

**Compassion Danmark**  
**CVR 39 93 53 33**

**Annual Report 2020/2021 (FY21)**

**Content:**

<b>Organisation Details</b>	<b>2</b>
<b>Management Statement</b>	<b>3</b>
<b>Independent Auditor's Report</b>	<b>4</b>
<b>Management Report</b>	<b>7</b>
<b>Income Statement</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Notes</b>	<b>12</b>

## DETAILS ON COMPASSION DANMARK

The organization	Compassion Danmark Havnegade 39 1058 København
Phone	89 80 60 60
CVR	39 93 53 33
Start date	1 October 2018
Fiscal year	1 July 2020 – 30 June 2021
Board	Mathias Wåhlberg Kåre Hegle Robert W. Peters Johannes Johansson Marie Nylén Utbult Johan Forsbäck
CEO	Claes Parsmo
Auditor	PwC Strandvejen 44 2900 Hellerup CVR 33 77 12 31

## MANAGEMENT STATEMENT

The Management hereby submit the annual accounts for the period 1 July 2020 – 30 June 2021 for Compassion Danmark.

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

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

**11 November 2021**

Claes Erik Parsmo  
CEO

Carl-Johan Mathias Wåhlberg  
Chairman of the Board

Robert William Peters  
Board Member

Kåre Olav Hegle  
Board Member

Johannes Wictor Åke Johansson  
Board Member

Marie Nylén Utbult  
Board Member

Johan Forsbäck  
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 2021, and of the results of the Association's operations for the financial year 1 July 2020 - 30 June 2021 in accordance with generally accepted accounting policies.

We have audited the Financial Statements of Association for the financial year 1 July 2020 - 30 June 2021, 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.

## **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, 11 November 2021  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

Jesper Randall Petersen  
State Authorised Public Accountant  
mne 34352

## MANAGEMENT REPORT FOR 2020/2021 (Fiscal Year 21)

### **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 release 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. 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**

To carry out our mission, we inform about children in poverty, and we present Compassion's work, in Churches, at Christian conferences and events and through social media. 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.

An important part of Compassion's sponsorship is the correspondence. The children learn to write letters and at least a couple of times a year they write to their sponsors. The children who receive letters from their sponsor feel appreciated, motivated to study and show greater self-confidence.

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 powerful experience. In addition to meeting the child, the sponsor may visit the child's home and meet the family and also see the Center in action and access the documented follow-up of his or her sponsored child. The possibility to visit has been cancelled during the pandemic but will resume when travelling and visiting is allowed and safe again.

30% of our sponsors contribute an additional 50 kr. per month (so-called Sponsorship Plus). The sponsorship-Plus fund is used for needs that are not covered by sponsorship. It can be

used for all Compassion programs, where it is most needed, for example clean water, sanitation facilities, emergency aid or registered children who have not yet got a sponsor.

A sponsor can also give an individual gift to their 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 staff.

In addition to the individual sponsorship program, Compassion also runs programs for mothers and infants, where vulnerable pregnant women receive help and support during pregnancy, childbirth and until the child turns one year old. The child can then be enrolled in the individual sponsorship program.

### **Significant events during the financial year**

What had the strongest impact in the past year was the pandemic, both in Denmark and in our field countries. As it has not been possible to gather physically in Denmark, we have not reached out with our message as much as usual. Thanks to a digital event in March where our major Church partner in Copenhagen promoted Compassion's work, some children got sponsored. We have started a collaboration with Youtubers Jas & Mika who are Compassion sponsors. In social media, we also sent a digital Christmas concert that was produced by our colleagues in Compassion UK.

In November, we hired our first employee in Compassion Danmark. Her role is both to be the first line support to our sponsors and to help us reach out and build trust for Compassion in the Danish Churches.

Compassion has implemented an important Child Protection work, and during this year we have focused specifically on limiting the personal data used both externally, on the website and in the communication between the children and their sponsors. Now only the first names will be used in the correspondence.

During the year, we sent 884 letters from the sponsored children to their sponsors in Denmark, and 316 letters from the sponsors to the children. 161 of the children received at least one extra gift for themselves or their families.

The sponsorship program was impacted in all our field countries due to the various restrictions because of the pandemic. It has not been possible to gather the children at the centers and the activities could not be carried out as usual. Therefore, the number of letters and new pictures from the children has also decreased during this period. The priority throughout the year has been to meet the critical needs of the sponsored children and their families, by ensuring that they receive food, clean water, hygiene and sanitary items and access to healthcare.

The pandemic has brought with it many different problems and challenges in addition to the illness itself: poverty has increased, and it has become difficult to earn a living. Mental illness has also increased, even in developing countries. In addition to ensuring that the sponsored children and their families get their critical needs met, Compassion has acted in different ways based on each country's specific situation.

For example, Compassion Kenya, has collaborated with the government to fight mental illness among young people. In Ghana, an effort has been made to help young people who have learned a vocational skill during sponsorship, to start their own business. In Thailand, some of the children's guardians have received help to grow coffee as an income generating activity.

Compassion Danmark ended the year with 469 (469) active sponsorships.

### **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. We communicate with our sponsors and donors electronically; we send all child letters to their sponsors via email. 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 considering both security and economic factors.

### **Staff and management**

Compassion Danmark now have one paid employee.

The board has 6 members (5 men and 1 woman).

### **Result and future development**

At the end of the Fiscal Year, the number of sponsorships was 469 (469).

The financial report shows a positive result of 16 877 kr for this Fiscal Year.

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

## Income Statement 1 July 2020 - 30 June 2021

	Note	2021	2020
<b>Revenue</b>			
Grants from Compassion International	2	274 259	302 482
Donations	3	1 541 895	1 531 957
Membership fee		500	2 900
Financial Revenue		0	6 160
Total Revenue		<u>1 816 654</u>	<u>1 843 499</u>
<b>Cost</b>			
Total Grants to CI	2	1 169 766	1 158 980
Employee cost	4	322 686	294 024
Office cost		144 965	145 748
Travel cost		21 411	36 154
Marketing cost		97 318	44 016
Other administration cost		16 043	16 674
Financial cost		27 588	0
Total costs		<u>1 799 777</u>	<u>1 695 595</u>
Year Result		<u>16 877</u>	<u>147 903</u>
<b>Retained result</b>			
Equity	5	<u>16 877</u>	<u>147 903</u>

**Balance per 30 June 2021**

	Note	2021	2020
<b>Current Assets</b>			
Receivables Compassion Norge		0	140 610
Accounts receivable		0	4 579
Bank and cash	10	292 207	71 442
Total Assets		<u>292 207</u>	<u>216 631</u>

	Note	2021	2020
<b>Equity</b>			
Equity	5	<u>233 504</u>	<u>216 631</u>

**Current Liabilities**

Accounts payable		11 401	0
Tax		11 257	0
Other short term liabilities to Compassion Norge		36 045	0
Total short term liabilities		58 703	0
Total equity and liabilities		<u>292 206</u>	<u>216 631</u>

## Notes to the Financial Statements for 2021

### Note 1 - Accounting principles

The Financial Statements are prepared in accordance with generally accepted accounting policies.

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

The accounting principles are similar to last year.

#### *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

Towards Compassion International, it is Compassion Norge that is administratively responsible for three legal Compassion entities in Norway, Sweden and Denmark. Compassion Norge receives grants from Compassion International 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 to Compassion International.

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

	<b>2021</b>	<b>2020</b>
Grants received from CI	274 259	302 482
Grants to DK	<u>274 259</u>	<u>302 482</u>

### **Note 3 – Donations**

	<b>2021</b>	<b>2020</b>
Sponsorship payments	1 372 344	1 461 894
Other donations	73 110	70 063
Membership	500	2 900
Total	<u>1 542 395</u>	<u>1 534 857</u>

### **Note 4 – Employee Cost**

During FY21, 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**

	<b>2021</b>	<b>2020</b>
Equity per 1 July	216 631	68 727
Year Result	16 877	147 903
Equity per 30 June	<u>233 580</u>	<u>216 630</u>

There are no restrictions related to the equity.

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9129bc522e243203859748db52a2e107310690f15e09b

The documents are signed by

11/11/2021 8:06:46 AM (CET)



**Mathias Wählberg**

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Signed with electronic ID (BankID)

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**Marie Elisabet Nylén Utbult**

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11/11/2021 9:57:08 AM (CET)



**Bob Peters**

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Signed with SMS

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**Johannes Johansson**

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**Trygve Johan Forsbäck**

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Signed with electronic ID (Finnish Trust Network)

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**Hegle, Kåre Olav**

kaare.hegler@gmail.com 29095238937  
Signed with electronic ID (Norwegian BankID)

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**Claes Parsmo**

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