

**annual**  
**report**  
**2015**



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### Notes:

The English text in this document is an unofficial translation of the Danish original. In the event of any inconsistencies, the Danish version shall apply.

Please note that Danish decimal and digit grouping symbols have been used in the financial statements

## Management's statement

We, the undersigned, have today examined and approved DanChurchAid's annual report for the financial year 1 January – 31 December 2015.

The annual report has been prepared and is presented in accordance with the Danish Financial Statements Act and the Danish Ministry of Culture's Executive Order no. 1701 of 21 December 2010 on financial and administrative conditions for recipients of operating grants from the Danish Ministry of Culture.

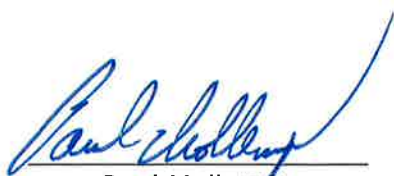
It is our opinion that the financial statement presents a true and fair view of the organisation's assets and liabilities, its financial position on 31 December 2015 and the result of the organisation's activities in the financial year 1 January – 31 December 2015.

In our opinion, the Management's review gives a fair presentation of the matters accounted for.

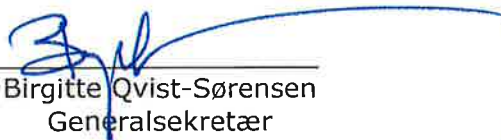
The organisation has established guidelines and procedures to ensure that the transactions reported in the financial statement have been conducted in conformity with awarded grants, acts and other regulations as well as with agreements entered into and common practice. In addition, guidelines and procedures have been established to ensure that the funds covered by the financial statement are managed with due economic consideration.

We recommend the annual report for adoption by the annual meeting.

Copenhagen, 11. April 2016



Paul Møllerup  
Formand



Birgitte Qvist-Sørensen  
Generalsekretær



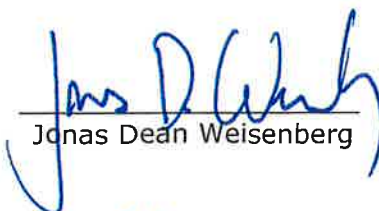
Søren Christian Madsen  
Kasserer



Anne Mette Kjær



Solvej Gasseholm Bang



Jonas Dean Weisenberg



Henning Thomsen



Kirsten Smedegaard Andersen



Christoffer Rubæk Steiro



Birthe Juul Christensen

## **Independent auditor's reports**

### **To Management of DanChurchAid**

#### **Report on the financial statements**

We have audited the financial statements of DanChurchAid for the financial year 1 January to 31 December 2015, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are presented in accordance with the Danish Financial Statements Act and Danish Executive Order no 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Cultural Affairs.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and Danish Executive Order no 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Cultural Affairs, 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.

Furthermore, Management is responsible for transactions covered by the financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice, and for establishing guidelines and procedures ensuring that sound financial management is exercised in the administration of the funds covered by the financial statements.

#### **Auditors' responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing, additional requirements under Danish audit regulation and the auditing provisions in Danish Executive Order no 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Cultural Affairs. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organisation's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

The audit also involves assessing whether business processes and internal controls have been established, supporting that the transactions covered by the financial statements comply with Danish Executive Order no 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Cultural Affairs.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act and Danish Executive Order no 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Cultural Affairs.

It is also our opinion that business processes and internal controls have been established, supporting that the transactions covered by the financial statements comply with Danish Executive Order no 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Cultural Affairs.

### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.


Copenhagen, 11 April 2016

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR.nr. 33 96 35 56



Henrik Wellejus  
State Authorised  
Public Accountant



Christian Dalmose Pedersen  
State Authorised  
Public Accountant

**Information on organisation**

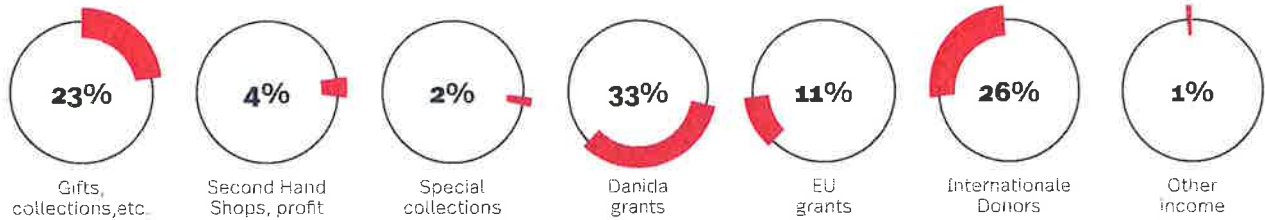
|  |   |
|--|---|
| Organisation name                          | DANCHURCH AID<br>Folkekirkens Nødhjælp<br>Nørregade 15<br>1165 Copenhagen K<br>Denmark<br>Tlf.nr. 3315 2800<br><br>CVR-nr. 36 98 02 14<br>Kommune: København<br>Fondsreg.nr. 7894 |
| Chairman<br>Treasurer<br>General Secretary | Paul Mollerup<br>Søren Christian Madsen<br>Birgitte Qvist-Sørensen  |
| Auditor                                    | Deloitte Statsautoriseret<br>Revisionspartnerselskab<br>Weidekampsgade 6<br>2300 Copenhagen S.<br>Denmark   |
| Financial institution                      | Danske Bank<br>Finanscenter København<br>Holmens Kanal 2<br>1090 København K.<br>Denmark  |

**Profit and loss account - key figures, mDKK**

| <b>Income</b>               | <b>2015</b>  | <b>2014</b>  | <b>Expenditure</b>                     | <b>2015</b>  | <b>2014</b>  |
|-----------------------------|--------------|--------------|--|--------------|--------------|
| Private donations/appeals   | 187.5        | 172.3        | Development aid                        | 239.9        | 226.2        |
| Danida grants               | 215.8        | 224.0        | Relief aid                             | 265.0        | 218.3        |
| EU grants                   | 72.8         | 67.2         | <i>of this humanitarian mineaction</i> | 91.5         | 80.3         |
| Internationale donors       | 166.1        | 97.6         | Learning Lab Activities                | 2.4          | 0            |
| Other income and interest   |              |              | Information                            | 19.6         | 18.7         |
| (net)                       | 7.9          | 3.6          | Campaigns and fundraising              | 45.3         | 40.4         |
|                             |              |              | Administrative expenses                | 70.9         | 60.1         |
| <b>Total (net turnover)</b> | <b>650.1</b> | <b>564.7</b> | <b>Total expenditure</b>               | <b>643.1</b> | <b>563.7</b> |
|                             |              |              | Profit or loss for the year            | 7.0          | 1.0          |
| <b>Total</b>                | <b>650.1</b> | <b>564.7</b> | <b>Total</b>                           | <b>650.1</b> | <b>564.7</b> |
| Administration              | 8.4%         | 9.7%         |  |              |              |

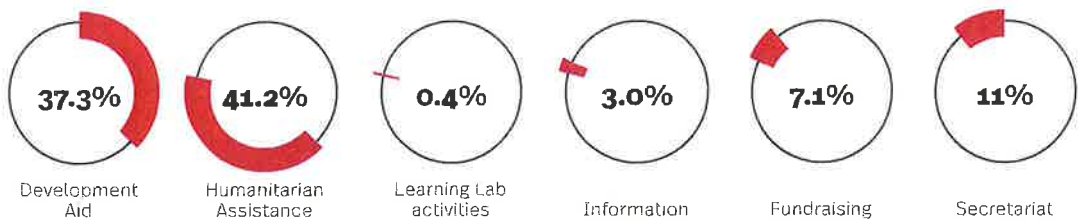
**where did the money come from?**

|                                   |                    |               |
|-----------------------------------|--------------------|---------------|
| Private donations                 | 187,479,901        | Danish Kroner |
| Gifts, collections, etc.          | 149,888,750        |               |
| Second Hand Shops, profit         | 24,639,729         |               |
| Special collections               | 12,951,422         |               |
| Danida grants                     | 215,775,921        |               |
| Development grants                | 123,049,076        |               |
| Single grants, including disaster | 92,726,845         |               |
| EU grants                         | 72,765,797         |               |
| International Donors              | 166,125,953        |               |
| Other income                      | 7,944,489          |               |
| <b>In all</b>                     | <b>650,092,061</b> |               |



**what was the money spent on?**

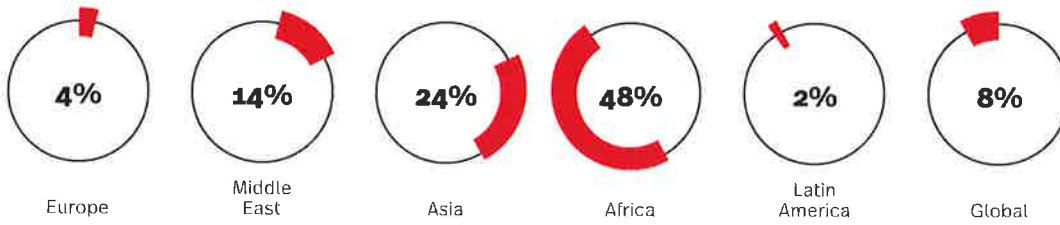
|                         |                    |               |
|-------------------------|--------------------|---------------|
| Development Aid         | 239,841,078        | Danish Kroner |
| Humanitarian Assistance | 264,990,738        |               |
| Learning Lab activities | 2,425,091          |               |
| Information             | 19,573,868         |               |
| Fundraising             | 45,314,954         |               |
| Secretariat             | 70,921,292         |               |
| <b>In all</b>           | <b>643,067,021</b> |               |





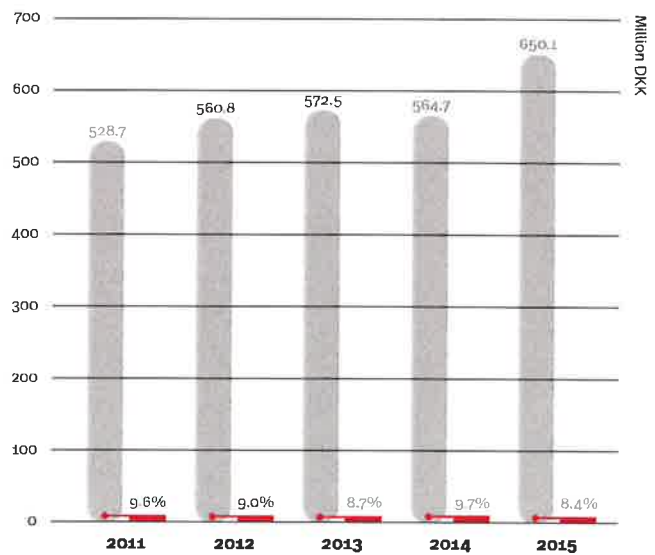
**where was the money spent?**

|               |                    |               |
|---------------|--------------------|---------------|
| Europe        | 17,696,069         | Danish Kroner |
| Middle East   | 72,749,553         |               |
| Asia          | 122,093,390        |               |
| Africa        | 240,381,989        |               |
| Latin America | 11,936,198         |               |
| Global        | 39,974,617         |               |
| <b>In all</b> | <b>504,831,816</b> |               |



**turnover and administration in the years 2011 - 2015**

Total net turnover ■  
Administrations percent ■



## **Management commentary**

The annual report comprises the management commentary including financial highlights, accounting policies, income statement for 2015, balance sheet at 31 December 2015 with accompanying notes. The figures for 2014 have been compiled for comparative purposes.

The financial statements are presented in accordance with the provisions of the Danish Financial Statements Act and the Ministry of Culture Denmark's Executive Order No 1701 of 21 December 2010 on financial and administrative conditions for recipients of contributions to operations from the Ministry of Culture Denmark.

In addition to the financial statements, separate specifications have been prepared. Among others, the specifications will comprise lists of the total relief work divided into continents and countries, types of countries, types of programmes as well as an outline of external grants, in addition to Danida grants and EU grants as well as funds from international contributors. Also several expenses will be specified.

At 31 December 2015, equity amounts to DKK 76.9m and profit for the year amounts to DKK 7.0m.

Below we have commented on income and expenses for the year.

### **Income for the year**

Total income inclusive of financial income (net) at DanChurchAid reached DKK 650.1m in 2015 – the highest revenue ever. Revenue is DKK 85.4m higher than in 2014 and DKK 77.6m higher than in 2013.

The fact the DanChurchAid's total income in 2015 has increased considerably is the result of the positive development and increase in raised funds of DKK 15.1m and an increase in external grants, primarily for humanitarian work totalling DKK 46.4m. In total, external grants have seen an increase of DKK 65.9m.

Income from the Danish people to contribute to our work amounted to DKK 187.5m and compared to 2014, this is an increase of DKK 15.1m. The considerable funds have been raised through various fundraising activities like; the parish fundraising campaign, Danmarks Indsamling, Hjælp Nu - Syrien, Nødstrøm, Bilka collaboration, thrift work, not to mention the many contributions from the Danish people who choose to support our work by steadily donating each month. In total, we recognised DKK 136.9m non-dedicated contributions as income, which is DKK 19.2m more than in 2014. In addition to this, we had special fundraising campaigns like the parish fundraising campaign of DKK 13m, DKK 0.6m less than in 2014.

Committed giving and deeds of gift totalled DKK 84.3m for DanChurchAid, which is DKK 13.8m more than in 2014. The news letter Magasinet generated DKK 2.5m which is DKK 0.6m less than in 2014. Secondhand activities generated great results with a profit of DKK 24.6m, DKK 2.6m more than in 2014. Further, testamentary gifts comprised DKK 22.8m, DKK 3.5m more than 2014. In 2015, DanChurchAid received DKK 2.6m from the Ministry of Culture Denmark's football pools and lottery funds.

In total, we recognised earmarked gifts of DKK 37.6m, DKK 3.5m less than in 2014. We point out that, due to the fact that we do not recognise earmarked income until they are used, part of these funds was raised in 2014. Further, part of the earmarked funds received during the latter half of 2015 has not yet been used. As such, these funds will not be recognised until 2016. In 2015, DanChurchAid's share of Danmarks Indsamling amounted to DKK 9.6m and Hjælp Nu – Syrien was DKK 10m.

Grants from Danida, the EU and other international contributors in total amounted to DKK 454.7m, which is DKK 65.9m more than in 2014. In 2015, state grants contributed via Danida amounted to DKK 215.8m (47.5%), which was DKK 8.2m less than in 2014. In addition, DanChurchAid received EU grants of DKK 72.8m (16%), which was DKK 5.6m more than in 2014 as well as grants from international contributors of DKK 166.1m (36.5%), DKK 68.6m more than in 2014. The increase is primarily the result of increased grants for the area concerning humanitarian relief.

Concerning other income, grants and reimbursements, DKK 6.3m have been recognised. Of this, DKK 0.9m is VAT compensation. Concerning other income, DKK 0.6m has been recognised concerning sale of merchandise and DKK 0.8m concerning sale of Learning Lab activities. Also, we have recognised repayment of insurances.

In 2015, interest income, exchange rate adjustments, etc amounted to net DKK 1.7m, equal to an increase of DKK 1.1m compared to 2014.

### **Expenses for the year**

Our activities and efforts in 2015 covered all focus areas and, compared to 2014, we saw a considerable increase of DKK 60.3m to a total of DKK 504.8m. Development projects increased by DKK 13.7m to 239.8m, humanitarian disaster relief projects increased significantly by DKK 35.4m to DKK 173.5m and activities concerning humanitarian mine clearance increased by DKK 11.2m to DKK 91.5m. Overall, the main focus has been on areas like humanitarian disaster aid, protection of democratic values, disaster prevention as regards food safety and climate change as well as activities related to humanitarian mine clearance.

From a geographic perspective, Africa continues to be the continent, in which DanChurchAid has the highest level of activity as expenses of DKK 240.4m are incurred here, equal to 48% of our total relief efforts. This relates in particular to the following countries which have seen much activity; South Sudan, where a total of DKK 94.1m has been used and where focus has been on disaster relief and humanitarian mine clearance activities, and in; Ethiopia, Malawi and Uganda, where respectively DKK 38.3m, 25.4m and 18.6m has been used and where activities have been focused on disaster prevention as regards food safety and climate change, HIV & AIDS prevention, etc as well as the protection of democratic values. Asia has seen the second highest level of activity with DKK 122.1m, equal to 24%. This relates in particular to the following countries which have seen much activity; Nepal, where DKK 44.7m was used and where focus has been on humanitarian aid following the earthquake and, in Myanmar and Cambodia, where respectively DKK 27.1m and 21.9m has been used and where activities have primarily been focused on protecting democratic values and humanitarian mine clearance activities. In the Middle East, DKK 72.7m was used, equal to 14%. Here the two main activities have been at the West Bank/Gaza (DKK 22.3m), in Lebanon (DKK 21.1m) and in Libya (DKK 17m), where activities have surrounded protecting democratic values, disaster relief and humanitarian mine clearance. In Europe, DKK 17.7m (4%) has been used; in Latin America, DKK 11.9m (2%) has been used. As regards global activities, just under DKK 40m (8%) has been used.

### **Education and fundraising**

In 2015, total expenses for education and fundraising amounted to DKK 64.9m which is DKK 5.8m more than in 2014. Concerning fundraising, expenses have been incurred for fundraising activities like the annual parish fundraising campaign, continued focus towards new forms of fundraising; like recruiting contributors, the campaign "Grant a Goat" (gift catalogue), operating central logistics (inventory) in relation to secondhand clothes and new secondhand shops and establishing the shop Wefood – sale of surplus food

(shop opens in February 2016). Of the DKK 64.9m, DKK 9.3m is financed externally by Danida amongst others with DKK 1.7m for project-related information and DKK 3.7m which is used to finance NGO-Forum and Verdens Bedste Nyheder (World's Greatest News), in which DanChurchAid has been responsible for handling administration.

### **Learning Lab**

Learning Lab was founded in 2014, focusing on innovation, efficiency improvements and developing capacity accumulation and competencies at DanChurchAid and among its sister organisations in Act Alliance.

Revenue from project activities amounted to DKK 2.4m of which DKK 1.2m was financed externally. Further, additional income has been generated from invoicing of services of DKK 0.8m.

### **Administration**

The percentage of administration is 8.4 – a noticeably lower level than in 2014. This is primarily due to revenue being somewhat higher. The percentage of administration is calculated by comparing the administrative expenses of DanChurchAid headquarters to total income.

In 2015, specific expenses from the secretariat in Nørregade and from operating the regional offices in our focus countries reached approx DKK 178m. Operating the regional offices amounts to DKK 67.8m and operations in Nørregade amount to DKK 110.2m which in total amounts to DKK 19.6m more than in 2014. Among others, the increase in attributable to an increase in resources at the regional offices and the hiring of expatriate employees globally to manage the increase in number of projects in particular, humanitarian grants as well as ordinary price and payroll regulations. As described below, it has proven necessary to adjust administration at the head offices and, in this connection, DKK 4.9m has been provided for termination expenses in 2016. Of the DKK 178m, DKK 107.1m is recognised as direct expenses from programmes and national activities.

In 2014 and the beginning of 2015, we entered into a pro bono cooperation with Boston Consulting Group with the aim of improving the overall efficiency within the organisation. Ultimately the goal was to increase efforts and heighten the quality of the work for the world's poorest people. In 2015, 20 organisational internal projects were defined as improvement areas covering organisational structures, Management and decision-making processes, costs structure, project portfolio management and other important organisational processes, which have all produced significant results. Some of these projects were expedited to help respond to the reduction of Danida's adjustable grants for development in the Government's Finance and Appropriation Act for 2016. The extensive work performed has contributed to creating the opportunity of carrying out the required restructurings that are necessary due to the reduction in Danida's development funds.

The consequences of the Finance and Appropriation Act's reduction in development funds in 2016 have comprised a cut-back in staff both at the regional offices and at the head offices and has also resulted in the closing of the regional offices in Kyrgyzstan, Honduras and India. Specifically, 20 full-time positions have been terminated at the head offices and, at the end of 2016, a termination of 41 full-time positions will have been carried into effect at the regional offices, including the offices mentioned.

DanChurchAid received an administration contribution of DKK 29.4m from contributors to administer the grants received.

**Profit for the year**

Profit for the year of DKK 7m, which is transferred to equity, contributes to improve the financial strength of DanChurchAid as an organisation and a collaborative partner. The positive results are primarily due to the increase in funds raised and the fact that expenses from operating the secretariat, regional offices and from fundraising activities in Denmark have been considerably lower than expected.

**Anti-corruption**

In 2015, focus has continued on activities related to anti-corruption and treating complaints. For further information on specific cases, case descriptions have been published at our website <http://www.noedhjaelp.dk/anti-korruption>.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## **Accounting policies**

DanChurchAid's Annual Report for the year 2015 has been prepared in accordance with the provisions applicable to enterprises in accounting class A of the Danish Financial Statements Act, with the addition of the Management's review and the Danish Ministry of Culture's Executive Order no. 1701 of 21 December 2010 on financial and administrative conditions for recipients of operation grants from the Danish Ministry of Culture.

The accounting policies are unchanged compared to the previous year.

### **General comments on recognition and measurement**

In the profit and loss account, income is recognised as earned, including value adjustment of financial assets and liabilities. All costs, including depreciation and write-downs, are also recognised in the profit and loss account.

On initial recognition, assets and liabilities are measured at cost. Subsequent recognition of assets and liabilities is described below for each separate item.

### **Profit and loss account**

#### **Income**

Income primarily consists of collected funds and grants, which are booked as income on the date of final transfer of right of disposal. For non-earmarked funds, right of disposal is transferred at the time of payment, and for earmarked funds, right of disposal is transferred when the funds are spent.

#### **Development and humanitarian response**

Amounts transferred to projects are regarded as spent, and transfers are thus recognised as expenses in the profit and loss account. Actual expenses are not calculated until projects are completed or closed down.

#### **Information and campaigns**

Information and campaigns include expenses related to information on development and humanitarian response activities, including publication of the periodical MAGASINET and costs related to fundraising campaigns, including the Parish Appeal.

#### **Administrative expenses**

Administrative expenses include expenses related to administrative staff, administration, operative lease costs, depreciation on tangible fixed assets, etc.

#### **Financial income and expense**

Financial income and expenses are recognised in the profit and loss account at the amounts that relate to the accounting year. Financial income and expenses include interest income and expenses as well as realised and unrealised capital and exchange rate losses and gains related to securities, debt and foreign currency transactions.

Dividends from equity investments are booked as income in the financial year in which they are declared.

#### **Tax on net profit or loss for the year**

DanChurchAid is exempt from tax liability under the Danish legislation on charities.

## Balance sheet

### Tangible fixed assets

Land and buildings, fixtures and operating equipment are measured at cost less accumulated depreciation.

The basis of depreciation is cost less estimated residual value after the end of the useful life.

Cost is calculated as purchase price plus expenses directly related to the purchase up until the time when the asset is ready for use.

Depreciation is provided on a straight-line basis based on the following estimate of the expected useful life of assets:

|                                  |              |                    |
|----------------------------------|--------------|--------------------|
| Buildings, Denmark               | 50 years     | residual value 40% |
| Buildings, abroad                | 4 - 10 years | residual value 0%  |
| Fixtures and operating equipment | 3 - 5 years  | residual value 0%  |

Vehicles are depreciated at 30% of their residual value.

Assets to be used abroad are valued individually and recognised in the profit and loss account as project expenses during the useful life.

Profit or loss arising from sale of tangible fixed assets are calculated as the difference between selling price, less selling costs, and the carrying amount at the time of sale. The resulting profit or loss is recognised in the profit and loss account as other grants and refunds.

### Stocks

Stocks are measured at cost by using the FIFO method. In cases where the net realisation value is lower than cost, stocks will be written down to the lower value.

The cost of goods for resale, raw materials and consumables covers purchase price and delivery costs.

The net realisation value of stocks is calculated as selling price less costs of completing and selling costs and is determined on the bases of marketability, obsolescence and expected selling price.

### Project grants receivable

Project grants receivable recognised as assets represent outstanding project commitments from donors in cases where the commitment has been made in the accounting year, but the actual grant funds will not be transferred until the subsequent financial year.

Project grants receivable are measured at expected project payments based on an individual assessment of the possibilities of obtaining a project grant for the respective projects.

### Debtors

Debtors are measured at amortised cost, which usually corresponds to nominal value. The value is reduced by write-down for bad and doubtful debts.

### Accruals (prepaid expenses)

Accruals recognised as assets include incurred expenses relating to subsequent financial years.

**Securities**

Securities recognised as current assets are measured at fair value (market price) on the balance sheet date.

**Debt**

Other debt is measured at amortised cost corresponding to nominal value.

**Project commitments**

Project commitments recognised as liabilities represent unused project grants from donors. Project commitments consist of either future expenses related to earmarked projects or repayment of project funds to donors.

Project commitments are measured at project grants received less incurred project expenses.

**Foreign currency translation**

Transactions in foreign currencies are translated using the exchange rates prevailing at the date of each transaction. Any exchange rate differences between the exchange rate on the date of transaction and the exchange rate on the date of payment are recognised in the profit and loss account as financial income and expenses.

Debtors, debt and other monetary items in foreign currencies that have not been settled on the balance sheet date are measured at the exchange rate prevailing on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate prevailing on the initial date of the amount receivable or the debt is recognised in the profit and loss account as financial income and expenses.

Fixed assets purchased in foreign currencies are measured at the exchange rate on the transaction date.



**Profit and loss account 1 January - 31 December 2015**

|   | Note | 2015                       |                           |                           | 2014                       |
|---|------|----------------------------|---------------------------|---------------------------|----------------------------|
|   |      | DKK                        | EURO                      | USD                       | DKK                        |
| Income                                  | 1    | <u>648.419.448</u>         | <u>86.929.984</u>         | <u>96.679.456</u>         | <u>564.122.078</u>         |
|   |      | <b><u>648.419.448</u></b>  | <b><u>86.929.984</u></b>  | <b><u>96.679.456</u></b>  | <b><u>564.122.078</u></b>  |
| Development and relief aid              | 2    | <u>-504.831.816</u>        | <u>-67.679.990</u>        | <u>-75.270.514</u>        | <u>-444.546.692</u>        |
| Learning Lab activities                 | 3    | <u>-2.425.091</u>          | <u>-325.118</u>           | <u>-361.582</u>           | <u>0</u>                   |
| Information and campaigns               | 4    | <u>-64.888.822</u>         | <u>-8.699.283</u>         | <u>-9.674.935</u>         | <u>-59.088.347</u>         |
|   |      | <b><u>-572.145.729</u></b> | <b><u>-76.704.391</u></b> | <b><u>-85.307.031</u></b> | <b><u>-503.635.039</u></b> |
| <b>Gross profit</b>                     |      | <b><u>76.273.719</u></b>   | <b><u>10.225.593</u></b>  | <b><u>11.372.425</u></b>  | <b><u>60.487.039</u></b>   |
| Administrative expenses                 | 5    | <u>-70.921.292</u>         | <u>-9.508.022</u>         | <u>-10.574.377</u>        | <u>-60.078.585</u>         |
| <b>Operating profit</b>                 |      | <b><u>5.352.427</u></b>    | <b><u>717.571</u></b>     | <b><u>798.048</u></b>     | <b><u>408.454</u></b>      |
| Financial income                        | 6    | <u>1.831.955</u>           | <u>245.600</u>            | <u>273.145</u>            | <u>675.927</u>             |
| Financial expenses                      | 7    | <u>-159.342</u>            | <u>-21.362</u>            | <u>-23.758</u>            | <u>-118.637</u>            |
| <b>Net profit or loss for the year</b>  |      | <b><u>7.025.040</u></b>    | <b><u>941.809</u></b>     | <b><u>1.047.435</u></b>   | <b><u>965.744</u></b>      |
| <b>Net income transferred to equity</b> |      | <b><u>7.025.040</u></b>    | <b><u>941.809</u></b>     | <b><u>1.047.435</u></b>   | <b><u>965.744</u></b>      |

## Balance sheet as at 31 December 2015

|   | Note | 2015               |                   |                   | 2014               |
|---|------|--------------------|-------------------|-------------------|--------------------|
|   |      | DKK                | EURO              | USD               | DKK                |
| <b>ASSETS</b>   |      |                    |                   |                   |                    |
| <b>FIXED ASSETS</b>                                     |      |                    |                   |                   |                    |
| <b>Property, plant and equipment</b>                    |      |                    |                   |                   |                    |
| Land and buildings                                      |      | 53.079.180         | 7.116.030         | 7.914.115         | 53.626.576         |
| Fixtures and operating equipment                        |      | 5.613.475          | 752.567           | 836.970           | 5.158.175          |
|   |      | <b>58.692.655</b>  | <b>7.868.597</b>  | <b>8.751.085</b>  | <b>58.784.751</b>  |
| <b>Financial assets</b>                                 |      |                    |                   |                   |                    |
| Deposits receivable                                     | 8    | 3.610.580          | 484.050           | 538.338           | 4.021.305          |
| <b>Total fixed assets</b>                               |      | <b>62.303.235</b>  | <b>8.352.647</b>  | <b>9.289.423</b>  | <b>62.806.056</b>  |
| <b>CURRENT ASSETS</b>                                   |      |                    |                   |                   |                    |
| Stocks  |      | <b>91.762</b>      | <b>12.302</b>     | <b>13.682</b>     | <b>161.205</b>     |
| <b>Debtors</b>  |      |                    |                   |                   |                    |
| Project grants receivable                               |      | 132.600.711        | 17.777.039        | 19.770.790        | 149.868.063        |
| Other debtors   | 9    | 6.499.145          | 871.304           | 969.024           | 4.795.478          |
| Prepayments   |      | 5.775.325          | 774.266           | 861.102           | 1.299.660          |
|   |      | <b>144.875.181</b> | <b>19.422.609</b> | <b>21.600.916</b> | <b>155.963.201</b> |
| <b>Securities</b>                                       | 10   | <b>11.413.509</b>  | <b>1.530.146</b>  | <b>1.701.756</b>  | <b>11.391.797</b>  |
| <b>Securities and cash at bank, Timbuktu-foundation</b> |      | <b>10.687.465</b>  | <b>1.432.809</b>  | <b>1.593.503</b>  | <b>11.099.443</b>  |
| <b>Cash at bank and in hand</b>                         | 11   | <b>93.601.889</b>  | <b>12.548.684</b> | <b>13.956.058</b> | <b>73.747.877</b>  |
| <b>Total current assets</b>                             |      | <b>260.669.807</b> | <b>34.946.550</b> | <b>38.865.915</b> | <b>252.363.523</b> |
| <b>TOTAL ASSETS</b>                                     |      | <b>322.973.042</b> | <b>43.299.197</b> | <b>48.155.338</b> | <b>315.169.579</b> |

## Balance sheet as at 31 December 2015

|                                     | Note | 2015                      |                          |                          | 2014                      |
|-------------------------------------|------|---------------------------|--------------------------|--------------------------|---------------------------|
|                                     |      | DKK                       | EURO                     | USD                      | DKK                       |
| <b>LIABILITIES</b>                  |      |                           |                          |                          |                           |
| <b>EQUITY</b>                       |      |                           |                          |                          |                           |
| Equity                              |      | <u>76.948.756</u>         | <u>10.316.091</u>        | <u>11.473.073</u>        | <u>69.923.715</u>         |
|                                     |      | <b><u>76.948.756</u></b>  | <b><u>10.316.091</u></b> | <b><u>11.473.073</u></b> | <b><u>69.923.715</u></b>  |
| <b>Short-term liabilities</b>       |      |                           |                          |                          |                           |
| Project commitments                 |      | 192.131.461               | 25.757.995               | 28.646.835               | 205.447.949               |
| Suppliers of goods and services     |      | 11.403.166                | 1.528.759                | 1.700.214                | 6.999.766                 |
| Other debt                          | 12   | <u>31.802.194</u>         | <u>4.263.543</u>         | <u>4.741.713</u>         | <u>21.698.706</u>         |
|                                     |      | 235.336.821               | 31.550.297               | 35.088.762               | 234.146.421               |
| Liabilities re. Timbuktu foundation |      | <u>10.687.465</u>         | <u>1.432.809</u>         | <u>1.593.503</u>         | <u>11.099.443</u>         |
| <b>Total liabilities</b>            |      | <b><u>246.024.286</u></b> | <b><u>32.983.106</u></b> | <b><u>36.682.265</u></b> | <b><u>245.245.864</u></b> |
| <b>TOTAL LIABILITIES AND EQUITY</b> |      | <b><u>322.973.042</u></b> | <b><u>43.299.197</u></b> | <b><u>48.155.339</u></b> | <b><u>315.169.579</u></b> |
| Contingencies etc.                  | 13   |                           |                          |                          |                           |
| Charges and securities              | 14   |                           |                          |                          |                           |

## Notes to the Financial Statements

### Note 1 Income

|   | 2015               |                   |                   | 2014               |
|---|--------------------|-------------------|-------------------|--------------------|
|   | DKK                | EURO              | USD               | DKK                |
| <b>PRIVATE DONATIONS</b>  |                    |                   |                   |                    |
| <b>Donations and collections, non-earmarked</b>                   |                    |                   |                   |                    |
| Regular private donors  | 81.252.148         | 10.893.023        | 12.114.710        | 66.571.491         |
| Deeds of gift   | 3.059.435          | 410.161           | 456.162           | 3.921.473          |
| The Magazine  | 2.488.143          | 333.571           | 370.983           | 3.109.132          |
| Bequests  | 22.819.517         | 3.059.286         | 3.402.394         | 19.328.458         |
| Second-hand shops, profits  | 24.639.729         | 3.303.311         | 3.673.788         | 22.068.875         |
| Ministry of Culture, danish lottery operating grants (tips/lotto) | 2.641.268          | 354.100           | 393.814           | 2.667.518          |
|   | <b>136.900.238</b> | <b>18.353.452</b> | <b>20.411.851</b> | <b>117.666.947</b> |
| <b>Donations and collections, earmarked</b>                       |                    |                   |                   |                    |
| Gifts towards specific purposes *)                                | 37.628.241         | 5.044.609         | 5.610.378         | 41.083.895         |
| <b>Special appeals</b>  |                    |                   |                   |                    |
| Parish appeal, donations and collections                          | 12.951.422         | 1.736.325         | 1.931.059         | 13.598.124         |
|   | <b>50.579.663</b>  | <b>6.780.934</b>  | <b>7.541.437</b>  | <b>54.682.019</b>  |
| <b>Total private donations</b>                                    | <b>187.479.901</b> | <b>25.134.386</b> | <b>27.953.288</b> | <b>172.348.966</b> |

\*) Of the income in 2015 are dkk 0.00 and in 2014 dkk 625.366 received as a bequest.

## Notes to the Financial Statements

### Note 1 Income

|   | 2015               |                   |                   | 2014               |
|---|--------------------|-------------------|-------------------|--------------------|
|   | DKK                | EURO              | USD               | DKK                |
| <b>GRANTS TOWARDS DEVELOPMENT AND RELIEF</b>                      |                    |                   |                   |                    |
| <b>Danida grants</b>  |                    |                   |                   |                    |
| Development projects (special grants incl. alliance programmes)   | 16.925.687         | 2.269.133         | 2.523.623         | 4.978.003          |
| Frame grant   | 123.049.076        | 16.496.504        | 18.346.639        | 123.416.948        |
| Relief / humanitarian aid grants                                  | 75.801.158         | 10.162.239        | 11.301.966        | 95.624.393         |
|   | <b>215.775.921</b> | <b>28.927.876</b> | <b>32.172.228</b> | <b>224.019.344</b> |
| <b>Grants from other organisations</b>                            |                    |                   |                   |                    |
| <b>The European Union (EU)</b>                                    |                    |                   |                   |                    |
| Grants towards development aid                                    | 37.645.778         | 5.046.960         | 5.612.992         | 37.606.875         |
| Relief aid grants   | 35.120.019         | 4.708.345         | 5.236.401         | 29.560.420         |
|   | <b>72.765.797</b>  | <b>9.755.305</b>  | <b>10.849.393</b> | <b>67.167.295</b>  |
| <b>Grants from international donors</b>                           |                    |                   |                   |                    |
| Grants towards development aid                                    | 34.813.904         | 4.667.306         | 5.190.759         | 26.850.946         |
| Relief aid grants   | 131.312.049        | 17.604.275        | 19.578.650        | 70.697.470         |
|   | <b>166.125.953</b> | <b>22.271.581</b> | <b>24.769.409</b> | <b>97.548.416</b>  |
| <b>Other grants and refunds</b>                                   |                    |                   |                   |                    |
| <b>Procurement</b>  |                    |                   |                   |                    |
| Other grants and refunds  | 4.846.017          | 649.679           | 722.542           | 2.769.014          |
| Information material and projects etc.                            | 606.258            | 81.278            | 90.393            | 269.043            |
| Learning Lab activities   | 819.601            | 109.879           | 122.203           | 0                  |
|   | <b>6.271.876</b>   | <b>840.836</b>    | <b>935.138</b>    | <b>3.038.057</b>   |
| <b>Total income</b>   | <b>648.419.448</b> | <b>86.929.984</b> | <b>96.679.456</b> | <b>564.122.078</b> |
| Ministry of Culture, danish lottery operating grants (tips/lotto) | 2.641.268          | 354.100           | 393.814           | 2.667.518          |
| Danida grants   | 215.775.921        | 28.927.876        | 32.172.228        | 224.019.344        |
| The European Union (EU)   | 72.765.797         | 9.755.305         | 10.849.393        | 67.167.295         |
| Grants from other national and international donors               | 166.125.953        | 22.271.581        | 24.769.409        | 97.548.416         |
| Other private donors  | 191.110.509        | 25.621.122        | 28.494.612        | 172.719.505        |
| <b>Total income</b>   | <b>648.419.448</b> | <b>86.929.984</b> | <b>96.679.456</b> | <b>564.122.078</b> |

## Notes to the Financial Statements

|  | 2015               |                   |                   | 2014               |
|--|--------------------|-------------------|-------------------|--------------------|
|  | DKK                | EURO              | USD               | DKK                |
| <b>Note 2 Development and relief aid</b> |                    |                   |                   |                    |
| <b>Development projects</b>              |                    |                   |                   |                    |
| Europe                                   | 13.743.286         | 1.842.486         | 2.049.126         | 19.257.528         |
| Middle East                              | 24.609.584         | 3.299.270         | 3.669.293         | 25.383.446         |
| Asia                                     | 60.906.485         | 8.165.393         | 9.081.168         | 61.194.007         |
| Africa                                   | 99.832.146         | 13.383.940        | 14.884.991        | 78.683.943         |
| Latin America                            | 11.924.287         | 1.598.623         | 1.777.913         | 13.498.543         |
| Global                                   | 28.825.290         | 3.864.446         | 4.297.856         | 28.147.319         |
|  | <b>239.841.078</b> | <b>32.154.158</b> | <b>35.760.347</b> | <b>226.164.786</b> |
| <b>Relief / humanitarian projects</b>    |                    |                   |                   |                    |
| Europe                                   | 2.241.696          | 300.532           | 334.237           | 3.238.372          |
| Middle East                              | 10.793.318         | 1.447.000         | 1.609.286         | 30.182.994         |
| Asia                                     | 52.087.476         | 6.983.078         | 7.766.252         | 21.878.905         |
| Africa                                   | 99.711.734         | 13.367.797        | 14.867.038        | 79.225.234         |
| Latin America                            | 11.911             | 1.597             | 1.776             | 0                  |
| Global                                   | 8.670.286          | 1.162.377         | 1.292.741         | 3.566.196          |
|  | <b>173.516.421</b> | <b>23.262.379</b> | <b>25.871.330</b> | <b>138.091.701</b> |
| <b>Humanitarian mineaction projects</b>  |                    |                   |                   |                    |
| Europe                                   | 1.711.086          | 229.396           | 255.123           | 106.875            |
| Middle East                              | 37.346.651         | 5.006.858         | 5.568.392         | 34.468.574         |
| Asia                                     | 9.099.429          | 1.219.910         | 1.356.727         | 6.898.806          |
| Africa                                   | 40.838.110         | 5.474.938         | 6.088.970         | 36.747.814         |
| Latin America                            | 0                  | 0                 | 0                 | 97.101             |
| Global                                   | 2.479.041          | 332.351           | 369.625           | 1.971.035          |
|  | <b>91.474.317</b>  | <b>12.263.453</b> | <b>13.638.837</b> | <b>80.290.205</b>  |
|  | <b>504.831.816</b> | <b>67.679.990</b> | <b>75.270.514</b> | <b>444.546.692</b> |
| <b>Note 3 Learning Lab activities</b>    |                    |                   |                   |                    |
| Learning Lab activities                  | 2.425.091          | 325.118           | 361.582           | 0                  |
|  | <b>2.425.091</b>   | <b>325.118</b>    | <b>361.582</b>    | <b>0</b>           |
| <b>Note 4 Information and campaigns</b>  |                    |                   |                   |                    |
| Information activities                   | 19.573.868         | 2.624.159         | 2.918.467         | 18.688.863         |
| Campaigns and fundraising                | 45.314.954         | 6.075.124         | 6.756.468         | 40.399.484         |
|  | <b>64.888.822</b>  | <b>8.699.283</b>  | <b>9.674.935</b>  | <b>59.088.347</b>  |

## Notes to the Financial Statements

|  | 2015                |                    |                    | 2014               |
|--|---------------------|--------------------|--------------------|--------------------|
|  | DKK                 | EURO               | USD                | DKK                |
| <b>Note 5 Administrative expenses</b>                              |                     |                    |                    |                    |
| <b>Staff costs</b>   |                     |                    |                    |                    |
| Staff costs: insurance, competency development etc.                | 3.145.817           | 421.742            | 469.042            | 4.105.203          |
| Salaries, pensions, ATP etc.                                       | <u>92.870.839</u>   | <u>12.450.676</u>  | <u>13.847.059</u>  | <u>83.800.543</u>  |
|  | <b>96.016.656</b>   | <b>12.872.418</b>  | <b>14.316.101</b>  | <b>87.905.746</b>  |
| <b>Other administrative expenses</b>                               |                     |                    |                    |                    |
| Operating expenses: Rent, telephone, fax, stationery, postage etc. | 11.764.211          | 1.577.162          | 1.754.046          | 10.819.274         |
| Depreciation on property, plant and equipment                      | 1.615.223           | 216.544            | 240.830            | 2.372.843          |
| Board and committees   | 364.300             | 48.840             | 54.317             | 174.905            |
| Other expenses   | <u>429.619</u>      | <u>57.597</u>      | <u>64.056</u>      | <u>299.486</u>     |
|  | <b>14.173.353</b>   | <b>1.900.143</b>   | <b>2.113.249</b>   | <b>13.666.508</b>  |
| Regional- and country offices, running costs and expatriates       | <u>67.799.522</u>   | <u>9.089.504</u>   | <u>10.108.921</u>  | <u>56.839.975</u>  |
|  | <b>177.989.531</b>  | <b>23.862.065</b>  | <b>26.538.271</b>  | <b>158.412.229</b> |
| Program- and project related costs (moved to relevant activity)    | <u>-107.068.239</u> | <u>-14.354.043</u> | <u>-15.963.894</u> | <u>-98.333.644</u> |
|  | <b>70.921.292</b>   | <b>9.508.022</b>   | <b>10.574.377</b>  | <b>60.078.585</b>  |
| <b>Note 6 Financial income</b>                                     |                     |                    |                    |                    |
| Towards ongoing development and relief aid activities              | 190.242             | 25.505             | 28.365             | 222.115            |
| Capital gain on securities   | <u>1.641.713</u>    | <u>220.095</u>     | <u>244.780</u>     | <u>453.812</u>     |
|  | <b>1.831.955</b>    | <b>245.600</b>     | <b>273.145</b>     | <b>675.927</b>     |
| <b>Note 7 Financial expenses</b>                                   |                     |                    |                    |                    |
|  | 21                  | 3                  | 3                  | 13.065             |
| Repayments of interest to Danida etc.                              | <u>159.321</u>      | <u>21.359</u>      | <u>23.755</u>      | <u>105.572</u>     |
| Capital gain on securities   |                     |                    |                    |                    |
|  | <b>159.342</b>      | <b>21.362</b>      | <b>23.758</b>      | <b>118.637</b>     |
| <b>Note 8 Deposits receivable (fixed assets)</b>                   |                     |                    |                    |                    |
| Franking machine, deposit  | 16.800              | 2.252              | 2.505              | 16.800             |
| Butik Fisk, rent deposit   | <u>3.593.780</u>    | <u>481.798</u>     | <u>535.833</u>     | <u>4.004.505</u>   |
|  | <b>3.610.580</b>    | <b>484.050</b>     | <b>538.338</b>     | <b>4.021.305</b>   |
| <b>Note 9 Other debtors (current assets)</b>                       |                     |                    |                    |                    |
| Travel and other cash advances                                     | 672.434             | 90.149             | 100.260            | 617.733            |
| Local debtors  | 638.505             | 85.601             | 95.201             | 1.393.262          |
| VAT receivable   | 167.698             | 22.482             | 25.004             | 0                  |
| Other debtors  | <u>5.020.508</u>    | <u>673.072</u>     | <u>748.559</u>     | <u>2.784.483</u>   |
| Rent receivable  | <u>0</u>            | <u>0</u>           | <u>0</u>           | <u>0</u>           |
|  | <b>6.499.145</b>    | <b>871.304</b>     | <b>969.024</b>     | <b>4.795.478</b>   |

## Notes to the Financial Statements

|  | 2015              |                   |                   | 2014              |
|--|-------------------|-------------------|-------------------|-------------------|
|  | DKK               | EURO              | USD               | DKK               |
| <b>Note 10 Securities</b>                      |                   |                   |                   |                   |
| Securities                                     | 11.070.804        | 1.484.201         | 1.650.659         | 11.264.391        |
| Portfolio administration account               | 342.705           | 45.945            | 51.097            | 127.406           |
|  | <b>11.413.509</b> | <b>1.530.146</b>  | <b>1.701.756</b>  | <b>11.391.797</b> |
| <b>Note 11 Cash at bank and in hand</b>        |                   |                   |                   |                   |
| Cash balance                                   | 36.108            | 4.841             | 5.384             | 49.657            |
| Foreign exchange reserves                      | 207.123           | 27.768            | 30.882            | 224.742           |
| Bank deposits                                  | 71.981.377        | 9.650.142         | 10.732.436        | 57.042.518        |
| Cash balance, regional offices and HMA offices | 21.377.281        | 2.865.933         | 3.187.356         | 16.430.960        |
|  | <b>93.601.889</b> | <b>12.548.684</b> | <b>13.956.058</b> | <b>73.747.877</b> |
| <b>Note 12 Other debt</b>                      |                   |                   |                   |                   |
| ATP  | 197.370           | 26.460            | 29.428            | 182.610           |
| Pension contributions payable                  | 0                 | 0                 | 0                 | 0                 |
| Due pension                                    | 146.356           | 19.621            | 21.822            | 26.153            |
| Holiday pay payable                            | 516.367           | 69.226            | 76.990            | 230.077           |
| Holiday pay obligations                        | 7.004.867         | 939.104           | 1.044.427         | 7.589.984         |
| Provisions local tax                           | 4.877.570         | 653.909           | 727.247           | 1.953.557         |
| Homecoming fee expatriate staff                | 3.016.331         | 404.383           | 449.735           | 0                 |
| Prepaid rent & heating                         | 684.446           | 91.760            | 102.051           | 57.750            |
| Other debt                                     | 57.750            | 7.742             | 8.611             | 5.372.598         |
| Other debt local                               | 5.254.532         | 704.446           | 783.452           | 6.212.803         |
| VAT due  | 10.046.606        | 1.346.893         | 1.497.951         | 73.174            |
| Interest and capital losses payable to Danida  | 0                 | 0                 | 0                 | 0                 |
|  | <b>31.802.194</b> | <b>4.263.544</b>  | <b>4.741.714</b>  | <b>21.698.706</b> |

### Note 13 Contingencies etc. Contingent assets and liabilities

DanChurchAid has provided guarantees in favour of "Andelskassen OIKOS" (yearly interests ascribes)

| Loan no./date for entering loan: | Amount:       | Repayment year:           |
|----------------------------------|---------------|---------------------------|
| No. 8929706359, 23.6.2009        | DKK 300.000   | 5 (first time 30.12.2013) |
| No. 8929707967, 8.9.2010         | DKK 1.000.000 | 5 (first time 30.12.2013) |
| No. 9860-892711565, 26.6.2014    | DKK 1.500.000 | 5                         |
| No. 8929711492, 2.5.2014         | DKK 833.952   | 7                         |
| No. 8929712782, 16.6.2015        | DKK 200.000   | 3                         |
| No. 8929712839, 8.9.2015         | DKK 1.623.000 | 6                         |

### Note 14 Charges and securities

In security for all balances with Danske Bank a grant of DKK10,909,918.26 is charged on securities.

DanChurchAid has issued mortgage deed registered to the mortgagor for DKK 5,099,813 on the organization's land and buildings deposited as security for banks.