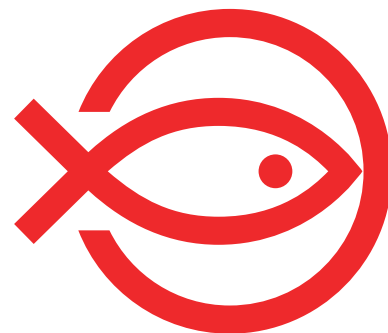
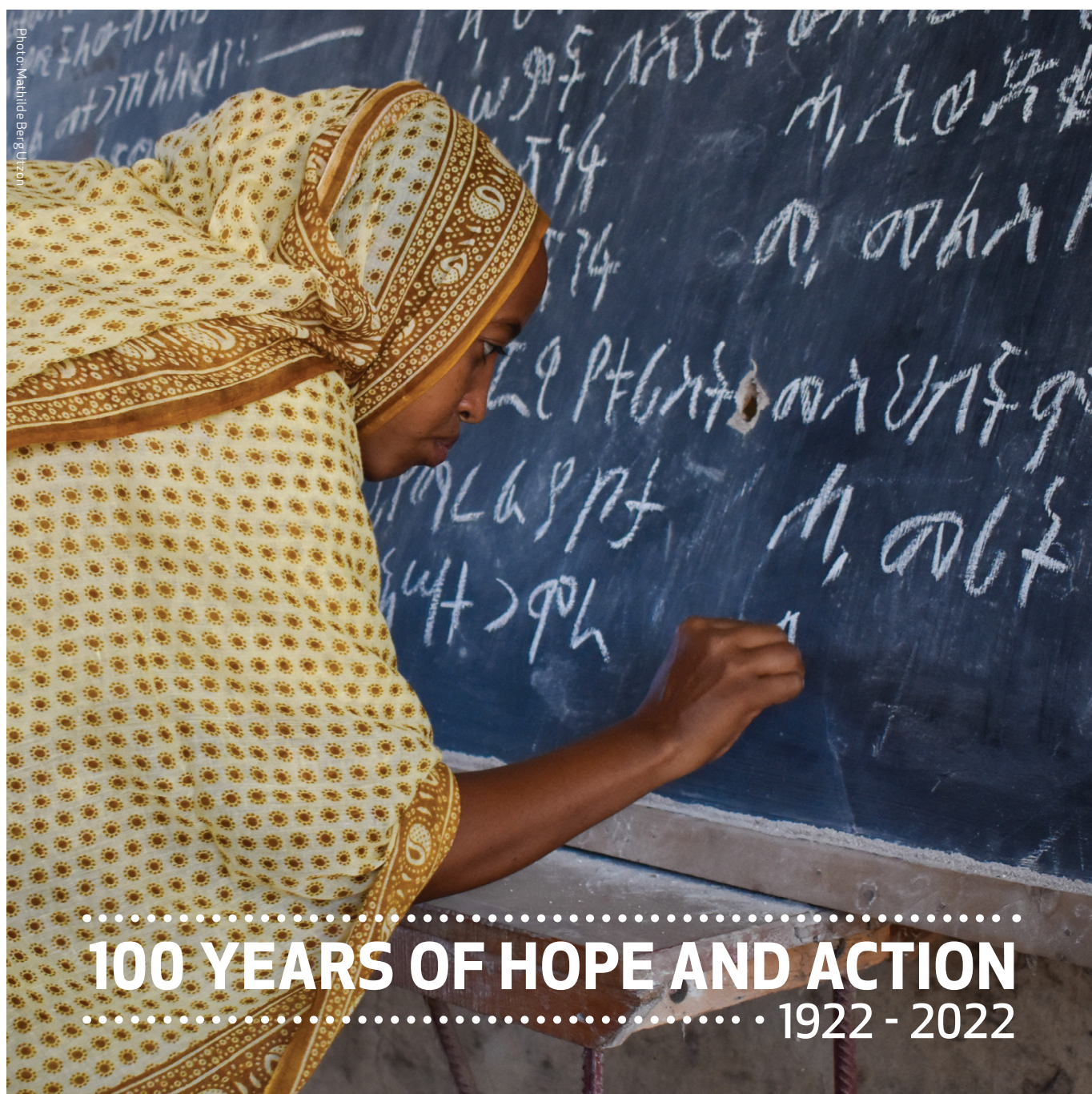


ANNUAL REPORT 2021



DanChurchAid

Photo: Mathilde Berg Utzon



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100 YEARS OF HOPE AND ACTION
..... • 1922 - 2022



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100 YEARS OF HOPE AND ACTION
..... 1922 - 2022

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Organisation Facts

Organisational Name	Folkekirkens Nødhjælp Meldahls­gade 3, 3rd and 4th floors 1613 Copenhagen V Telephone +45 33 15 28 00 Website noedhjælp.dk Business Registration (CVR) number 36 98 02 14
Board of Directors	Søren Christian Madsen (Chair) Solvej Gasseholm Bang (Vice Chair) Jonas Kolby Laub Kristiansen (Treasurer) Birthe Juel Christensen* Henning Thomsen Jeppe Hedaa Jesper Lindholm Lone Riisgaard Lærke Bruhn Elming Marianne Hoff Andersen Torben Hjul Andersen *Elected by employees
Management	Birgitte Qvist-Sørensen (General Secretary) Cecilie Bjørnskov-Johansen Jonas Vejsager Nøddekær Lars Lindholm Peter Greisen
Auditor	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen S
Financial Year	1 January to 31 December
Bank	Danske Bank Holmens Kanal 2 1090 Copenhagen K

01. 100 Years of DanChurchAid

DanChurchAid celebrates its 100th anniversary as the oldest aid organisation originating in Denmark. Over the last 100 years, we have evolved from a volunteer missionary entity into a global organisation. As described in the 2021 Annual Report, the need for our international efforts and our work to raise support in Denmark has never been greater. In 2021, we provided aid to more than 5 million people in dire straits.

The centenary occurs at a time when there is once again war in Europe, just as it was the case when DanChurchAid was formed after the devastation of World War I. We never envisaged DanChurchAid again having to provide humanitarian aid to millions of victims of war in Europe. Nevertheless, the Russian invasion has imposed a reality in which we must work together with our local partners in Ukraine.

We are witnessing a humanitarian catastrophe in Europe and an assault on the principles of human rights and democracy that were instituted in the wake of World War I and World War II. DanChurchAid is fighting for those fundamental principles all over the world, and those principles are the foundation making it possible to work together to create a world that is more sustainable.

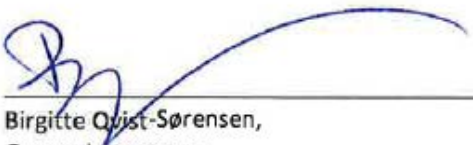
Over time, we have excelled at navigating change, and we have been rewarded for it by Danish and international donors and by the Danish population. We have succeeded because of our dedicated employees and solid popular support. DanChurchAid is not seeking to grow for the sake of growing, but rather the need for our aid keeps increasing in an ever more complex world.

As we enter our centenary year, we will strengthen existing partnerships and enter into new ones for the benefit of people in the poorest and most vulnerable countries. For 100 years, these partnerships have been key in providing as much aid as possible to as many people as possible, and they are especially relevant today. Global issues involving authoritarian leaders, climate disasters, and multitudes of refugees are no longer associated only with the developing world. They are global challenges. They are challenges affecting us all, and there are no solutions other than the ones we share.


We cannot rest on our laurels in celebrating the 100th anniversary, but we will still honour the occasion by staging a series of events and initiatives over the course of 2022. We are taking the opportunity to look back on the successes of the past 100 years and to look at how we might move the world in a positive direction during the next 100 years. This is a collaboration between all the positive work being done in Denmark and all over the planet – efforts to steer the world towards reduced inequity, efforts full of a conviction of the need for a transition to green energy and sustainable development.

Hope is a central element in the Christian narrative and thus in our faith that our future will be better than our present.

Copenhagen, April 19, 2022



Birgitte Ørskov-Sørensen,
General Secretary



Søren Christian Madsen,
Chairman of the Board

02. Management Report

Significant Support in a Challenging World

DanChurchAid had a turnover of DKK 917.9 million in Denmark and on international projects during 2021. Our approach based on rights and partnerships when assisting people in need is favored by donors and collaboration partners.

The international work of DanChurchAid to save lives, build resilient communities and fight extreme inequity is expanding in an increasingly challenging world. Conflicts, climate change and COVID-19 have worsened living conditions in the world in 2021. Several hundred million people have fallen back into extreme poverty, and at the end of the year, almost 83 million people were displaced.

The largest donor supporting DanChurchAid remains Danida with DKK 236.2 million, followed by EU institutions with DKK 173.3 million, US institutions with DKK 114.8 million,

the UN with DKK 78.3 million, and contributions from the Danish population and various Danish foundations amounted to DKK 171 million.

Compared to 2020, grants from EU institutions increased by 38 pct., and grants from US institutions increased by 34 pct. to support projects in our country programmes in South Sudan, Syria, DR Congo and others.

Global challenges, combined with a reduction in the aid budgets of countries in the West, have led to increased demand for new financing models, cross-sectoral collaboration and the use of new technology. That is why in 2021 DanChurchAid intensified its work to set up new strategic partnerships across all sectors, with companies and knowledge-based entities. Through our cooperation in the ACT Alliance, we reach countries where we are not represented by our own country offices.



In Kenya, DanChurchAid is one of the driving forces in an innovative agricultural project in partnership with local NGO Momentum Trust, Kenyan bank Juhudi Kilimo, Danish company Ingemann, and 3,000 Kenyan farmers. A newly developed app helps local Kenyan farmers adapt to climate change by growing climate resistant chia seeds and other crops. We establish cooperatives that enable farmers to cooperate in groups and exchange experiences. Farmers receive financial support for seeds and fertiliser, and the app makes it possible to access weather data and data regarding the impact of the climate on various plants and crops. Several financial institutions also use the app, which gives farmers the opportunity to apply for loans. In addition, the app contains training materials and manuals for sustainable farming.

/ Photo Davasha photography

Where we work



We have received additional funding from Danida Market Development Partnerships to set up partnerships with Danish and local companies and knowledge institutions on sustainable food production in Ethiopia, Uganda and Kenya. The projects contribute to improve food security, local market development and jobs for the world's poorest and most vulnerable people.

In 2021, we have seen an increase in the grants from Danish foundations focusing on global challenges and funding humanitarian work, including the Novo Nordisk Foundation, which supports our work in Lebanon with education of the Syrian and Lebanese youth.

Working in the World's Hotspots

The international work of DanChurchAid has three overall goals: save lives, build resilient communities and fight extreme inequity. Our work is concentrated in 19 countries. Of the grants, 47 pct. goes to Africa, 28 pct. goes to North Africa/Middle East, 17 pct. goes to Asia, the remaining is distributed to projects outside the 19 countries.

In 2021, our three largest programme countries were South Sudan with a total of DKK 101.6 million, Syria with a total of DKK 83.5 million, and Zimbabwe with a total of DKK 76.7 million. In South Sudan, DanChurchAid assists internally displaced people from the civil war by providing food and support to smallholders, mine clearing etc.

In Syria, DanChurchAid – as one of the few international NGOs – has access to areas under Kurdish control. Here, we distribute cash, provide protection to internally displaced Syrians, clear unexploded ordnance and land mines from villages and fields, and help rebuild local communities.

In Zimbabwe, the population has been seriously affected by the socio-economic effects of the COVID-19 pandemic in particular unemployment, poverty, and hunger. In rural areas, we work to

ensure water supply for destitute farms that have suffered from years of drought.

DanChurchAid works in some of the most conflict-ridden and politically unstable countries in the world. This reality was emphasised in 2021 across programme countries. The unstable political situation in western Africa was particularly challenging due to several military coups. Coup attempts were seen in Chad, Sudan, Burkina Faso as well as Mali, which is one of the programme countries of DanChurchAid. Here, under difficult conditions, we continued the work of conflict prevention, work on climate adaption, and financial support for women and young people in Mali.

In Ethiopia, several million people were displaced by the conflict in the Tigray province. Many fled to Sudan where DanChurchAid has provided emergency aid in a newly established refugee camp.

Myanmar experienced a military coup in February 2021 that was met by massive demonstrations and harsh international condemnation. During the year the conflict worsened: thousands of people were displaced from their homes, while schools and health clinics were shut down or partially closed. DanChurchAid has managed to continue providing emergency aid and education aimed at protecting civilians from land mines.

In Palestine, efforts to strengthen the rights of the Palestinian communities in the occupied areas continued, and DanChurchAid mobilised emergency aid in Gaza during the 10-day war between Israel and Hamas in May 2021.

The Taliban takeover of Afghanistan in August 2021 has resulted in dangerous deterioration of the humanitarian situation in the country. Working through our Norwegian sister organisation Norwegian Church Aid, we also provided aid to civilians there.



DanChurchAid is working hard to rebuild the structure of Syrians' lives. In the Dier Ez-Zur region, we have cleared two schools of explosive objects after the buildings were reclaimed from the Islamic State. Many Syrian children have physical injuries due to the war, so we need to rebuild schools to accommodate children with disabilities.
/ Photo: Jakob Dall

Invaluable Support from the Danish Population

In 2021, the total turnover from the DanChurchAid secondhand shops and from fundraising was DKK 165.0 million. This excellent result was achieved despite the on-going COVID-19 pandemic which has hampered many activities, mainly forcing the shutdown of the secondhand shops for two months and preventing our country wide door-to-door parish collection for the second year in a row.

The two-month shutdown of the secondhand shops affected both the economy but also the many volunteers who once again were deprived of participating in the community. Many volunteers came up with creative ways to keep sales going by setting up digital shops and selling door to door with safe distance. And when the shops were able to reopen, customers flocked in.

In 2021, Denmark opened another Wefood store. Thanks to financial support from the Salling Foundation and with the support of Y's Men Region Denmark and the members of the organisations 150 clubs, DanChurchAid was able to open a large new Wefood store in Aalborg. This was celebrated by the creation of the world's longest Tree Log cake made from surplus food items. All six Wefood stores sold a record number of items in 2021. A total of 417 tonnes of food were saved from being discarded, and the total profit from our secondhand shops and the Wefood stores was DKK 29.5 million.

COVID-19 challenges forced the annual parish collection to be held online for the second year in a row. Ever since 1997, volunteers have pounded the pavement in one of the largest national household fundraisers to raise money for the world's poorest and most vulnerable people. As in-person interactions were not possible, the collection was carried out on social media. There was huge support, and thanks to the many creative ideas of individuals, churches, and collaboration partners, we managed to collect DKK 5.9 million.

The profits from the 2021 Danish Advent Calendar for Children went to DanChurchAid projects in the Turkana region of Kenya, which, among other things, support children school attendance. Danish children had the opportunity to learn about Kenya through educational material supplied by Danida,

and in partnership DanChurchAid developed a free digital universe targeted at school children and families with children.

We are committed to engaging the Danish population – regardless of age, geographical location, and political stripe – in a more sustainable everyday life. Among other things, we offer concrete climate action in our secondhand shops and Wefood stores, where we fight to minimise food waste.

Collaboration on Sustainability

We have intensified our efforts in Denmark to strengthen collaboration on sustainability and climate responsibility, and we are bridging the gaps between efforts to achieve the UN's Sustainable Development Goals in Denmark and abroad. One of the successful new initiatives in 2021 is climate agreements, where Danish companies and organisations can demonstrate climate responsibility and compensate for their CO2 emissions through tree planting in Uganda. At the same time, they support climate adaptation projects to teach smallholders about new farming methods and crops resilient to climate changes.

The climate crisis can be addressed only by collaboration and partnerships across all sectors. We collaborate with partners where there is alignment between our values in terms of sustainability and responsible conduct. This applies both to climate related agreements made in Denmark with Danish companies and organisations on climate compensation and tree planting, and to our international collaboration with these parties regarding food security and market access for e.g., poor farmers in Uganda or Cambodia.

In 2021, we continued to prioritise new partnerships and collaboration with the private sector on innovative financing methods as part of our efforts to achieve the UN's Sustainable Development Goals. This applies both to the international aid work and to our work on furthering global engagement and sustainable consumption in Denmark, where a growing number of companies are joining in efforts to achieve the UN's Sustainable Development Goals. We will continue this work.



03. Social Responsibility

Climate Change in 2021

2021 continued to bring worrying news about the climate crisis. The global temperature is increasing, and the impacts are being felt around the world. At DanChurchAid we continue our efforts to help vulnerable people and communities to adapt, and to address climate induced losses and damages.

We follow this development with concern. However, we hold on to the hope, and the belief that we still can tackle climate change, and that is why we continue our climate engagement. During 2021, several initiatives to both promote greening of our own activities, and to call for, and encourage, climate action, were taken.

In 2021 the first DanChurchAid climate footprint report was presented, covering emissions in Denmark (scope 1 and 2) and emissions from international flights (scope 3). Emissions in 2020 were low, following the corona outbreak and fewer flights. However, the report also includes emissions from 2019, which will be used as the baseline when we monitor our efforts to reduce future emissions.

During the year initiatives were also taken to promote mainstreaming of climate change in development projects. This was initiated in cooperation with a few other Danish NGOs, and activities will be rolled out in 2022.

DanChurchAid continues to offer the Danish population the opportunity to lower their emissions by reducing food waste through our six Wefood stores, by reducing consumption through shopping in our 113 secondhand shops in Denmark, and by offering climate partnerships, including tree planting, to sequester CO₂. Trees are an important part of many of our international projects. During 2021, over 561,000 trees were planted in collaboration with our local partners.

Finally, DanChurchAid continues to have a strong voice in the climate debate, both in Denmark and internationally. The call for climate action has contributed to a stronger focus on adaptation and climate induced loss and damage in vulnerable countries.

There is a climate crisis, but DanChurchAid continues to keep hope alive, and to claim that hope can be turned into action.

Diversity, Inclusion and Belonging

DanChurchAid strives to be a diverse and inclusive organisation where all staff have a sense of belonging. We consider this as a journey of cultural change that values the uniqueness that each employee brings to the workplace and the attractiveness of a workplace that enables every employee to thrive. DanChurchAid believes that a mix of different people not only provides different backgrounds, ideas, perspectives, and approaches to how we deliver humanitarian and relief work, but drives the quality, excellence and transformative impact of our work. For DanChurchAid, Diversity, Inclusion and Belonging (DIB) is a strategic ambition, woven into our global strategy 2023-2030, it aligns with our core values and builds on our faith-based history. While its innovative drive and creativity gives us a competitive edge, we also believe that as an aid organisation it is the right thing to do.

Because DanChurchAid has a mandate and principles based on human rights, justice and ethical principles, it is natural that we take a holistic approach to DIB where the social justice and fair treatment of our staff and communities we support is integral to our DIB policy. The recent movements such as Metoo and Black Lives Matter highlight the growing focus on social justice and fair treatment in society which stresses the importance of this work.

Therefore, our DIB policy is at the core of operations throughout the organisation. DIB communicates and shapes how we do business, how we recruit diverse talents, how we communicate inclusively, how we perceive others who are different from us, how we enable staff to thrive and how we reflect the communities in which we operate. We strive to be intentional in walking the talk, as this is crucial to our credibility and legitimacy.

It is important for DanChurchAid to strive for equality in the composition of the Board of Directors, the management team, and the teams of employees. The Board of Directors comprises 11 members, including five women, and management comprises five members, including two women. Head office employs 13 middle managers of whom nine are women. The overseas offices employ 16 country directors of whom four are women.

We continue to base our hiring decisions for managers and staff on professional qualifications.

Ethical Use of Data and Security

Technological developments have changed the way DanChurchAid carries out its work. Increasing digitalisation and the growing amount of data provide new opportunities but at the same time new obligations with respect to our employees, the recipients of our aid and other stakeholders. For us, data ethics is about responsible use of data and transparency in data management, about doing the right thing for individuals and society in Denmark as well as in the countries in which we deliver aid. We are working to keep personal information secure in all areas of our organisation.

Respect for basic human rights is not a given in many of the countries in which we deliver aid. Our efforts with respect to ethical use of data are intended to adhere to laws and rules but also to safeguard the physical and digital safety of our employees, the people we help and other stakeholders. Checks are run prior to finalising contracts, to uncover connections to terror movements or money laundering, for all staff employment, significant suppliers and partners. We do this to comply with the requirements of our institutional donors but also to ensure that the funds we are entrusted with are used to help the world's poorest and most vulnerable people.

04. Management and Audit

Management's Statement

We, the undersigned, have today examined and approved DanChurchAid's annual report for the financial year 1 January – 31 December 2021.

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 2021 and the result of the organisation's activities in the financial year 1 January – 31 December 2021.

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.

Collection

The organisation's collections have been made in accordance with the organisation's collection permit and in accordance with the Collection Law and associated executive order. We consider the prepared accounts for collection for the benefit of the organisation's purposes for the period 1 January - 31 December 2021, to be prepared in accordance with the accounting provisions in Executive Order no. 160 of 26 February 2020 and the Collection Law.

Distribution funds - operating aid for non-profit and humanitarian purposes

The organisation has established guidelines and procedures that ensure that the dispositions relating to received distribution funds are in accordance with notified grants, laws, and other regulations as well as with agreements entered into and customary practice. Guidelines and procedures have also been established to ensure that due financial considerations are considered in the management of the distribution funds received.

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

Copenhagen, 19. April 2022

 Birgitte Qvist-Sørensen General Secretary	 Peter Greisen Finance Director	
 Søren Christian Madsen Chairman of the Board	 Solvej Gasseholm Bang Vice chairman of the Board	 Jonas Kolby Laub Kristiansen Cashier of the Board
 Birthe Juel Christensen	 Henning Thomsen	 Jeppe Hedaa
 Jesper Ole Lindholm	 Lone Riisgaard	 Lærke Bruhn Elming
 Marianne Hoff Andersen	 Torben Hjul Andersen	

Independent Auditor's Report
To the Management of DanChurchAid

Opinion

We have audited the financial statements of DanChurchAid for the financial year 01.01.2021 – 31.12.2021, which comprise the accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act and the Danish Executive Order No 1701 of 21 December 2010 on financial and administrative conditions for recipients of contributions to operations issued by the Danish Ministry of Culture.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act and the Danish Executive Order No 1701 of 21 December 2010 on financial and administrative conditions for recipients of contributions to operations issued by the Danish Ministry of Culture.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing, additional requirements applicable in Denmark, as well as the standards on public auditing as the audit was conducted in accordance with the provisions of the Danish Executive Order No 1701 of 21 December 2010 on financial and administrative conditions for recipients of contributions to operations issued by the Danish Ministry of Culture. 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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Danish Financial

Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Organisation's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Organisation or to cease operations or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, the additional requirements applicable in Denmark, as well as the standards on public auditing as the audit was conducted in accordance with the provisions of the Danish Executive Order No 1701 of 21 December 2010 on financial and administrative conditions for recipients of contributions to operations issued by the Danish Ministry of Culture 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 in accordance with ISAs, the additional requirements applicable in Denmark, as well as the standards on public auditing as the audit was conducted in accordance with the provisions of the Danish Executive Order No 1701 of 21 December 2010 on financial and administrative

Independent auditor's report (continued)

conditions for recipients of contributions to operations issued by the Danish Ministry of Culture and generally accepted public auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and 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.

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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary 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 commentary provides the information required under generally accepted accounting principles.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and generally accepted accounting principles. We did not identify any material misstatement of the management commentary.


Report on other legal and regulatory requirements**Statement on compliance audit and performance audit**

Management is responsible for the compliance of transactions relating to the application of received state football and lottery funds covered by the financial statements 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 received state football and lottery funds covered by the financial statements.

As part of our audit of the financial statements, it is our responsibility to select relevant subject matters for compliance audit as well as performance audit in accordance with the audit provisions of the Danish Executive Order No 1701 of 21 December 2010 on financial and administrative conditions for recipients of contributions to operations issued by the Danish Ministry of Culture. In our compliance

Independent auditor's report (continued)

audit, we test the selected subject matters to obtain reasonable assurance about whether the transactions relating to the receipt of state football and lottery funds covered by the financial statements comply with appropriations granted, statutes, other regulations, agreements and usual practice. In our 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 received

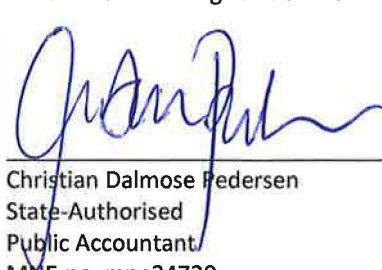


Henrik Wellejus
State-Authorised
Public Accountant
MNE-no. mne24807

state football and lottery funds 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. We have no material critical comments to report in this respect.

Copenhagen, 19 April 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56



Christian Dalmose Pedersen
State-Authorised
Public Accountant
MNE-no. mne24730

05. Key Figures of the Past Five Years

At DanChurchAid, we strive for financial robustness, efficiency and flexibility as well as development and growth. We wish to be an attractive partner for institutional donors and a credible aid organisation for private donors. Our goal is to contribute in a positive manner to the local communities in which we work.

DanChurchAid is an independent and autonomous institution without shareholders, or dividends. Using the contributions from institutional donors, private donors, and other sources, we provide aid to the world's poorest and most vulnerable people. The more contributions we receive, the more people we can help.

Key Figures (in millions DKK)	2021	2020	2019	2018	2017
Income from institutions	739,0	709,7	615,5	502,9	513,6
Income from private etc.	171,0	167,6	157,3	166,0	170,6
Other income	7,9	6,9	7,3	6,7	8,3
Total income	917,9	884,4	780,0	675,6	692,5
Aid work	778,0	742,3	648,6	558,0	577,7
Profit and loss of the year	15,4	23,7	8,7	-14,8	3,9
Equity	150,6	135,2	111,5	102,8	117,6
Total assets	657,2	603,3	584,9	517,0	506,8
Financial contingency*	184,9	172,9	119,4	111,2	51,7
Administrative expenses %	4,4%	5,1%	5,3%	5,6%	4,7%
Profit margin %	1,7%	2,7%	1,1%	-2,2%	0,6%
Solidity %	22,9%	22,4%	19,1%	19,9%	23,2%
Liquidity %	128,4%	129,5%	122,0%	121,9%	108,1%

*Financial contingency is the sum of liquidity, securities and receivable project grants, project liabilities deducted

During the last five years, DanChurchAid has received an increasingly amount of donations from institutional donors. Between 2017 and 2021, income from institutional donors increased from DKK 513.6 million to DKK 739 million, corresponding to an increase of DKK 225.4 million. Throughout, Danida remained the largest single donor, and in 2021 32 pct. of our income from institutional donors came from Danida.

Aside from Danida, our largest institutional donors are EU institutions, US institutions, and the UN. With the donations, we can carry out our humanitarian and peacebuilding work in South Sudan and Syria, fight for human rights in Cambodia, Palestine, and Bangladesh, and create

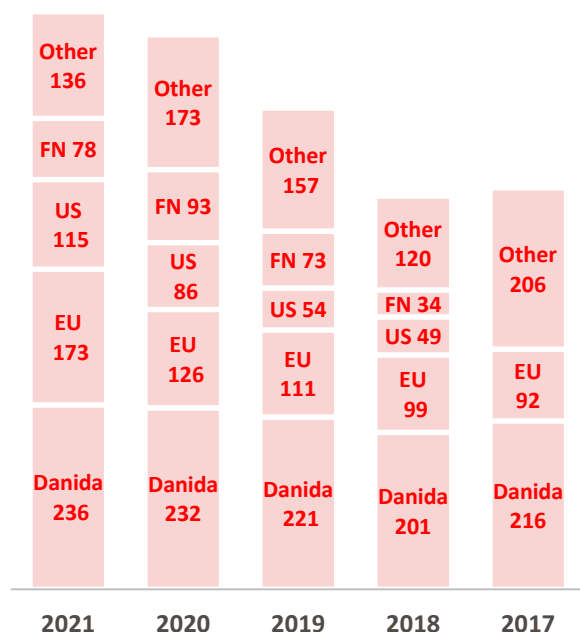
food security in Zimbabwe, Kenya, and Uganda, to name just a few of the DanChurchAid programme areas. In particular, EU organisations have contributed to our mine clearing programmes in Libya and Syria.

Income from private donations declined slightly in the period 2017 to 2019 and increased slightly towards 2021 when it reached DKK 171 million. In recent years, the Danish populations opportunities to donate to civil society organisations have increased, and the increased demand for the contributions intensifies our focus on retaining and attracting those who wish to support the good causes of DanChurchAid. The COVID-19 pandemic has affected our ability to conduct our traditional

parish collection and, due to lockdowns, has limited sales in our secondhand shops. Income from inheritances and wills has varied during the last five years.

Our total turnover has increased from DKK 692.5 million to DKK 917.9 million during this period, an increase of over 32 pct.

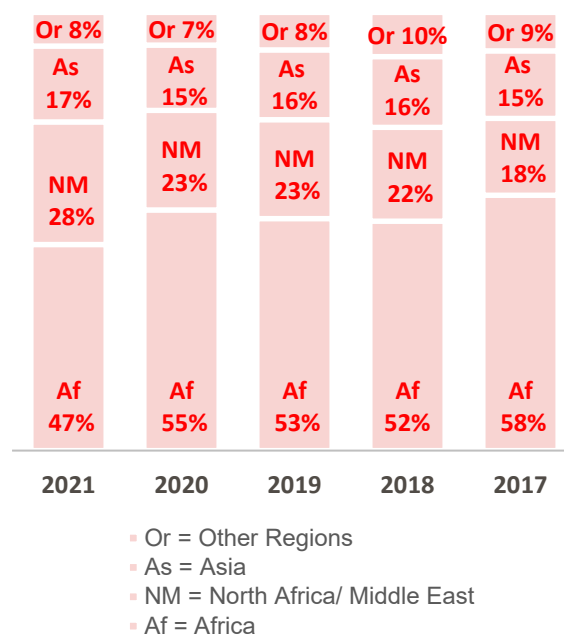
Figure 1: Contributions from Institutional Donors, Development from 2017-2021 (in millions DKK)



Between 2017 and 2021, our aid work has increased from DKK 577.7 million to DKK 778 million spread across Africa, North Africa/ Middle East, and Asia. Throughout this period, Africa has been the biggest recipient of our aid programmes and thus most of our financial activities. The civil wars in Syria and Libya have created the need for programmes such as mine clearance and operating schools, which were mainly funded by EU institutions.

In our international strategy for 2019-2022, we defined targets for growth in revenue, profit, administration costs, equity, and solidity. We have a target for revenue growth because we strive to be a continuously developing organisation and these higher revenues help us to reach our goal of reaching more people in need.

Figure 2: Aid Work by Region, Development from 2017-2021



Our profit, equity and solidity enable us to build our financial robustness and ensure that we can be a financially credible partner to our institutional donors. A low administration percentage ensures that most of our income goes to the world's poorest and most vulnerable people. Our target of achieving a profit during this period was generally achieved despite a deficit in 2018 caused by large provisions for losses incurred primarily in South Sudan. The financial statements for 2021 are also negatively impacted by provisions for a legal case brought by the Tunisian government. To be equipped to withstand future challenges, we have in recent years focused intently on strengthening our financial robustness.

The growth in equity, solidity, liquidity, and financial contingency has been impacted positively by our profit and the sale of the Copenhagen property (Nørregade) in 2018. Administration costs have declined as a function of increases in total income and a relatively lower increase in expenditures.

We expect to continue our growth and to strengthen our financial robustness to ensure that we can continue helping as many people as possible in the world's most vulnerable and poorest countries.

06. Financial Report

Profit and Loss of the Year

The profit for 2021 amounts to DKK 15.4 million. The positive result is primarily due to higher income from institutional donors, higher administrative contributions and fewer self-financed operating expenditures than expected.

The profit for the year is added to the equity, and as of 31 December 2021, the equity amounted to DKK 150.5 million, thus positively contributing to our financial robustness.

Income

Total turnover for the year reached DKK 917.9 million, the highest amount in the history of the organisation.

Income from Institutions

Grants from Danida, the EU and other international donors contributed to a total of DKK 739 million, DKK 29.3 million more than in 2020. The grants are distributed as follows: Danida of DKK 236.2 million, EU grants of DKK 173.3 million, US institutional grants of DKK 114.8 million, UN grants of DKK 78.3 million, and other international grants of DKK 136.5 million.

Fundraising and Private Donations

Both 2021 and 2020 have been affected by COVID-19, with lockdown of the secondhand shops, and the cancellation of the physical annual parish collection. Income to fund our work from the Danish population and from foundations contributed DKK 165 million, an increase of DKK 2.9 million compared to 2020. DanChurchAid received numerous contributions which are collected from various activities and the Danish population who support our work with a monthly donation. In total, unearmarked income summed to DKK 134 million, a decrease of DKK 4.1 million from 2020. Considering the prevention of the physical parish collection and the shutdown of the secondhand shops this was an acceptable result.

Regular donors and other gifts accounted for DKK 71.9 million, equal to the 2020 amount. Despite the lockdowns, the secondhand shops and Wefood made a surplus of DKK 29.5 million, however this was still less than the expected result for 2021.

Bequests amounted to DKK 19.4 million, and we received DKK 2 million from the Ministry of Culture Danish lottery grants in 2021.

In total income of earmarked gifts amounted to DKK 31 million, DKK 6.9 million more than in 2020. Earmarked revenues are accounted as they are spent; therefore, some of these funds were received in 2020. Moreover, some of the earmarked funds received during the last half of 2021 have not yet been spent; they will be accounted for in 2022. In 2021, the DanChurchAid share of the multi-organisation national TV collection (Danmarks Indsamling) was DKK 8.7 million.

Other income

DKK 8.7 million was recognised as income from other sources, grants, and refunds. Of this amount, DKK 5.9 million was granted as compensation to cover fixed operating costs for the closed secondhand shops. In addition, we received a VAT refund of DKK 1.9 million.

Financial income net

Interest income, exchange rate adjustments etc. amounted to DKK 3.9 million, of which unrealised exchange rate adjustments amounted to DKK 1 million.

Expenditures

Aid Work

In total, DKK 778 million was spent on aid work, an increase of DKK 35.7 million compared to 2020. The extra activities were financed by higher Danida, EU and US grants.

Africa

Geographically, Africa remains the region with the greatest economic activity. During 2021, expenditure in this region was DKK 366.1 million, or 47 pct. of the total expenditure. The funds are spent primarily on our international goals of "saving lives" and "building resilient communities". The countries receiving the greatest amount of financial aid are South Sudan (DKK 101.6 million), Zimbabwe (DKK 76.7 million), Uganda (DKK 43.2 million) and Ethiopia (DKK 42.9 million).

North Africa / Middle East

The region with the second largest financial activity is North Africa /Middle East, with DKK

217.4 million, or 28 pct. of the total expenditure. In this region, the “saving lives” and “fighting extreme inequity” activities dominate. DKK 83.5 million was spent in Syria, DKK 48.7 million in Libya, DKK 43.3 million in Palestine, DKK 23 million in Iraq, and DKK 19 million in Lebanon.

Asia

DKK 134.7 million was spent in Asia, or 17 pct. of the total expenditure. In Asia, we work in all three areas: “build resilient communities”, “fight extreme inequity”, and “save lives”. DKK 24.9 million was spent in Bangladesh, and DKK 40.2 million in Myanmar.

Other Regions

DKK 59.8 million, or 8 pct., was spent in other regions. The category “other regions” includes aid work in other countries and work to support our aid efforts.

Information and fundraising

The total expenditure for information and fundraising was DKK 67.4 million in 2021, DKK 0.2 million more than in 2020.

Expenditure on fundraising was DKK 18.3 million, including the annual parish collection (held digitally in 2021), secondhand shop operations, Wefood stores operations, and the “Give a Goat” gift catalogue campaign. In addition, DKK 49.1 million was spent on other fundraising and information efforts, which primarily covers employee time registration. Among other fundraising work, we continue to explore new forms of fundraising and campaigns. In the area of information, we have spent money on general media and awareness work, partnership activities, a sustainability campaign, a food waste reduction campaign, and the awarding of the Timbuktu prize. Of the DKK 49.1 million, DKK 6.2 million was financed externally, by Danida contributing with DKK 2.4 million for project related information; DKK 0.2 million came from the Timbuktu Foundation; DKK 1.6 million came from the Salling Foundation to the sustainability campaign; DKK 0.9 million came from the Ole Kirk Foundation to finance a Christmas calendar campaign; DKK 0.4 million came from CISU (Civil Society in Development, an Association of Danish Civil Society Organisations Working in Development) as compensation for missing income in the secondhand shops and other fundraising efforts; DKK 0.4 million came from Y’s Men Denmark to

support the fight against food waste; and DKK 0.3 million came from the Augustinus Foundation to pay for personal protective equipment in the secondhand shops.

Learning Lab

Learning Lab expenses in 2021 summed to a total of DKK 6.7 million, DKK 0.1 million more than in 2020. Income amounted to DKK 6 million.

Administration Costs

The administration percentage in 2021 was 4.4 pct., 0.7 pct. lower than in 2020 (5.1 pct.). This lower level is due primarily to a higher level of income in 2021, which was not accompanied by a corresponding increase in administration costs. In 2021, our administration costs to operate our headquarters and our country offices were DKK 309.7 million in total. Administration costs to operate the country offices were DKK 173.6 million, DKK 7.8 million more than in 2020. Most of these costs are financed by the aid work. Administration costs for the headquarters office were DKK 136.1 million, DKK 1.4 million less than in 2020, due to lower investments in IT in 2021. The portion of administrative costs that is associated with programmes and projects is transferred via time registration and costs allocation to the various relevant activities. After these are removed, the remaining administrative costs amounted to DKK 54.2 million in 2021, an increase of DKK 5 million primarily due to increased activities in the country offices. DanChurchAid received administrative contributions totaling DKK 43.6 million (an average of 5.7 pct.) from donors to manage grants. This is an increase of DKK 1.1 million compared to 2020 when we received DKK 42.5 million (an average of 5.8 pct.).

Uncertainty and Risks

No uncertainties have affected accounting methods and measurement methods in the annual financial statements. No unusual circumstances have affected accounting methods and measurement methods in the annual financial statements.

Events After the Balance Sheet Date

No events have occurred after the balance sheet date that are considered to alter the assessment of the annual financial statements for the organisation.

07. Financial Statements

Accounting Policies

The Annual Report and the financial statements for DanChurchAid cover our headquarters in Copenhagen, our secondhand shops, and Wefood stores in Denmark as well as our country offices.

DanChurchAid is an independent and autonomous institution. The DanChurchAid Annual Report for 2021 is prepared in accordance with the Danish Financial Statements Act for companies in class A. It is supplemented by a management report etc. submitted in alignment with best accounting practices for similar organisations.

The accounting policy is similar to the previous year.

General Comments on Recognition and Measurement

Income is recognised in the profit and loss statement when earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation and write-downs, are also recognised in the profit and loss statement.

Income and expenses are accrued such that they are recognised with the amount relating to the period.

Transactions in foreign currencies are converted using the exchange rate at the transaction date. Receivables, liabilities, and other monetary items denominated in foreign currencies not settled at the balance sheet date are measured using the exchange rate at the balance sheet. Exchange rate differences arising between the date of the transaction and, respectively, the date of payment and the balance sheet date are recognised in the profit and loss statement as financial income or expenses.

Income

Income primarily consists of donated funds and grants that are recognised as income at the time when the amount is finally available. For unearmarked funds, the rights of disposal are transferred at the time of payment, and for

earmarked funds, the rights of disposal are transferred upon their use.

Expenses

Amounts transferred to aid work and projects are regarded as spent, and therefore the transfers are recognised as costs in the profit and loss statement when aid work is carried out. Actual expenses are calculated when the projects have ended.

Information and fundraising activities include expenses related to information about aid work and expenses related to fundraising campaigns such as the Parish Collection campaign.

Learning Lab was established in 2014 focusing on innovation, streamlining and development of capacity building, and competence development within DanChurchAid and sister organisations in the ACT Alliance. Learning Lab activities include expenses for development of IT platforms, training courses, materials, etc.

Administration costs include expenses related to administrative staff, administration, rental expenses, operating leasing expenses, depreciation on fixed asset etc.

Financial income and expenses are recognised in the profit and loss statement at the amounts relating to the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital or exchange gains and losses on securities, debt, and foreign currency transactions. Dividends from equity investments are recognised as income in the financial year in which they are declared.

The organisation is exempted from the liability to pay corporate tax.

Assets

Property and buildings as well as fixtures and operating equipment are measured at cost less accumulated depreciation. The depreciation basis is the cost less estimated residual value at the end of the service life. Residual value is determined based on the cost. Cost is calculated at the acquisition price, and costs directly attributable to

the acquisition, until the time when the asset is ready to be put into operation. Linear depreciations are calculated based on the following assumptions regarding the service life of the assets:

Building, Denmark	50 years
Residual value 40 pct.	
Buildings, abroad	4-10 years
Residual value 0 pct.	
Equipment and furnishings,	3-5 years
Residual value 0 pct.	

Vehicles are depreciated by 30 pct. of the residual value.

Assets used abroad are recognised in the profit and loss statement as project expenses for their service life. Profit or loss arising from the sale of fixed assets are calculated as the difference between the selling price, less selling expenses, and the accounting amount at the time of sale.

Project grants receivable recognised as assets represent project commitments from donors where the commitment is made during the current financial year while the actual project grants are not received until the subsequent financial year. Receivable project grants are measured as expected project payments based on an individual assessment of the possibility of obtaining a project grant for the respective projects.

Receivables are measured at amortised cost, usually equaling nominal value. The value is reduced by depreciation to account for expected losses.

Accruals and prepayments recognised as assets cover expenses regarding the subsequent financial year.

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

Liabilities

Debt is measured at amortised cost, usually corresponding to nominal value.

Project commitments recognised as liabilities represent unutilised project grants from donors. Project commitments consist of either future

expenses related to earmarked projects or refund of the project grant to the donors. Project commitments are measured as the project grants received from donors less project expenses incurred.

Key indicators

The key indicators are calculated as follows:

Administration percentage = General management and administration expenses x 100 / total income

Profit margin = the profit for the financial year x 100 / total income

Solidity = equity ultimo x 100 / total assets ultimo

Liquidity = current assets x 100 / short term debt

Profit and Loss Statement

Profit and Loss Statement 1 January - 31 December (in thousands)		Note	2021			2020
			DKK	EURO	USD	DKK
Income from institutions	1		739.037	99.373	118.098	709.712
Income from private etc.	2		171.004	22.994	27.326	167.698
Other income	3		7.841	1.054	1.253	6.944
Total income			917.882	123.421	146.677	884.354
Aid work	4		-777.993	-104.611	-124.323	-742.334
Information and fundraising etc.	2		-74.187	-9.975	-11.855	-73.817
Administration	5		-54.155	-7.282	-8.654	-49.193
Total expenses			-906.335	-121.868	-144.832	-865.344
Financial income net	6		3.852	518	616	4.679
Profit or loss of the year			15.399	2.071	2.461	23.689
Net profit or loss for the year			15.399	2.071	2.461	23.689
The Danish TV-collection "Danmarks Indsamling"	7					

Balance Sheet December 31.

Assets (in thousands)	Note	2021			2020
		DKK	EURO	USD	DKK
Fixed assets					
Tangible fixed assets		2.510	337	401	2.758
Financial assets		8.521	1.146	1.362	8.719
Timbuktu-foundation		12.099	1.627	1.933	11.019
Fixed assets in total		23.130	3.110	3.696	22.496
Current assets					
Project grants receivable *)		372.344	50.067	59.500	325.190
Other debtors		4.935	663	789	15.739
Prepayments and accrued income		2.495	335	399	0
Securities		92.082	12.382	14.715	86.540
Liquidity	8	162.200	21.810	25.919	153.327
Total current assets		634.056	85.257	101.322	580.796
Total Assets		657.186	88.367	105.018	603.292

Equity and Liabilities (in thousands)	Note	2021			2020
		DKK	EURO	USD	DKK
Equity		150.579	20.247	24.062	135.180
Provisions and long-term debt					
Provisions		621	83	99	310
Long-term debt		0	0	0	8.375
Timbuktu-foundation		12.099	1.627	1.934	11.019
Total provisions and long-term debt		12.720	1.710	2.033	19.704
Short-term debt					
Project commitments *)		441.746	59.399	70.591	392.160
Suppliers of goods and services		9.739	1.309	1.556	18.356
Other debt		42.402	5.702	6.776	37.892
Short-term debt in total		493.887	66.410	78.923	448.408
Total Equity and Liabilities		657.186	88.367	105.018	603.292

*) A significant part of project grants and project commitments relates to projects expected to be completed in 2022 and subsequent years

Contingencies etc.	9
Charges and securities	10

Notes

Note 1 Income from Institutions (in thousands)	2021			2020
	DKK	EURO	USD	DKK
Danida grants	236.181	31.757	37.742	232.150
The European Union (EU) grants	173.312	23.304	27.695	125.998
US institutions (US Government, USAID, etc.)	114.833	15.441	18.350	85.712
United Nations (UNDP, UNDEF etc.)	78.260	10.523	12.506	93.091
Other institutions and private companies	136.451	18.348	21.805	172.761
Total income from Institutions	739.037	99.373	118.098	709.712

Note 2 Income from private etc. (in thousands)	2021						2020
	DKK	DKK	EURO	EURO	USD	USD	DKK
	Income	Expenses	Income	Expenses	Income	Expenses	Result
Contributions from private citizens *	71.878	-6.522	9.665	-877	11.486	-1.042	68.831
Secondhand and Wefood shops	29.458	-7.793	3.961	-1.048	4.707	-1.245	16.948
Inheritance	19.399	-197	2.608	-26	3.100	-32	28.804
Parish collections	5.933	-1.880	798	-253	948	-300	-907
Contributions from private funds	3.468	0	466	0	554	0	1.504
Ministry of Culture, Danish Lottery grants	1.989	0	268	0	318	0	2.236
Other unmarked income	1.875	-275	252	-37	300	-44	3.112
Unmarked income and expenses	134.000	-16.667	18.018	-2.241	21.413	-2.663	120.528
Give a goat campaign *	6.112	-1.254	822	-168	977	-200	3.996
Contribution from private citizens, earmarked*	4.179	0	562	0	668	0	4.591
Danish TV-collection "Danmarks Indsamling"	8.327	-124	1.120	-17	1.331	-20	7.690
Inheritance	361	-7	48	-1	58	-1	0
Contributions from private funds	9.937	0	1.336	0	1.588	0	4.266
Other earmarked income	2.079	-258	280	-35	332	-41	1.645
Earmarked income and expenses	30.995	-1.643	4.168	-221	4.953	-262	22.188
Learning lab	6.009	-6.749	808	-907	960	-1.079	-988
Other information and fundraising activities incl. time reg.		-49.128	0	-6.606	0	-7.851	-47.846
Information and collection in total	171.004	-74.187	22.994	-9.975	27.326	-11.855	93.882

During the year, donations were received from the Parish collection, the Give a Goat campaign and the Danish TV-collection "Danmarks Indsamling". The donations raised have been used in accordance with the purpose of the organisation and compose a part of the aid work.

* The Collection Board has given permission for general collection. ** The Collection Board has given permission for nationwide collection. Due to COVID-19, the collection was held digitally in 2020 and 2021.

Note 3 Other Income (in thousands)	2021			2020
	DKK	EURO	USD	DKK
COVID-19 related compensations	5.862	788	937	5.787
Other income	1.979	266	316	1.157
Other income in total	7.841	1.054	1.253	6.944

Note 4 Aid work (in thousands)	2021			2020
	DKK	EURO	USD	DKK
Africa	-366.072	-49.223	-58.498	-407.725
North Africa/Middle East	-217.442	-29.238	-34.747	-168.684
Asia	-134.716	-18.114	-21.528	-110.501
Other regions	-59.763	-8.036	-9.550	-55.424
Aid work in total	-777.993	-104.611	-124.323	-742.334

Note 5 Administration costs (in thousands)	2021			2020
	DKK	EURO	USD	DKK
Staff costs				
Salaries, pensions, ATP etc.	-100.605	-13.528	-16.077	-91.459
Staff costs: insurance, competency development etc.	-7.673	-1.032	-1.226	-6.351
Staff costs in total	-108.278	-14.560	-17.303	-97.810
Other administrative expenses				
Operating expenses: Rent, telephone, stationery, postage etc.	-26.028	-3.500	-4.159	-27.266
Depreciation of fixed assets and equipment	-1.320	-177	-211	-11.689
Other expenses	-520	-70	-83	-749
Other administrative expenses in total	-27.868	-3.747	-4.453	-39.704
Country Offices, running costs and expatriates	-173.595	-23.342	-27.740	-165.842
Program- and project related costs (moved to relevant activity)	255.586	34.367	40.842	254.163
Administration costs in total	-54.155	-7.282	-8.654	-49.193

Note 6 Financial income net (in thousands)	2021			2020
	DKK	EURO	USD	DKK
Interest income	4.905	660	784	1.027
Interest expenses	-50	-7	-8	-84
Currency exchange rate adjustments	-1.003	-135	-160	3.736
Financial income net in total	3.852	518	616	4.679

Note 7 Danish TV-Collection (Danmarks Indsamling) DKK (in thousands)	2021	2020	2019	2018	2017
DanChurchAid share	8.690	6.078	4.890	5.753	6.766
Consumption in previous years	0	-2.142	-4.032	-5.753	-6.766
Consumption current year	-5.444	-2.021	-857	0	0
Balance 31.12	3.246	1.915	0	0	0

Note 8 Liquidity (in thousands)	2021			2020
	DKK	EURO	USD	DKK
Bank deposits, Denmark	121.680	16.362	19.444	111.855
Cash and bank deposits, Country offices	40.520	5.448	6.475	41.472
Liquidity in total	162.200	21.810	25.919	153.327
Project grants receivable	372.344	50.067	59.500	325.190
Project commitments	-441.746	-59.399	-70.591	-392.160
Securities	92.082	12.382	14.715	86.540
Financial Contingency	184.880	24.860	29.543	172.897

Note 9: Contingent liabilities

DanChurchAid has entered a lease regarding the organisation's headquarter offices at Meldahlsgrde 3 in Copenhagen. The lease is non-cancellable until 1 June 2029. The rent obligation amounts to DKK 33,166 thousand. In addition, the organisation has entered rental contracts regarding second-hand and Wefood stores of primarily shorter durations.

DanChurchAid is party to some lawsuits and complaints. A lawsuit has been filed by the Tunisian government regarding the use of bank accounts in the country. In the financial year, a provision of DKK 7.355 thousand has been made available to cover losses from the case. It is the managements opinion that the outcome of other cases will not affect the organisation's financial position.

Note 10: Charges and securities

As collateral for all balances with Danske Bank a security of DKK 67.463 thousand is charged on securities.