

Compassion Danmark

CVR 39 93 53 33

Annual Report 2018/2019 (FY 19)

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DETAILS ON COMPASSION DANMARK

The organization	Compassion Danmark Havnegade 39 1058 København
Phone	26 32 32 00
CVR	39 93 53 33
Start date	1 October 2018
Fiscal year	1 July 2018 – 30 June 2019
Board	Mathias Wåhlberg Kåre Hegle Robert Peters Johannes Johansson
CEO	Claes Parsmo
Auditor	PwC Strandvejen 44 2900 Hellerup CVR 33 77 12 31

MANAGEMENT REPORT FOR 2018/2019 (Fiscal Year 19)

Information about Compassion Danmark

Compassion Danmark is a charity based on Christian values and part of the Compassion International global network. Compassion's mission is to deliver children from poverty in the name of Jesus and to be an advocate for children and assist them in their economic, physical, social and spiritual development.

Compassion Danmark is working in close collaboration with Compassion Norge and Compassion Sverige. The Nordic Compassion entities currently have offices and staff only in Norway and Sweden. All operating costs in the Nordic countries are shared based on the number of active sponsorships in each country.

Information about the activities and where they are run

It's mainly through visits and participation in Churches and at Christian conferences and events that Compassion has the opportunity to inform about the children's situation and present Compassion's work and get new donors. Through our website, it's also possible to contact us and support us as a sponsor or donor.

Our main activity is individual sponsorship. Each sponsor takes a financial responsibility for one specific child who, thanks to their regular support, have access to education, food, clothing, medical check-ups, healthcare and nutritional supplements as well as age-oriented Bible teaching. Older children can get vocational training.

The sponsored children live in 25 countries in Africa, Asia and Latin America: Bangladesh, Bolivia, Brazil, Burkina Faso, Colombia, Dominican Republic, Ecuador, El Salvador, Ethiopia, Philippines, Ghana, Guatemala, Haiti, Honduras, Indonesia, Kenya, Mexico, Nicaragua, Peru, Rwanda, Sri Lanka, Tanzania, Thailand, Togo, Uganda.

The sponsorship activities are run by local churches that Compassion equips with skills, resources and funds. A church partner generally hosts 250-300 children aged 1-22 years enrolled in the sponsorship program. Regular audits are made of each center, where both the financial part and the activities themselves are checked and evaluated.

The sponsors who wish and have the possibility to visit their sponsored child, can do so, under certain conditions. Compassion protects the children's best interests and everyone's safety. For the sponsors and children who have the opportunity to meet, it's usually a strong and positive experience. In addition to meeting the child, the sponsor is usually given the opportunity to visit the child's home and meet the family as well as see the center in action and also access the documented follow-up of his or her sponsored child.

28% of our sponsors contribute 50 kr extra per month (so-called Sponsorship Plus). The sponsorship-plus fund is used for various projects that the Compassion Centers apply for, for example clean water, disaster relief, as well as for the children who are enrolled in a center but have not yet got a sponsor.

A sponsor can also give an extra gift to your sponsored child maximum twice a year as well as to the child's family. We send 100% of the gift money and something useful is purchased on site with the help of the center's staff.

Information about sustainability

In Compassion globally as well as in Compassion Danmark there is a willingness to work sustainably.

For example, we strive to use digital tools and reduce the use of paper. That is why our newsletters are electronic and since April 2019, we send all child letters to their sponsors digitally.

In our travel policy for the staff we mention the ecological aspect of the choice of travel and accommodation when travelling, as a good stewardship to keep in mind, while taking into account both security and economic factors.

Staff and management

Compassion Danmark had no paid staff during this first Fiscal Year. But costs for employees in the other Nordic Compassion entities have been shared according to the active sponsorships in each country, including Denmark.

The board had 4 members (4 men).

Result and future development

At the end of the fiscal year, the number of sponsorships was 460.

The financial report shows a positive result of 64 203 kr for this Fiscal Year.

We expect a continued positive development.

The association's earnings and position in general are shown in the income statement and balance sheet with notes.

MANAGEMENT STATEMENT

The Management hereby submit the annual accounts for the period 1 July 2018 – 30 June 2019 for Compassion Danmark.

The annual accounts give a true and fair view of the association's assets and liabilities, financial position and profit in accordance with generally accepted accounting principles, and clearly show what has been allocated for the purpose.

The annual accounts are set for approval at the annual meeting.

16 October 2019

Claes Erik Parsmo
CEO

Carl-Johan Mathias Wåhlberg
Chairman of the Board

Robert William Peters
Board member

Kåre Olav Hegle
Board member

Johannes Victor Åke Johansson
Board member

Independent Auditor's Report

To the members of the Association, Compassion Danmark

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Association at 30 June 2019, and of the results of the Association's operations for the financial year 1 October 2018 - 30 June 2019 in accordance with generally accepted accounting policies.

We have audited the Financial Statements of Association for the financial year 1 October 2018 - 30 June 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. 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 are independent of the Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required in accordance with generally accepted accounting policies.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with generally accepted accounting policies. We did not identify any material misstatement in Management's Review.

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 generally accepted accounting policies, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, CVR No 33 77 12 31
Strandvejen 44, DK-2900 Hellerup
T: +45 3945 3945, F: +45 3945 3987, pwc.dk

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Association'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 Association'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 Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the 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.

Copenhagen, 16 October 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jesper Randall Petersen
State Authorised Public Accountant
mne 34352

Financial Statements 01.07.18-30.06.19

	Note	2019
Revenue		
Grants from Compassion International	2	167 142
Donations	3	620 493
Membership fee		8 100
Finnancial Revenue		1 409
Total Revenue		<u>797 144</u>
Cost		
Total Grants to CI	2	468 277
Employee cost	4	122 818
Office cost		60 355
Travel cost		27 801
Marketing cost		45 258
Other administration cost		8 432
Total costs		<u>732 941</u>
Year Result		<u>64 203</u>
Retained result		
Equity	5	<u>64 203</u>

Balance per 30 June 2019

	Note	2019
Current Assets		
<i>Receivables</i>		
Bank and cash		<u>227 129</u>
Total Assets		<u>227 129</u>
Total Assets		<u>227 129</u>

	Note	2019
Equity		
Equity	4	<u>68 727</u>
Liabilities		
<i>Short term liabilities</i>		
Accounts payable		445
Other short term liabilities to Compassion Norge		<u>157 957</u>
Total short term liabilities		<u>158 402</u>
Total Liabilities		<u>158 402</u>
Total equity and liabilities		<u>227 129</u>

Notes to the Financial Statements for 2019

Note 1 - Accounting principles

The Fiscal Year of Compassion Danmark goes from 1 July to 30 June.

The annual report is prepared in accordance with generally accepted accounting principles.

Raised Funds

Funds and donations are recognized when they are received. Grants and donations from donors and earned income from activities are recognized in the income statement when the organization has a legal right to the grant or donation and the value can be measured reliably. The value of funds raised, and donations is measured at fair value at the time of receipt.

Classification and value of balance sheet items

Current assets and current liabilities comprise items that fall due for payment within one year of the balance sheet date. Other items are classified as fixed assets / long-term debt. Current assets are valued at the lower of cost and fair value. Short-term debt is capitalized at the nominal amount at the time of establishment.

Fixed assets are valued at cost but are written down to fair value in the event of impairment that is not expected to be temporary. Fixed assets with a limited economic life are depreciated according to plan. Long-term debt is capitalized at the nominal amount at the time of establishment.

Receivables

Receivables are entered in the balance sheet at face value.

Currency

Foreign currency items are valued at the exchange rate at the end of the financial year.

Taxes

The organization does not conduct taxable business.

Note 2 – Related parties

Compassion Norge is administratively responsible for Compassion Nordic, which consists of three legal entities in Norway, Sweden and Denmark. Compassion Norge receives grants from Compassion International (CI) and distributes these between Norway, Sweden and Denmark according to the number of active sponsorships in each country.

All sponsorship monies from Norwegian, Swedish and Danish sponsors are received by the Norwegian unit who then transfers the grants from the Norwegian, Swedish and Danish units to CI.

All operating costs in the Nordic Compassion entities are also shared based on the number of active sponsorships in each country.

	2019
Grants received from CI	167 142

Note 3 - Raised funds

	2019
Sponsorship payments	587 563
Other donations	32 930
Membership fee	<u>8 100</u>
Total	<u>628 593</u>

Note 4 – Employee Cost

During FY19, the CEO of Compassion Danmark has received salary from the sister organization Compassion Sverige. The responsibilities of the CEO include the four Nordic countries.

Note 5 - Equity

	Other Equity
Equity 01.01	4 525
Year Result	<u>64 203</u>
Equity 30.06	<u>68 727</u>

There are no restrictions related to the equity.

Följande handlingar har undertecknats den 21 oktober 2019



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Carl-Johan Mathias Wählberg

mathias@wahlbergab.com 197205136653
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Hegle, Kåre Olav

kaare.hegler@gmail.com
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Johannes Johansson

johannesjohansson88@gmail.com 198804232455
81.227.82.137
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Bob Peters

bpeters@us.ci.org
73.229.114.222
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Claes Parsmo

cparsmo@compassion.se 196807165094
37.46.171.146
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