



ADRA Denmark Annual report 2018

CVR 2007 4035

To be presented at the annual council on 30 May 2019

The signature of the Council Chairman

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ORGANISATION DETAILS

ADRA Denmark

Concordiavej 16, DK-2850 Nærum, Denmark

CVR-no.: 2007 4035

Registered office: Rudersdal Commune

Telephone: +45 4558 7700

Website: www.adra.dk

E-mail: info@adra.dk

Management

Jens Vesterager, Secretary General

Helene Ellemann-Jensen, Programme Director

Kristel Kroll Thomsen, Finance Director

Nils Rechter, Operations Director

Signe Lund Christensen, Communications Director

Auditor

Ernst & Young P/S

Alex Petersen, State-Authorised Public Accountant

Association

founded by the Seventh-Day Adventist Church in Denmark in 1987

STATEMENT BY MANAGEMENT

Today, the Board and Management have discussed and approved the annual report of the ADRA Danmark for the financial year 1 January - 31 December 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31 December 2018 and of the results of its operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, business procedures and internal controls have been established to ensure that the transactions covered by the financial statements comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice, and that due financial consideration has been taken of the management of the funds and the operation of the activities comprised by the financial statements.

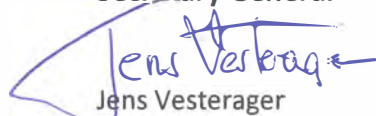
In addition, in our opinion, systems and procedures are established that support economy, productivity and efficiency.

In our opinion, the Management's review includes a fair review of developments in the Organisation's operations and financial matters and a description of the special risks that the Organisation faces.

We recommend the annual report for adoption by the Council.

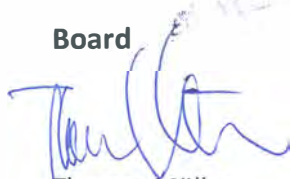
Nærum, 24 April 2019

Secretary General



Jens Vesterager

Board



Thomas Müller
Chairman



Jens Morten Øster
Vice Chairman




Ann-Britt Moos Møller



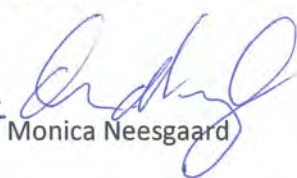
Lene Sonne



Lene Bull Christiansen



May-Britt Kivikoski Jørgensen



Monica Neesgaard

INDEPENDENT AUDITOR'S REPORT



To the Board of Directors and the Management of ADRA Danmark

Opinion

We have audited the financial statements of ADRA Danmark for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation at 31 December 2018 and of the results of the Organisation's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as generally accepted public auditing standard as the audit was performed on the basis of the provisions of the audit instructions regarding the performance of audit procedures in connection with strategic partnerships' management of activities in developing countries. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organisation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark as well as generally accepted public auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark as well as 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 Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions covered by the financial reporting comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice; and that due financial consideration has been taken of the management of the funds and operations covered by the financial statements. Consequently, Management is responsible for establishing systems and procedures supporting economy, productivity and efficiency.

In performing our audit of the financial statements, it is our responsibility to perform compliance audit and performance audit of selected items in accordance with generally accepted public auditing standards. When conducting a compliance audit, we test the selected items to obtain reasonable assurance as to whether the transactions covered by the financial reporting comply with the relevant provisions of appropriations, legislation and other regulations as well as agreements entered into and usual practice. When conducting a performance audit, we perform assessments to obtain reasonable assurance as to whether the tested systems, processes or transactions support due financial considerations in relation to the management of the funds and operations covered by the financial statements.

We must report on any grounds for significant critical comments, should we find such when performing our work.

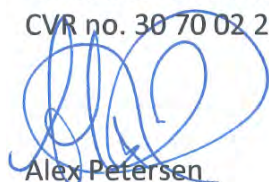
We have no significant critical comments to report in this connection.

Copenhagen, 24 April 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Alex Petersen

State Authorised

Public Accountant

mne28604

MANAGEMENT REPORT

Key figures and KPI's

DKK '000	2018	2017	2016	2015	2014
Key figures					
Income	76.702	74.754	60.893	72.028	69.581
Programme expenses	70.444	68.723	54.768	65.729	63.895
Communication and fundraising	2.032	2.314	3.109	2.044	1.276
Administrative expenses	3.248	3.558	3.404	4.025	3.321
Financial items	-13	-1	-12	-15	-4
Net income of the year	966	158	-399	216	1.085
Fixed assets	179	188	300	213	0
Current assets	32.707	39.069	26.413	21.635	25.160
Total assets	32.886	39.257	26.713	21.848	25.160
Unrestricted equity	8.132	7.165	7.007	7.406	7.078
Earmarked funds	23.128	29.935	18.046	10.034	15.639
Other current liabilities	1.626	2.157	1.660	4.408	2.443
Total equity and liabilities	32.886	39.257	26.713	21.848	25.160
Number of members	695	749	658	646	702
Staff in average	16	17	16	16	18
Key performance indicators					
Administration percent	4,2%	4,8%	5,6%	5,6%	4,8%
<i>Administrative expenses in percent of income</i>					
Programme percent	92%	92%	90%	91%	92%
<i>Programme expenditure in percent of income</i>					
Net profit margin	1%	0%	-1%	0%	2%
<i>Net income of the year in percent of income</i>					
Security margin	11%	10%	11%	10%	10%
<i>Equity in percent of total expenditure</i>					
Equity ratio	25%	18%	26%	34%	28%
<i>Equity in percent of total assets</i>					

Main activities

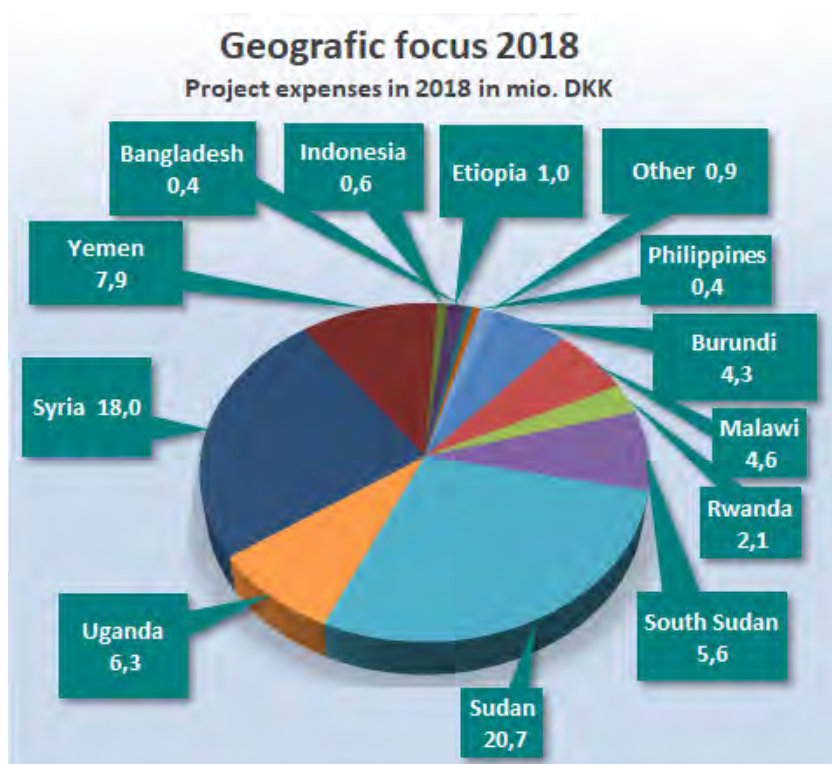
As a relief and development agency born out of the Seventh-Day Adventist Church, we reach out to the poorest and most vulnerable to contribute to a world in which compassion, justice, dignity, and equality are prominent.

ADRA Denmark works with development and humanitarian assistance through ADRA partners in eight countries in East Africa and the Middle East: Burundi, Ethiopia, Malawi, Uganda, Sudan, South Sudan, Syria and Yemen. Moreover, ADRA Denmark supports projects through the international ADRA network, present in more than 130 countries.

The programmes and projects of ADRA Denmark are funded by Danida, ECHO/EU, and private donors in Denmark. Since 2013, ADRA has had a framework agreement with Danida, focusing on development, as well as a humanitarian partnership agreement with Danida with a focus on emergency aid, securing a long-term and focused approach for our programming. With effect from January 2018, ADRA Denmark entered into a new four-year strategic partnership with Danida, covering both development and humanitarian assistance. This new agreement allocates DKK 36 million annually to ADRA Denmark (DKK 21 million for development work and DKK 15 million for emergency aid). Comparatively, the previous agreement with Danida was 39.6 million DKK (DKK 22.1 million for development work and DKK 17.5 million for emergency aid).

New country priorities for the Danish Ministry of Foreign Affairs unfortunately meant that we had to phase out our activities in Rwanda, and subsequently our long-term partnership with ADRA Rwanda, but at the same time, we were able to start a new collaboration with ADRA Ethiopia.

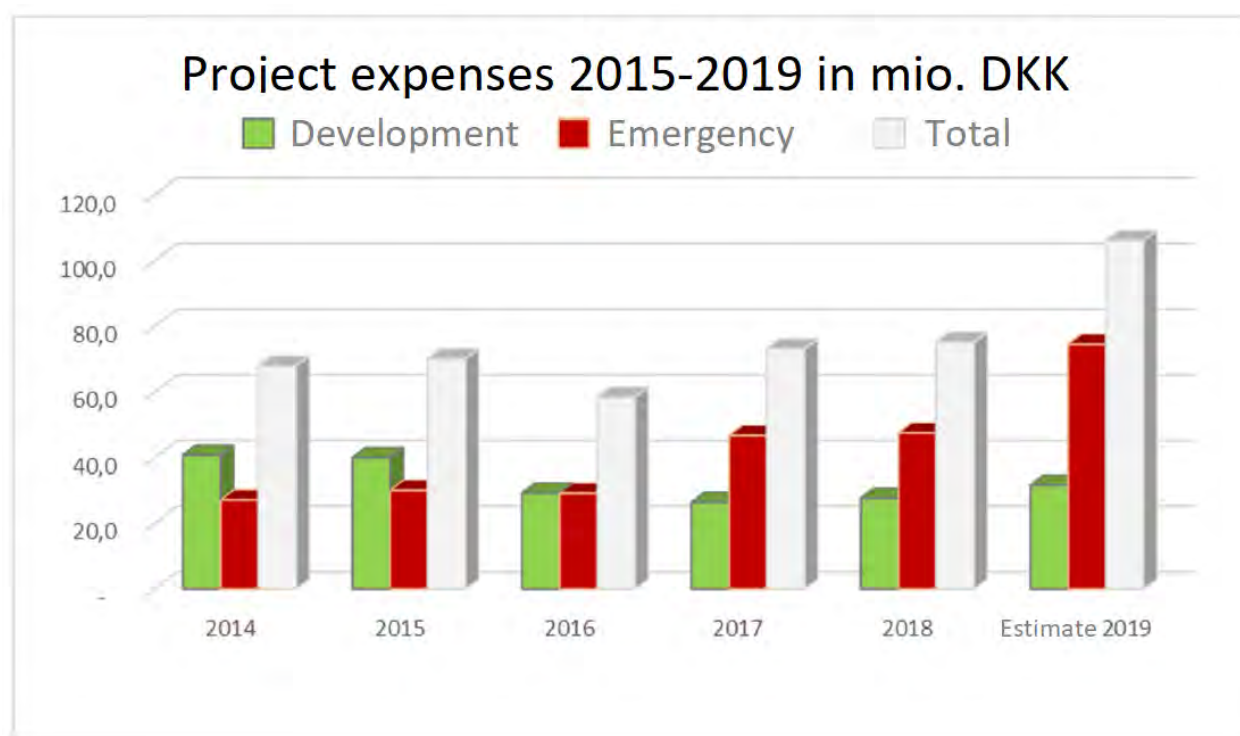
In 2018, ADRA Denmark's largest activity was again emergency relief, which we also expect it to be in 2019.



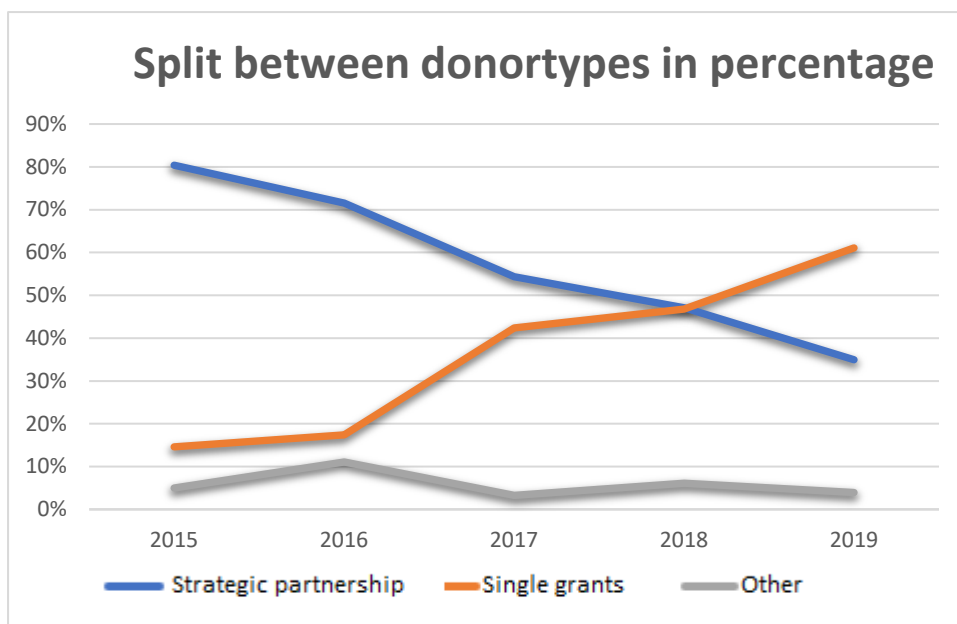
Development in activities and funding

The 2018 turnover was DKK 76.7 million, which is DKK 2 million more than in 2017. The increased turnover is primarily due to ADRA obtaining new funds for emergency relief in Sudan and Syria from ECHO (the European Commission's office for humanitarian aid) as well as two extraordinary humanitarian grants from Danida for Yemen and Syria. However, a number of planned activities were postponed from 2018 to 2019, resulting in the turnover being lower than expected.

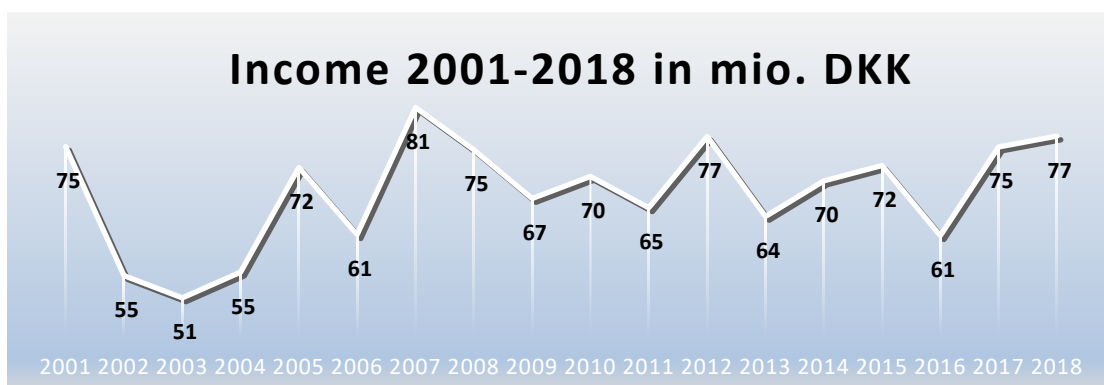
During the past three years, ADRA Denmark has seen a minor decline in grants for development work while humanitarian funding has increased, leading to emergency relief making up 63% of project costs in 2018. The change towards a larger programmatic focus on emergency relief is expected to continue in the years to come.



Single grants represent an increasing proportion of ADRA Denmark's total revenue, and in 2019, single grants are expected to constitute the predominant share. This means that we must expect greater fluctuations in revenue from year to year. The increased focus on humanitarian aid and the expected increasing fluctuations require that we, organisationally, adapt in terms of strategy, personnel, fundraising, communication, etc.



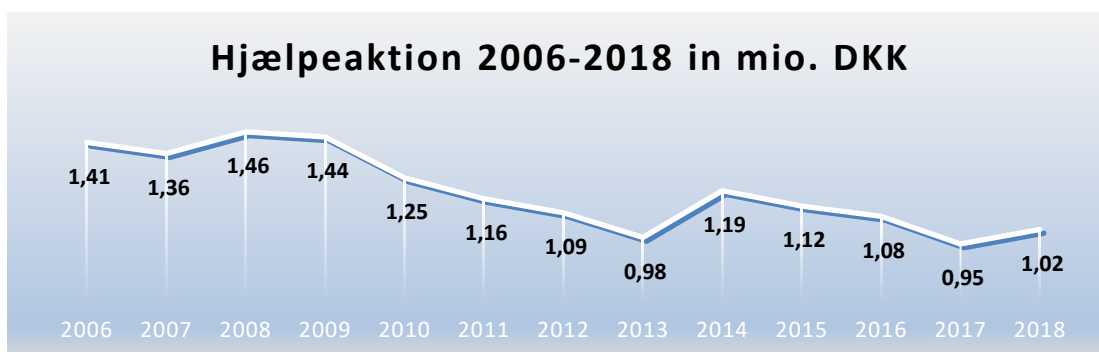
In 2018, ADRA Denmark received ECHO grants from the EU for humanitarian interventions in Sudan, for DKK 6 million, and Syria, for DKK 10.5 million, for 2018-2019 period. Additionally, the 2017 EU development grant for Sudan is continuing, with a total of DKK 22.3 million over the 2017-2020 period.



In 2018, ADRA Denmark was not part of the telethon fundraiser, '*Danmarks Indsamling*' due to no longer being among the 12 largest aid organisations in Denmark, measured by income received from Danida as well as own collected funds.

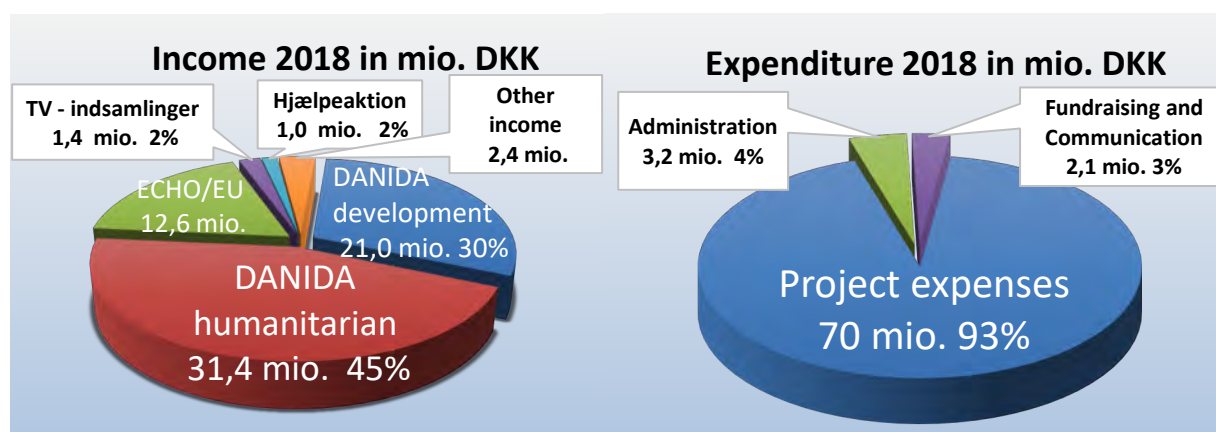
However, following an open application round, we received DKK 1.4 million from '*Danmarks Indsamling*' for a project in Burundi.

In addition, ADRA Denmark received DKK 1 million in 2018 from '*Hjælpeaktion*', where collections take place in collaboration with the Adventist Church. Finally, ADRA Denmark received DKK 1.4 million in earmarked contributions and gifts, as well as DKK 1.1 million in non-earmarked gifts and contributions (see note 2). '*Hjælpeaktion*' is of great importance in terms of enabling ADRA Denmark to continue supporting the many projects implemented around the world by the ADRA network, when needs are acute.



The administrative costs of ADRA Denmark are among the lowest in the sector. Based on ISOBRO's exemplification of financial accounts, administrative costs amounted to 4.2% in 2018. We will continue to focus on maintaining low administrative expenses, while simultaneously ensuring that ADRA has an administration capable of due diligence and good governance. The overall result for ADRA Denmark in 2018 was a surplus of 966,000 DKK against a budgeted surplus of 200,000 DKK.

Equity remains at a satisfactory level.



Organisation

In 2018, ADRA Denmark's staff included 16 full-time positions, which was 0.6 positions lower than in 2017. This does not reflect a decrease in the number of staff, but rather reflects various maternity leave arrangements, as well as a relatively large shift in the personnel group during the year. As for 2019, there is expected to be 17.5 full-time positions.

Communication

In the spring of 2018, in an effort to strengthen ADRA Denmark's profile towards members, the church constituency as well as the general public, ADRA established a Communications Director position, a new position responsible for public relations as well as policy work. Signe Lund Christensen, who has worked in ADRA Denmark's Programme Department since 2012, was appointed to the position. Signe has many years of experience with advocacy and policy work, which is an area that ADRA Denmark, as well as the ADRA network in general, wants to strengthen.

Finance and Administration

ADRA Denmark's Finance and Administration Department was reorganised and strengthened in 2018 with the recruitment of a new Finance Director, Kristel Krøll Thomsen, who has solid experience with more than 13 years in ADRA's Finance Department. At the same time, the former

Finance Director, Nils Rechter, will continue in the organisation as Operations Director. This ensures stability and capacity in the organisation. With the ever-increasing requirements related to administration and financial management, the strengthening of the Finance Department is an important change in 2018.

Overall, the appointment of the two new managers in ADRA Denmark means that the management team has been expanded from three to five persons, which also constitutes a strengthening of ADRA Denmark's management.

ADRA Business and private sector cooperation

ADRA Denmark has, for many years, been engaged in collaboration with the private sector, mainly through the ADRA Business Department, which was established in 2001. During 2018, we developed a new strategy and reorganised our efforts so that "business" and private sector collaboration in the future will be an integrated part of the Programme Department. Cooperation with the business community has great potential for combating poverty, but it requires considerable resources to develop projects and collaborate with businesses in the Global North. Therefore, ADRA Denmark will, in the short term, focus on creating strategic South-South partnerships in which ADRA will engage with small-scale producers, local businesses and other stakeholders in the development of value chains, thereby improving earnings for small-scale farmers in rural areas, particularly youth. We will continue to explore possibilities for developing partnerships with companies in the North, including opportunities to enter into consortia partnerships with other ADRA offices, NGOs and private sector actors.

Expectations for the coming financial year

The total project turnover is expected to increase to DKK 106 million in 2019. The increase is primarily due to the two large single grants from Danida, as well as delays in implementation and thus expenditure in the current EU and ECHO projects. ADRA budgets with a surplus of DKK 895,000.

The ADRA network

The ADRA network will, during 2019, roll out the ADRA Accreditation and Licensing (AAL) system. This new accreditation system is intended to ensure that ADRA offices possess the necessary capacity and professionalism. Some ADRA offices are weak, and AAL will be a welcomed tool to identify strengths and weaknesses, as well as actions to be initiated to build capacity where necessary. The offices that do not meet a set of minimum criteria will not be allowed to work under the name of ADRA. Overall, the network focuses on strengthening the development of joint policies, guidelines and manuals for use across the whole network.

Events after the end of the financial year

From the balance sheet date to now, there have not been any events affecting the assessment of the annual report.

Supplementary report

ADRA Denmark's new core narrative

During 2018, ADRA Denmark has worked on developing the “core narrative” of the organisation. The process has involved both the board, the church and the employees and it is also based on input from partners, donors and the constituency. It has been facilitated by the Media Group in Vejle. The core narrative clarifies who ADRA Denmark is and our *raison d'être*. The narrative emphasises our affiliation with the Seventh-Day Adventist Church and the Christian value base of the organisation.

The purpose of the new core narrative is to create a new and strengthened common understanding of our role, task and mandate so that all see the same picture – both employees, volunteers and the church constituency. All must be able to tell the same clear story and understand who we are, what issues we address and why we make a difference.

The process has been fruitful and very positive. The management team has experienced that we now have a useful product which strengthens our self-understanding and future profiling in relation to how we communicate and fundraise to both our constituency and externally. The title of ADRA Denmark's core narrative reads: “ADRA – We plant hope and reap development”.

Strengthened focus on churches and religious leaders in development cooperation

In the countries where ADRA works, religion is of great importance to the way that cultural and social values and norms are defined, and thus also to how people generally think, speak and act. Religious leaders are key players in the interpretation and communication of basic values in communities and, therefore, are also central in changing any social norms that might prevent people – especially women and girls – from achieving their potential.

ADRA represents the Seventh-Day Adventist Church with over 21 million members, 81,000 churches and a large network of education and health institutions that we believe have the potential to play a more active role in this context. In 2018, ADRA Denmark initiated a process with a view to strengthen collaboration across ADRA, the Church and central Adventist institutions in Denmark, Malawi and Uganda.

Solidarity trip

In 2018, ADRA Denmark, ADRA Norway, SABUS (the national association for children's, youth and scout associations) and ADRA Youth arranged a solidarity trip for 10 Danish and 20 Norwegian youth to Uganda. The purpose of the trip was to give youth an understanding of life in Africa, meet another culture, as well as give them an insight into ADRA's work. The youth came back inspired from the trip with a better understanding of the mission of the Church and ADRA to reach out to the world's poorest and oppressed. We want to continue engaging youth in the aid work of the Church and ADRA and hope that the trip has given young people the desire and courage to become active members of ADRA and, potentially, to gain the necessary competencies to work for ADRA in the future.

ADRA Denmark
Income statement for the year 2018

	Note	2018 DKK '000	2017 DKK '000
INCOME			
Government funding	1	65.127	79.871
Private funding	2	4.849	6.623
Transfer from earmarked funds last year	3	29.854	18.195
Transfer to earmarked funds next year	3	-23.128	-29.935
Total income		76.702	74.754
EXPENDITURE			
Activity-/operational costs in projects	3	70.386	68.723
Donations to partners		57	
Communication and fundraising	4	2.032	2.314
Administrative costs	5	3.248	3.558
Total expenditure		75.723	74.595
Operating profit before financial items		979	159
Financial income		19	46
Financial expenses		32	47
Net financial items		-13	-1
Surplus for the year		966	158
Transfer to unrestricted equity		966	158

ADRA Denmark
Balance sheet at 31 December

	Note	2018 DKK '000	2017 DKK '000
ASSETS			
<u>Non-current assets</u>			
Equipment and vehicle		179	188
Total non-current assets		179	188
<u>Current assets</u>			
Prepaid project funds to partners		19.862	6.135
Receivables		750	3.053
Cash and cash equivalents	6	12.095	29.881
Total current assets		32.707	39.069
Assets, total		32.886	39.257
EQUITY AND LIABILITIES			
<u>Unrestricted equity</u>			
Equity as of 1 January		7.165	7.007
Change in equity		967	158
Unrestricted equity as of 31 December		8.132	7.165
<u>Current liabilities</u>			
Earmarked funds	3	23.128	29.935
Prepayments		121	62
Other payables		1.505	2.095
Total current liabilities		24.754	32.092
Total equity and liabilities		32.886	39.257
Contingent liabilities	7		

ADRA Denmark Notes

	2018 DKK '000	2017 DKK '000
<u>Note 1: Government funding</u>		
DANIDA	52.431	58.096
EU/ECHO	12.558	21.579
Danish Ministry of Culture	138	187
Tax refund	0	9
Total government funding	65.127	79.871

<u>Note 2: Private funding</u>		
Danmarks Indsamling TV show	1.363	2.036
Other income TV show	0	29
Hjælpeaktion collection	1.017	951
RIPAT project Burundi	96	0
House project Burundi	386	916
ADRA network funds	0	507
Other earmarked donations	604	745
Donation Adventist Church	175	175
Other donations not earmarked	1.074	1.055
Membership fee	134	145
ADRA Business	0	64
Total private funding	4.849	6.623

I 2018 havde ADRA Denmark 695 kontingentbetalende medlemmer

<u>Note 3 - Change in earmarked funds</u>	Note	1 Jan. 2018	Correc- tion '17	Received	Used	Admin. contrib.	31 Dec. 2018
<i>DKK '000</i>							
DANIDA development programme		0		21.000	18.937	1.326	737
DANIDA humanitarian programme		0		15.000	13.266	929	805
DANIDA humanitarian projects	8	6.472		16.443	12.884	694	9.337
DANIDA HPA+Ramme 2017		1.020	-134	-12	826	48	0
Other projects		191		96	159	8	120
ECHO/EU projects		16.808	52	12.558	20.374	1.425	7.619
Danmarks Indsamling	9	1.717	1	1.363	1.404	106	1.571
Hjælpeaktion, collection	10	2.058		1.017	1.393	146	1.536
Other earmarked projects	11	1.669		990	1.143	113	1.403
Total	12	29.935	-81	68.455	70.386	4.795	23.128

	2018 DKK '000	2017 DKK '000
<u>Note 4: Communication and fundraising</u>		
Personnel expenditure	1.442	1.236
ADRA Business expenditure	0	741
Other expenditure	590	336
Total communication and fundraising	2.032	2.314

Note 5: Administrative expenditure

Personnel	6.685	6.322
Refund from project assistance	-4.666	-4.180
Office rent	320	287
IT	301	420
Auditor	107	103
Other	383	494
Depreciation	118	112
Total administrative expenditure	3.248	3.558

Remuneration Secretary General	712	664
Remuneration board members	0	0

Note 6: Cash and cash equivalents

Bank accounts project funds	9.793	23.598
Other	2.302	6.283
Total cash and cash equivalents	12.095	29.881

Note 7: Contingent liabilities

There are no leasing obligations.

There are no significant contractual obligations.

Note 8 - Danida single grants

	1 Jan 2018	Received	Used	Admin. contrib.	31 Dec. 2018
<i>DKK '000</i>					
HOPE, Syria 2018-2019	2.450	7.350	9.197	484	119
IRCC, Syria 2018-2019	0	3.775	49	4	3.723
FSR, Yemen 2017-2018	4.022	-182	3.648	192	0
IFLR, Yemen 2018-2019	0	5.700	190	14	5.496
IFLR, matchfunding Hjælpeaktion	0	-200	-200	0	0
Total	6.472	16.443	12.884	694	9.337

**Note 9 - Change in
Danmarks Indsamling**

	1 Jan 2018	Received	Used	Admin. contrib.	31 Dec. 2018
<i>DKK '000</i>					
2016 Malawi 2016-17	31	-38	-7	0	0
2017 Uganda 2017-18	1.687	60	957	72	718
2018 Burundi 2018-2019	0	1.341	453	34	854
Total	1.718	1.363	1.404	106	1.571

Note 10 - Hjelpeaktion collection expenditure

	2018 DKK '000
Child Protection Center Syria	271
Babykits Syria	114
Syria Match ECHO EC3811	402
Indonesia EM18-57	69
Heri Hospital, Tanzania	79
Flooding Kenya	66
Flooding Somalia	183
Typhon Filipines	68
Yemen match DE5010	210
Collection expenses	76
Total	1.539

The collection is made in accordance with the rules of the Collection Act and the Executive Order on the collection etc. The expenditure are inclusive administration contribution.

Note 11 - Change in other earmarked projects

DKK '000

	1 Jan 2018	Received	Used	Admin. contrib.	31 Dec. 2018
Burundi house project	-174	386	0	0	212
Baby kits Syria	15	23	30	3	5
Waterproject Afghanistan	0	11	10	1	0
Go Honduras	106	13	63	7	49
Happy Hand Donations	80	18	98	0	0
Rohinga refugees Bangladesh	109	0	83	9	17
Colera response Zimbabwe	0	109	98	11	0
Haiti earthquake EM18-85	7	66	66	7	0
Distress and hunger	557	11	-4	0	572
Children in Afrika	404	-176	28	0	200
CECD Karamoja, Uganda	0	246	221	25	0
Disaster fund	267	-122	0	0	145
Food Yemen	0	105	0	0	105
Yemen match HUM5008	0	121	109	12	0
Syria match EC3811	0	111	100	11	0
South Sudan match HUM3718	87	73	144	16	0
Karamoja match DI4511	87	4	82	9	0
Other	124	-9	15	2	98
Total	1.669	990	1.143	113	1.403

Note 12 - PROGRAMME EXPENDITURE IN 2018 PER COUNTRY

DKK '000	Projekt no.	Total	Develop- ment	Humani- tarian	Incl. admin. contribution
SUDAN					
SUSTAINABLE ACCESS TO HEALTH EDUCATION AND WATER (SAHEWA)	CIV3523	2.025	2.025		132
MATCH TMP EU3528	CIV3528	856	856		56
PA17 SAHEWA AND WASAP	PA3523+PA3524	1		1	
CBPM 2017-19	EC3527	11.554		11.554	756
TMP 2017-20	EU3528	4.612	4.612		301
BW4HCC 2018-19	EC3529	1.616		1.616	106
SUDAN, TOTAL		20.663	7.492	13.171	1.351
SYRIA					
ECHO, INTEGRATED EMERGENCY PROJECT	EC3807	6		6	0
VCD	HUM3809	3.015		3.015	197
HOPE 2018	DE3810	9.681		9.681	484
ECHO, BASE 2018-19	EC3811	4.013		4.013	262
IRCC 2018-2019	DE3812	52		52	4
MATCH BASE EC3811 FROM FRAME 2017 FUNDS	PA9999	274		274	14
MATCH BASE EC3811 FROM INGATHERING	H	402		402	19
MATCH BASE EC3811 FROM EARMARKED	Ø	111		111	11
INGATHERING - VARIOUS PROJECTS	H	385	385		18
EARMARKED - BABY KITS	Ø	33		33	3
SYRIA, TOTAL		17.973	385	17.587	1.013
YEMEN					
PROTECTION AND LIVELIHOODS ASSISTANCE (PLA)	HUM5008	3.743		3.743	245
REDUCED FOOD INSECURITY (FSR)	DE5009	3.840		3.840	192
IFLR 2018-2019	DE5010	4		4	14
MATCH IFLR DE5010 FROM INGATHERING	H	210		210	10
MATCH ERB HUM5008 FROM EARMARKED	Ø	122		122	12
YEMEN, TOTAL		7.919	0	7.919	473
UGANDA					
ACTION FOR SOCIAL CHANGE (ASC)	CIV4510	4.512	4.512		295
FLEX FUNDS EM18-30	F	412		412	27
EARMARKED CECD KARAMOJA	Ø	246	246		25
MATCH DI4511 FROM EARMARKED	Ø	91	91		9
DANMARKS INDSAMLING 2017, Fair Child	DI4511	1.030	1.030		72
UGANDA, TOTAL		6.290	5.878	412	428
SOUTH SUDAN					
BUILDING RESILIENCE IN THE EDUCATION SECTOR (BRES)	HUM3718	5.412		5.412	354
MATCH BRES HUM3718 FROM EARMARKED	Ø	160		160	16
SOUTH SUDAN, TOTAL		5.572	0	5.572	370
MALAWI					
ACTION FOR SOCIAL CHANGE (ASC)	CIV2012	4.598	4.598		301
DANMARKS INDSAMLING 2016, FARMER MARKET SCHOOLS	DI2016	-7	-7		0
MALAWI, TOTAL		4.591	4.591	0	300
BURUNDI					
ACTION FOR SOCIAL CHANGE (ASC)	CIV0523	3.538	3.538		231
MATCH RIPAT FROM FRAME AGREEMENT 2017	RA9999	259	259		17
RIPAT	Y0528	24	24		2
DANMARKS INDSAMLING 2018, SAFE HOMES	DI0527	487	487		34
BURUNDI, TOTAL		4.309	4.309	0	284
RWANDA					
ACTION FOR SOCIAL CHANGE (ASC)	CIV2516	2.050	2.050		134
RWANDA, TOTAL		2.050	2.050	0	134
ETHIOPIA					
RIHA	CIV5101	1.033	1.033		68
ETHIOPIA, TOTAL		1.033	1.033	0	68

DKK '000

	Projekt no.	Total	Develop- ment	Humani- tarian	Incl. admin. contribution
INDONESIA					
FLEX FUNDS EM18-82	F	515		515	34
INGATHERING EM18-57	H	69		69	3
INDONESIA, TOTAL		584	0	584	37
BANGLADESH					
FLEX FUNDS HPA 2017 EM18-01	PF9999	326		326	16
EARMARKED ROHINGYA REFUGES EM17-80	Ø	92		92	10
BANGLADESH TOTAL		419	0	419	26
PHILLIPPINES					
FLEX FUNDS EM18-70	F	345		345	23
INGATHERING TYPHOON	H	68		68	3
PHILLIPPINES, TOTAL		413	0	413	26
SOMALIA					
INGATHERING FLOOD VICTIMS	H	183		183	9
SOMALIA, TOTAL		183	0	183	9
ZIMBABWE					
EARMARKED CHOLERA RESPONSE EM18-85	Ø	109		109	11
ZIMBABWE, TOTAL		109	0	109	11
TANZANIA					
INGATHERING HERI HOSPITAL	H	79		79	4
TANZANIA, TOTAL		79	0	79	4
HAITI					
EARMARKED HAPPY HAND DONATIONS	Ø	73		73	7
HAITI, TOTAL		73	0	73	7
HONDURAS					
EARMARKED, VARIOUS PROJECTS	Ø	70		70	7
HONDURAS, TOTAL		70	0	70	7
KENYA					
INGATHERING FLOOD VICTIMS	H	66		66	3
KENYA, TOTAL		66	0	66	3
AFGHANISTAN					
EARMARKED WATER3WORLD	Ø	11		11	1
AFGHANISTAN, TOTAL		11	0	11	1
DENMARK					
PARTNERSHIP AGREEMENT, AUDIT	PA9999	13		13	1
LOT HUM SPA, AUDIT	HUM9999	42		42	3
LOT HUM SPA, FLEX FUNDS MONITORING	HUM9990	18		18	1
LOT CIV SPA, PR, COMMUNICATION AND AUDIT	CIV9999	202	202		13
INGATHERING-, INFORMATIONS- AND ADMINISTRATION COSTS		76		76	76
DENMARK, TOTAL		352	202	149	94
GLOBAL					
LOT CIV STRATEGIC PARTNERSHIP AGREEMENT, CROSSCUTTING	CIV9999	862	862		56
LOT HUM STRATEGIC PARTNERSHIP AGREEMENT, CROSSCUTTING	HUM9999	453		453	30
LOT CIV INNOVATION, CROSSCUTTING	CIV9995	313	313		20
MATCH Y0010 LTLL FROM LOT CIV INNOVATION, CROSSCUTTING	CIV9995	275	275		18
LOT HUM INNOVATION, CROSSCUTTING	HUM9995	240		240	16
FMS Evaluation	Y0010	143	143		7
EARMARKED - HAPPY HAND PROJECTS		98	98		0
EARMARKED - VARIOUS PROJECTS		40		40	2
GLOBAL, TOTAL		2.423	1.690	733	149
TOTAL PROGRAMME EXPENDITURE		75.181	27.631	47.550	4.795
			37%	63%	

ACCOUNTING POLICIES

The annual report has been prepared in accordance with the requirements of the Articles of Association and the Danish Financial Statements Act for accounting class A with the adjustments resulting from the organisation's special circumstances. Accounting policies are unchanged from last year.

General recognition and measurement

Assets are recognised in the balance sheet when it is likely because of a prior event that future economic benefits will flow to the organisation, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the organisation has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the organisation, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is affected as described below for each financial statement item.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue recognition

Purpose-specific funds received from for instance from Danida are recognised as liabilities under the balance sheet item "Earmarked funds". The purpose-specific funds received are subsequently recognised to the extent that costs are incurred on the different projects.

Donations for administrative purposes are recognised in accordance with agreements with the donors, usually when project-related costs are incurred.

Funds which are not purpose-specific, such as bequests, are recognised when payment is received.

Funds from *Kulturstyrelsen* are recognised as income in the year in which the funds have been allocated.

Project costs

Project costs concern national as well as international projects. Costs incurred are recognised according to the time of invoicing and ordinary accruals principles.

Administration costs

Includes expenses for salary, rent and other administrative services. Monitoring revenue for employee time spent on projects is offset by administrative costs.

Financial income

Financial income comprises interest income

Financial expenses

Financial costs comprise interest costs, bank fees and exchange loss

Income taxes

Pursuant to section 1(1)(VI) of the Danish Company Taxation Act, ADRA Denmark is exempted from tax assessment.

Balance sheet

Fixed assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Costs comprise the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost plus revaluation minus estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Leasehold improvements	10 years
Other fixtures and fittings, tools and equipment	5 years
IT and software	3 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost price usually equalling nominal value less provisions for bad debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost price.

Other financial liabilities

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange rate differences that arise between the rate at the transaction date and the one in effect at the payment date, or the balance sheet date, are recognised in the income statement as financial income or financial costs.



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