statements, are disclosed below.

In preparing the financial statements, Management makes a number of accounting judgments which form the basis of presentation, recognition and measurement of the Organisation's assets and liabilities. The financial statements have been presented applying the principle of going concern based on current practice. Key management judgements in recognising and measuring these assets and liabilities, and the key source of estimation uncertainty related to the preparation of the Annual Report, are:

Effective hours in determining hourly rates

The determination of hourly rates is based on an estimate of the average full-time employee's effective hours per year. This involves laying down a number of assumptions based on accounting estimates. Such

assumptions include the number of days of sick leave and other types of absence and the number of internal hours. These assessments are based on historical data supplemented with previous experience.

The existing estimates are reconsidered on a six-monthly basis with a related recalculation of the hourly rates used.

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 not subject to further commitments from the donor is recognised as and when received.

Income from fundraising activities, legacies and gifts, for which the donor stipulates that the donation be used within a main area, is recognised as and when received. In connection with the distribution of surplus for the year, the amount is transferred to the Danish Red Cross' funds consistently with the requests of the donor.

Grants from donors for specific projects or activities 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.

Provisions

Provisions comprise expected costs related to existing liabilities that are uncertain with respect to amount and time of payment. Provisions are recognised when, as a result of a prior event, the Board has a legal or constructive obligation at the balance sheet date, and it is probable that financial resources must be consumed to settle the obligation.

Provisions are measured at net realisable value or fair value if the time of settlement of the liability is expected to be very far in the future.

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 minus Danish Red Cross Youth activities

Equity ratio

*Equity at year end * 100*
Total assets at year end

Liquid ratio

*Current assets *100*
Current liabilities

Earmarked activities ratio

Expenses related to earmarked activities
**100*

Total income minus expenses related to second-hand activities minus other activities

Consolidation ratio

*Surplus/deficit for the year * 100*
Total income

Safety margin

*Equity at year end * 100*
Total expenses for income-generating, earmarked and general activities

Share of public funding

*Public funds collected *100*
Total income

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 2021.

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 2021 and of the results of its operations for the financial year 1 January to 31 December 2021.

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 2021 have been prepared in accordance with the accounting provisions of Executive Order no. 160 of 26 February 2020 and the Danish Fundraising Act.

Copenhagen, 13 June 2022

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



Svén 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 2021, 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 and Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns.

In our opinion, the financial statements give a true and fair view of the Danish Red Cross' financial position at 31 December 2021 and of the results of its operations for the financial year 1 January to 31 December 2021 in accordance with the accounting policies described and Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns.

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, and Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns. 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 Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns, 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, and Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns, 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, generally accepted public accounting standards, and Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns, 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 and Danish Executive Order no. 160 of 26 February 2020 on Public Fundraising Campaigns.

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.

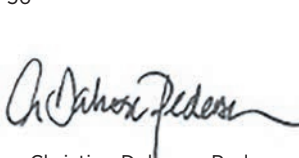
If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this in this statement.

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

Copenhagen, 13 June 2022 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

The 2021 Danish Red Cross fundraising campaign generated a handsome DKK 15.5 million. This year too, backing by the Danish upper secondary schools was immense, and 6,000 students had signed up as volunteer collectors. Photo: The Danish Red Cross



