



ANNUAL REPORT
2017

THE DANISH RED CROSS

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**VI HAR FÆLLESSKABET
SOM UDGANGSPUNKT**



**HRH Crown Prince
Frederik inaugurated
the Volunteer House
with Red Cross volun-
teer Jonna Møllemand
by tying together two
crocheted ribbons
in a bow.**

Photo: Jakob Dall.

THE RED CROSS IN DEMAND

The 2017 financial statements of the **Danish Red Cross** clearly reflect a world facing enormous humanitarian challenges as well as confidence that the Red Cross is able to help solve a number of these challenges. The Red Cross' expenditure in 2017 totalled DKK 1.6 billion. 68.5 million people worldwide were forced to flee in 2017.

Of these, the majority were internally displaced in their own country and many others have sought refuge in neighbouring regions. In 2017, the Danish Red Cross received our largest donation ever from the EU MADAD Trust Fund, allowing us to help up to 1 million Syrian refugees in neighbouring countries.

Only some five per cent of all refugees make it to Europe. Of these, a very small number come to Denmark. Denmark received significantly fewer asylum seekers in 2017, and the Red Cross asylum activities underwent a comprehensive adjustment as a result of this. Our volunteer-based social efforts in Denmark also focused on the refugees who have been granted residence in Denmark. Three years ago, we launched "Friends pave the way" at the Danish prime minister's official residence, Marienborg. We are proud to have been able to offer virtually every newly arrived refugee a Danish friend through this collaboration with the Danish Refugee Council.

Many other people in Denmark also need a helping hand, however. When far too many people are socially excluded, when 350,000 feel lonely, when inequality is on the rise and particularly children are struggling to live the kind of life that other children do, the Red Cross feels called upon to act. The Danish Red Cross has 34,000 volunteers who are motivated by making a difference for others. Through their amazing commitment, we were able to help 20 percent more people in 2017 than the year before.

Internationally, 2017 also brought many other humanitarian challenges calling for the Red Cross to step in. With our partners in the Red Cross Movement, we maintained a presence in Syria and Yemen. We provided relief after the typhoons in the Caribbean and support for the unimaginable number of people living in the world's largest refugee camp in Cox's Bazar, Bangladesh.

2017 was also the year in which HRH Crown Prince Frederik inaugurated the Red Cross Volunteer House in Copenhagen, whose establishment was made possible by a large donation from The A.P. Møller and Chastine Mc-Kinney Møller Foundation. It is a pleasure to see the house buzzing with life and team spirit every day as volunteers and employees meet with partners from Denmark and abroad. With the Red Cross Experience, some 9,000 school children and other guests have had a chance to feel on their own bodies what it is like to be a relief worker in the world's hotspots.

Despite a huge effort in 2017, there is no indication that the Danish Red Cross will have less to do in the coming years. We need to increase our presence and engage even more people in our relief work.

We want to thank everyone who contributed in 2017. We hope you will give your support the next time it is needed.



Sven Bak-Jensen
President



Anders Ladekarl
Secretary General

GREAT CONFIDENCE IN THE RED CROSS

In 2017, the Danish Red Cross spent DKK 1.6 billion. This is an indication that the world is facing huge humanitarian challenges and also that the Danish people, the authorities and our partners have confidence that the Red Cross can contribute to resolving a number of these challenges.

Greater humanitarian needs

We spent close to DKK 732 million on international relief work – an increase of almost 46% on last year, explained in part by a large donation to provide aid in neighbouring areas around Syria. We spent DKK 108 million on relief work in Denmark and DKK 485 million on asylum activities.

In 2017, the Red Cross spent DKK 122 million on fundraising, awareness activities and general management and administration.

While focusing on careful spending and on maintaining a low cost level, the Red Cross at the same time invests in new opportunities and initiatives to remain a strong and innovative organisation. The ratio of costs to funds in 2017 was just under 5%.

Financial independence

As an impartial and neutral humanitarian organisation, the Red Cross must be in a position to act when we see a need arise. Financial independence is crucial, and we achieve this by obtaining funds

from a variety of sources and securing unrestricted funds. As it is often difficult to predict when disaster may strike, it is important that the Red Cross has adequate financial resources available.

Growing support

In 2017, the Red Cross saw a significant rise in collected funds, including increasing contributions from private individuals and a doubling of income from legacies over 2016. In total, the Red Cross collected DKK 228 million.

The Red Cross also worked with a large number of enterprises and foundations, from which we received large grants in 2017.

Second-hand activities hit new record

With a surplus of almost DKK 66 million – up 4.5% compared with last year – 2017 was the best year to date for the Red Cross' second-hand activities. This impressive result was in large part due to the commitment of the many volunteers running some 240 Red Cross shops around the country. Garments that are not fit for selling in the shops are sold on as clothing or as raw material for textile fibres in a safe manner.

The surplus reflects a growing interest among the Danish people – and particularly the young – in donating and buying

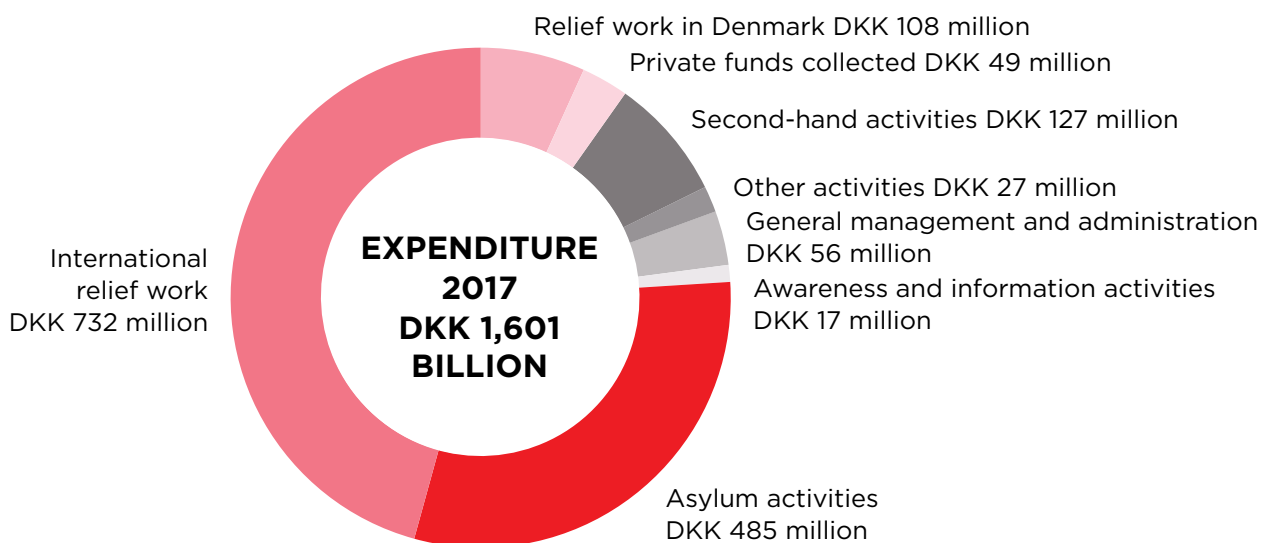
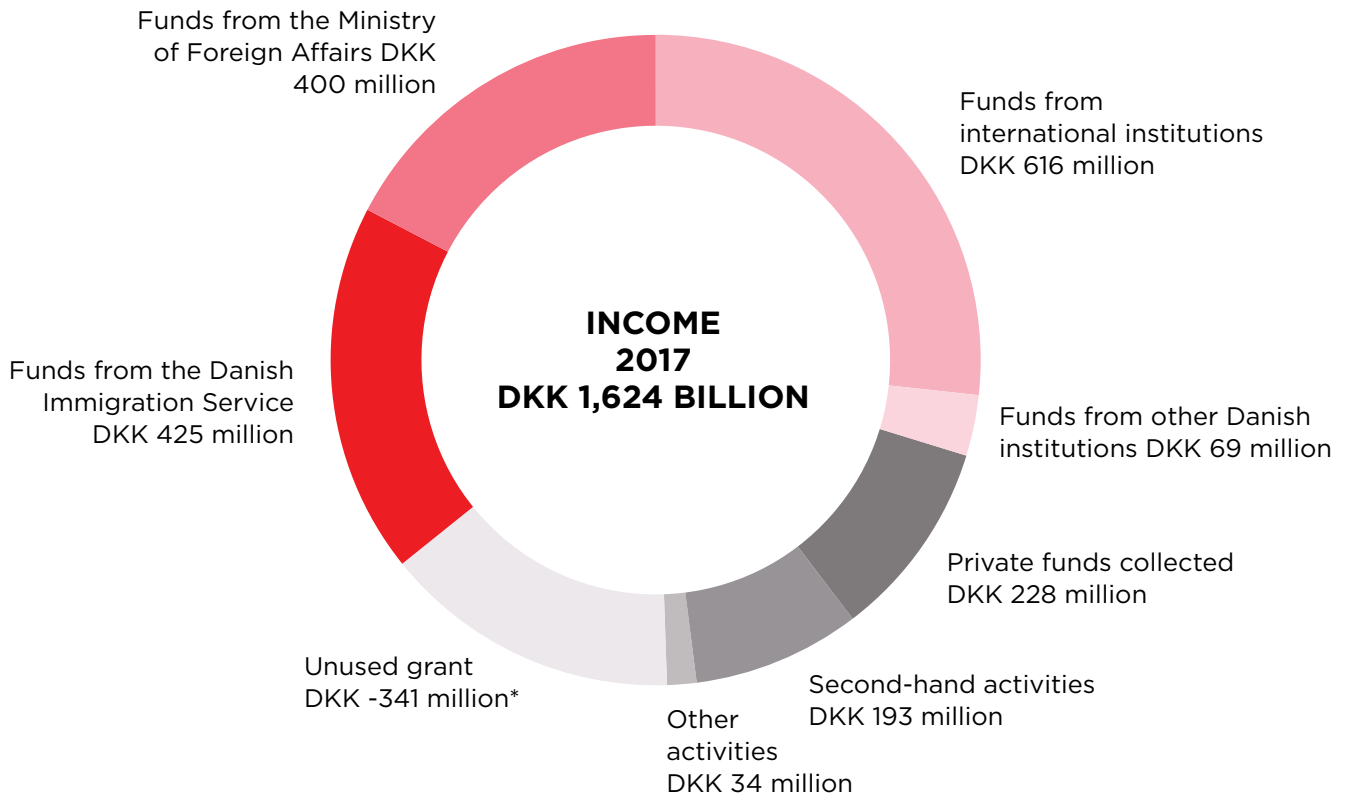
second-hand clothes, shoes, knick-knacks, furniture, etc. In 2017, the 'Smid Tøjet' ('Drop Your Clothes') campaign highlighted the option of helping by donating second-hand clothes.

First aid and first aiders

First aid is fundamental to the Red Cross, and our ambition is that all Danes should be able to perform first aid. In 2017, the Danish Red Cross trained 57,000 certified first aiders. After having declined for several years, the demand for and revenue from Red Cross first aiders are now growing. Necessary investments in training and new equipment meant that the growth has not yet generated an increased surplus, however.

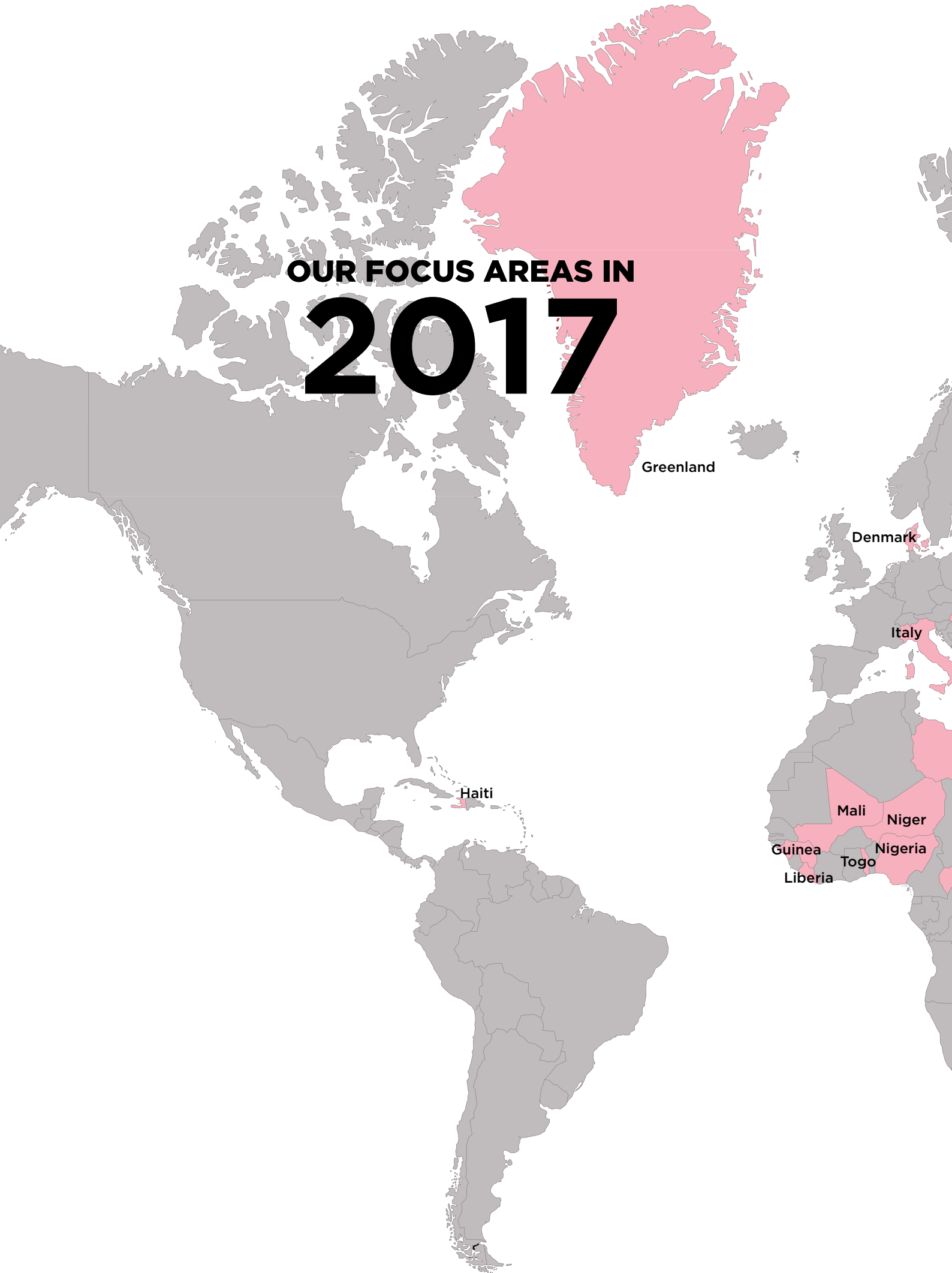
The Danish Red Cross

The Danish Red Cross also comprises the Danish Red Cross Youth, the Red Cross of Greenland and the Red Cross of the Faroe Islands, which prepare separate financial statements. In the past financial year, the Danish Red Cross Youth generated income of DKK 47 million, the Red Cross of Greenland generated just over DKK 3 million and the Red Cross of the Faroe Islands generated DKK 741,000.



* Unused grants represent income for use in subsequent financial years, and the change for the year was mainly due to the DKK 367 million EU MADAD grant, see note 6 to the financial statements.

OUR FOCUS AREAS IN 2017





MAJOR HUMANITARIAN CHALLENGES AROUND THE WORLD

The Danish Red Cross is part of the Red Cross Movement, which is present in 191 countries and has some 17 million volunteers. Our common foundation is the Red Cross principles and the special mandate granted to us under the Geneva Conventions.

Through our international relief work, the Danish Red Cross provides impartial, neutral help to victims of conflicts and disasters – focusing on empowering them to help themselves before, during and after a crisis. We offer relief work in places that few have access to, with particular focus on Africa and the Middle East.

Income for our international relief work reached DKK 1 billion in 2017. As some of these funds were in the form of grants given over several years, our expenditure in 2017 was just under DKK 732 million. Our actions in 2017 addressed the huge number of displaced people, a number of complex conflicts and floods and typhoons in areas such as Nepal and the Caribbean. In 2017, we carried out humanitarian work in 37 countries via our collaboration with the local Red Cross societies, the International Committee of the Red Cross (ICRC) or the Federation (IFRC).

Vast demand for relief work in Syria

In 2017, we continued our collaboration with the Syrian Arab Red Crescent, which co-ordinates the relief work in Syria. We distributed emergency aid to besieged areas, established health clinics, secured ambulances, medicines and medical equipment and helped adults and children cope with the war. In Syria, we also work with ICRC to ensure that the parties to the conflict comply with the Geneva Conventions.

Assistance in neighbouring countries

In 2017 the Danish Red Cross signed the largest single donation we have received to date, from the EU's Regional Trust Fund, MADAD. The donation, which amounts to DKK 367 million over three years, will be used to help nearly 1 million Syrian refugees in the neighbouring countries. A joint effort between 15 Red Cross societies, the project will provide medical aid, psychosocial support and education to help the refugees get jobs or start small-scale entrepreneurial ventures.

Migration in Africa

We have been present in Africa for a number of years and have built a strong capacity with our partners. Due to a growing number of migrants, countries such as Sudan, Ethiopia, Guinea, Mali and Niger are facing new humanitarian challenges. Based on our local knowledge, we developed new pilot initiatives in 2017 to help close to a million migrants.

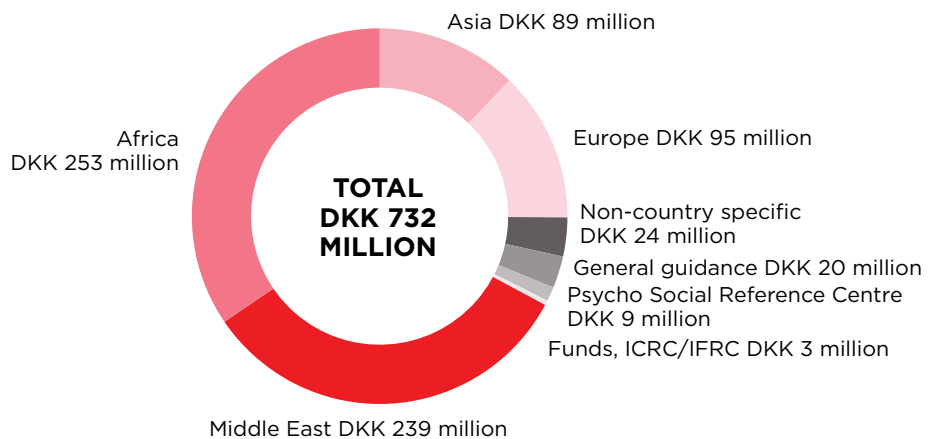
Cox's Bazar

Cox's Bazar, Bangladesh, is the location of the world's largest refugee camp, where 900,000 people from the Rakhine province in Myanmar have sought refuge. Our assistance included doctors and nurses, securing access to water and sanitation and organising activities for children and young people. In Cox's Bazar, we have tested new disaster relief methods, for example paying the refugees to establish latrines themselves to promote a sense of ownership and to secure work for more people.

Complex needs

Humanitarian crises often consist in a complex combination of conflict, poverty, disease and natural disaster. This is for instance the case in South Sudan, where conflict forced the population to flee to drought-stricken areas. Or in Yemen, which in addition to conflict was struck by a serious outbreak of cholera.

International relief work 2017





Cox's Bazar in Bangladesh is now the world's largest refugee camp.
Photo: Michael Drost-Hansen



In Syria, residents are assisted in evacuating Damascus suburb Eastern Ghouta, which has been destroyed by bombardments.
Photo: Syrian Arab Red Crescent



The Red Cross uses structured games to improve the daily lives of internally displaced children in South Sudan.
Photo: Jakob Dall



Syrian refugee Gulistan trains as a hairdresser at a Red Cross Community Centre in Istanbul, supported by the EU/MADAD.
Photo: John Engedal Nissen.



Tine and her husband act as friendship family to Rigat from Eritrea. Rigat grows corn and other vegetables in the kitchen garden that Tine has given her.
Photo: Julie Bergstrand-Christensen



With support from TrygFonden, we have developed a programme offering relief and support for people caring for ill or dying family members in their own home.
Photo: The Danish Red Cross



The project "Værket" helps participants create new networks.
Photo: Helga Theilgaard



Lots of fun and networking at the family camp in Gribskov.
Photo: Rene Schriver

REACHING MORE PEOPLE IN DENMARK

Year by year, the Red Cross reaches more vulnerable people in Denmark. In 2017, the Red Cross helped more than 31,000 people – 20 percent more than in 2016.

In 2017, the Red Cross spent close to DKK 108 million on developing and supporting volunteer-based social efforts in Denmark. This represented an increase of almost 10 percent over 2016 and indicated that the Red Cross is taking on more complex and resource-intensive commitments. The expenditure does not adequately reflect the scope and diversity of activities, however. A weekly visit doesn't cost much – but it makes a huge difference for a person who is lonely.

Through our 206 local Red Cross branches, we act on the needs we perceive. And we cover a wide range of activities: cafés for particularly vulnerable people, prison visits, care centres for the homeless, patient support, vigil service – and much, much more.

Networks combat loneliness

350,000 Danes are lonely, and more and more people are seeking our help, either through the conventional visitor service or in new forms of networks bringing together volunteers and participants. “Værket”, a joint project between the Danish Red Cross, the Mary Foundation and the VELUX FOUNDATION, supports lonely adults aged 30-60, encouraging and equipping them to create new networks.

New offers for families

In Denmark today, a record number of children are living below the poverty line. In a holistic approach, the Danish Red Cross provides support for vulnerable families with communal meals, holiday

camps and other activities. In a collaboration with Den A.P. Møllerske Støttefond, the Danish Red Cross now also offers network families and volunteer mentors who can guide parents in finding employment. We also work with the Egmont Foundation to give vulnerable children an opportunity to pursue leisure activities such as football or swimming – just like other children.

National infrastructure

Although the number of refugees arriving in Denmark dropped considerably in 2017, many still need help to settle in our society. With the Friends Show the Way programme, the Danish Red Cross and the Danish Refugee Council have created a ‘national infrastructure’ to ensure that refugees are well received in every municipality in the country. Volunteers help with homework, language, the first bike ride or writing a CV and often help open the door to the local football club or other local networks.

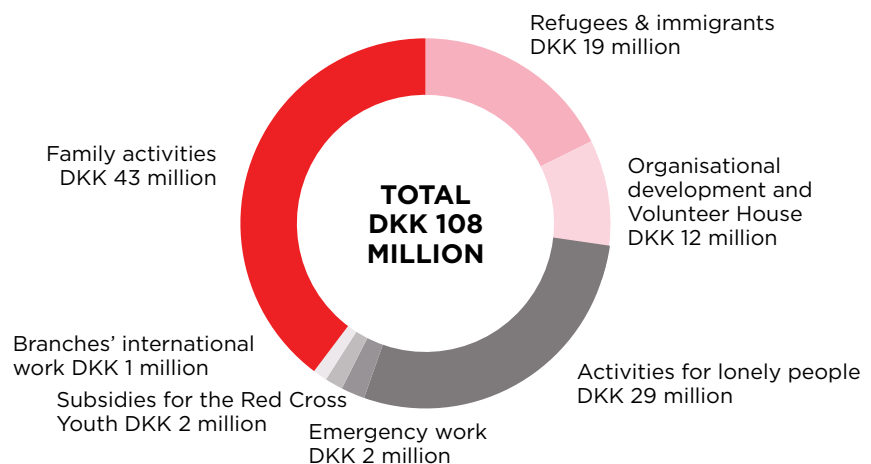
The healthcare clinic continues

The Danish Red Cross opened the Healthcare Clinic in Copenhagen more than six years ago and two years later in Aarhus. There is still great demand for healthcare services for undocumented migrants, who do not have unlimited access to the public healthcare system. In 2017, we were approached more than 3,000 times. The clinics, run by 300 volunteer health professionals, mainly offer medical services, but a number of people also come to see a midwife or the dental clinic.

Caregiving in acute situations

In 2017, the Danish Red Cross focused on stepping up our relief work in acute situations. For example, we are establishing a local emergency management structure, under which the Red Cross will work with local service providers to provide security in acute situations such as storm surges, fires or acts of terror. In Greenland, we provided relief work after the tsunami in Nuugaatsiaq in a joint effort with the Red Cross of Greenland.

Relief work in Denmark in 2017



FEWER ASYLUM SEEKERS

As operator on behalf of the Danish State, the Danish Red Cross runs a number of asylum centres housing asylum seekers. After a number of years with many asylum seekers arriving in Denmark, the numbers dwindled to 3,479 in 2017. The number of centres is adjusted according to the number of asylum seekers, and in 2017 the Red Cross operated 19 centres.

The Red Cross has more than 30 years' experience in giving asylum seekers in Denmark a safe, meaningful and dignified existence. In addition to providing accommodation, the Red Cross also operates kindergartens, schools, after-school care facilities and recreational clubs for asylum children. We offer adult education and activation as well as a number of health services.

The Red Cross undertakes a number of specialist asylum functions requiring special knowledge and experience, e.g. reception of all asylum seekers, accommodation for asylum seekers with special care and nursing needs and centres for unaccompanied minors. Finally, as a sub-contractor the Red Cross performs a number of specialised tasks at the departure centres for rejected asylum seekers, which are run by the Danish Prison and Probation Service.

Our work in the roles of operator and sub-contractor is regulated through yearly contracts with the Danish Immigration Service and the Danish Prison and Probation Service. These contracts are awarded via public tenders. In 2017, the Danish Red Cross spent DKK 485 million on asylum activities.

A year of major adjustments

The Red Cross' asylum activities in 2017 reflected the significant drop in the number of arriving asylum seekers, and through the year we had to make adjustments and let a large number of employees go. The need for staff cuts was compounded by rate reductions. We were unable to reduce costs and adjust the organisation at the same pace as the rate reductions, resulting in a deficit for the year. The deficit is covered by the Danish Immigration Service.

Asylum pedagogy model

The Danish Red Cross has worked with asylum children for many years, and it has been important to us to maintain the high quality of this work despite cutbacks. In 2017, the Danish Red Cross and researchers from Roskilde University and University College UCC together formulated a so-called 'asylum pedagogy' model created by compiling years of pedagogi-

cal practice. This asylum pedagogy model is the first of its kind in the world.

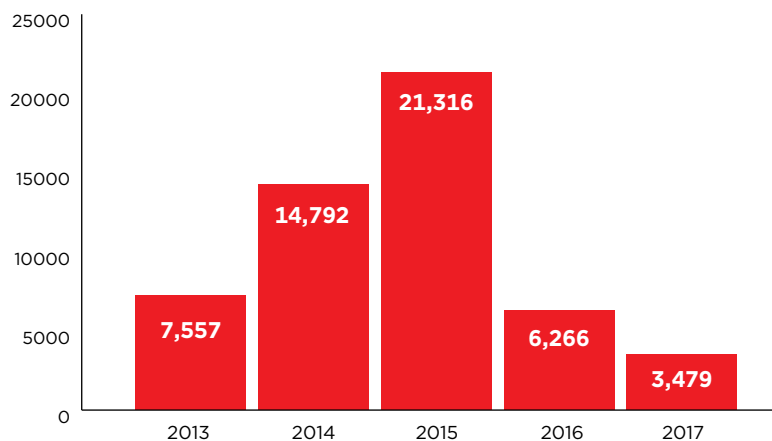
Joining the workforce fast

Most asylum seekers have a strong wish to find employment. To address this, the Red Cross in 2017 focused particularly on developing education and activation offers for adult asylum seekers to make them ready to join the workforce as soon as possible if they get a residence permit. This includes language teaching aimed at traineeships and identification of competences.

Red Cross Academy

A number of municipalities are requesting know-how and professional skills to assist in their work with refugees. Through the Red Cross Academy, we offer guidance and skills development for municipal employees, language centres and other service providers. The Red Cross Academy also operates a temporary residence for refugees in the municipality of Gentofte.

Number of asylum seekers in Denmark



Our work of teaching asylum children is based on years of experience from places such as the kindergarten at Center Sandholm.
Photo: Thomas Bertelsen



The popular Asylum League gives adult asylum seekers the chance to exercise, socialise and network with local football clubs in the vicinity of the asylum centres.
Photo: Thomas Sjørup.



Hisham has qualified as a first aid instructor and is now passing on his knowledge to asylum centre residents.
Photo: Susan Hoffmann



Quick identification of his skills helped Jeyarasa get a traineeship at Steffen's fish market in Nordhavn, Copenhagen.
Photo: Susan Hoffmann



Volunteers from the Galten branch test Virtual Reality in the Experience, which makes the work of the Danish Red Cross come alive.

Photo: Peter Sørensen



FINANCIAL STATEMENTS 2017

INCOME STATEMENT (DKK'000)	Note	2017	2016
Income			
Funds from Danish institutions	1	894,542	1,083,360
Funds from international institutions	2	615,870	137,457
Private funds collected	3	227,965	171,851
Second-hand activities	4	192,579	187,481
Other activities	5	33,854	31,314
Change in earmarked funds	6	-340,938	24,348
Total income		1,623,872	1,635,811
Expenditure			
International relief work	7	-731,835	-502,849
Relief work in Denmark	8	-108,211	-99,096
Asylum activities	9	-484,917	-749,763
Awareness and information activities		-17,417	-13,237
Private funds collected	3	-48,686	-51,658
Second-hand activities	4	-126,630	-124,371
Other activities	5	-27,009	-24,695
General management and administration		-56,166	-53,929
Total expenditure		-1,600,871	-1,619,598
Surplus for the year before financial items		23,001	16,213
Financial items	10	-500	1,169
Surplus for the year		22,501	17,382

BALANCE SHEET at 31 December 2017 (DKK'000)Note		2017	2016
ASSETS			
Non-current assets			
Intangible assets		7,846	9,656
Property, plant and equipment		133,994	133,727
Financial assets		17,099	15,871
Total non-current assets	11	158,939	159,254
Current assets			
Inventories		1,332	1,685
Receivables	12	579,298	238,911
Prepayments		11,420	2,745
Securities*		117,813	112,251
Cash and cash equivalents	13	310,431	311,709
Total current assets		1,020,294	667,301
Total assets		1,179,233	826,555
EQUITY AND LIABILITIES			
Equity			
Capital funds		89,008	87,314
Reserves		125,238	103,476
Retained earnings		78,367	79,322
Total equity	14	292,613	270,112
Non-current liabilities			
Mortgage debt		5,895	6,814
Accrued subsidies for recognised assets	15	31,061	27,675
Total non-current liabilities		36,956	34,489
Current liabilities			
Earmarked funds	6	680,765	295,959
Trade payables		59,761	82,183
Other payables		109,138	143,812
Total current liabilities		849,664	521,954
Total equity and liabilities		1,179,233	826,555

*In addition to its own securities, the Danish Red Cross manages restricted legacies. The value of these at 31 December 2017 was DKK 4,916 thousand.

NOTE 1	2017	2016
Funds from Danish institutions (DKK'000)		
Danish Immigration Service	424,704	732,334
Ministry of Foreign Affairs (Danida)	400,077	292,145
Other ministries and government agencies	56,961	45,981
State gambling pools, LOTFRI*	7,500	7,500
Secretariat grant**	5,300	5,400
Total funds	894,542	1,083,360

* The subsidy from LOTFRI was used during the subsidy period and was used as authorised, mainly to cover general management and administration costs.

** The subsidy under the secretariat grant, which is attributable to the asylum activities of the Danish Red Cross, was used during the subsidy period and was used as authorised, mainly to cover expenditure as set out in note 8 and general management and administration costs.

NOTE 2	2017	2016
Funds from international institutions (DKK'000)		
Red Cross societies/IFRC/ICRC	72,676	74,401
EU institutions	532,523	52,157
Other institutions	10,671	10,899
Total funds	615,870	137,457

NOTE 3			2017	2016
Private Funds collected (DKK'000)				
	Income	Expenditure	Total	Total
Private donations	63,829	-19,938	43,891	39,172
Fundraising efforts	45,831	-17,778	28,053	30,545
Foundation grants	52,324	-4,491	47,833	18,280
Legacies	41,296	-58	41,238	19,752
Business cooperation	20,010	-6,406	13,604	8,275
Membership fees	4,675	-15	4,660	4,168
Total collected funds	227,965	-48,686	179,279	120,192

NOTE 4	2017	2016
Second-hand activities (DKK'000)		
Income	192,579	187,481
Expenditure	-126,630	-124,371
Total second-hand activities	65,949	63,110

NOTE 5			2017	2016
Other activities (DKK'000)				
	Income	Expenditure	Total	Total
First aid	20,765	-19,370	1,395	2,405
First aiders	5,612	-7,639	-2,027	-1,761
Other activities	7,477	0	7,477	5,975
Total other activities	33,854	-27,009	6,845	6,619

NOTE 6	2017					
Change in earmarked funds (DKK'000)						
	1 Jan.	Reclas- sification	Received	Used	31 Dec.	Change for the period
Danish Immigration Service*	0	42,878	457,726	-486,207	14,397	-28,481
Humanitarian partnership grant (Danida)	5,302	0	115,000	-117,159	3,143	-2,159
Adjustable grant (Danida)	643	-491	59,400	-55,821	3,731	3,579
Other Danida grants	97,140	0	225,647	-273,545	49,242	-47,898
EU grants	68,266	0	532,523	-215,107	385,682	317,416
Other ministries and government agencies	21,203	0	28,680	-22,517	27,366	6,163
Red Cross societies/IFRC/ICRC	68,765	0	72,676	-73,621	67,820	-945
Other international institutions	9,892	0	10,671	-13,365	7,198	-2,694
Collected earmarked funds	24,748	1,481	99,974	-4,888	121,315	95,086
The Danish Red Cross Relief and Disaster Fund	0	0	13,963	-13,091	872	872
The Danish Red Cross' National Fund	0	0	404	-405	-1	-1
Total	295,959	43,868	1,616,664	-1,275,726	680,765	340,938

*DKK 42,878 thousand has been reclassified from "Other payables"

Change for the year in earmarked funds shows significant variance from the 2016 financial statements. This is due to the DKK 367 million grant from the EU Trust Fund to MADAD, included under EU grants. A large portion of this grant was unused at 31 December 2017, which means that it has a significant effect on the total change in unused funds.

NOTE 7			2017	2016
Used for international relief work (DKK'000)				
	Disaster	Development	Total	Total
Middle East	184,229	54,675	238,904	171,345
Africa	192,367	60,217	252,584	165,279
Asia	54,564	34,408	88,972	93,534
Europe	15,888	78,910	94,798	24,868
Non-country specific	22,190	2,301	24,491	21,671
General guidance and monitoring	10,046	10,046	20,092	15,756
Funds for IFRC/ICRC	1,506	1,506	3,012	3,370
Psycho-social reference centre	0	8,982	8,982	7,026
Total international relief work	480,790	251,045	731,835	502,849

NOTE 8	2017	2016
Used for relief work in Denmark (DKK'000)		
Family activities	42,978	34,514
Activities for lonely people	29,279	31,367
Refugees & Immigrants	19,141	18,045
Organisational Development & Volunteer House	11,510	10,040
Branches' International Work	1,349	1,745
Subsidies for the Red Cross Youth	1,700	1,700
Emergency work	2,254	1,685
Total relief work in Denmark	108,211	99,096

NOTE 9	2017	2016
Used for asylum activities (DKK'000)		
Accommodation and sustenance	340,938	557,710
Property administration, transport, inventory, furniture, maintenance, etc.	74,187	115,869
Benefits in kind (clothing and hygiene packets, food, etc.)	14,287	29,657
Asylum agreement	18,294	25,461
Counselling service	6,256	7,002
Pedagogical pool funds	2,447	2,351
Other operations	28,508	11,713
Total asylum activities	484,917	749,763

NOTE 10	2017	2016		
Financial items (DKK'000)				
	Income	Expenditure	Total	Total
Interest	146	-1,143	-997	-791
Securities	3,740	-1,198	2,542	2,144
Foreign exchange	440	-2,485	-2,045	-184
Total financial items	4,326	-4,826	-500	1,169

NOTE 11	2017				
Non-current assets (DKK'000)					
	Intangible assets	Machinery	Land and* buildings	Financial** assets	Total
Acquisition cost at 1 January	27,221	34,481	129,491	15,871	207,064
Adjustment at 1 January	0	12,273	0	0	12,273
Additions during the year	2,419	1,257	5,508	1,228	10,412
Disposals during the year	0	-6,841	-950	0	-7,791
Acquisition cost at 31 December	29,640	41,170	134,049	17,099	221,958
Depreciation/amortisation at 1 Jan.	-17,565	-22,558	-7,687	0	-47,810
Adjustment at 1 Jan.	0	-12,273	0	0	-12,273
Depreciation/amortisation for the year	-4,229	-3,600	-973	0	-8,802
Depreciation/amortisation re. year's disposals	0	5,848	18	0	5,866
Depreciation/amortisation at 31 Dec.	-21,794	-32,583	-8,642	0	-63,019
Total non-current assets	7,846	8,587	125,407	17,099	158,939

* The properties of the Danish Red Cross are mortgaged in the total amount of DKK 28,166 thousand as security for bank and mortgage credit commitments.

** Financial assets comprise a cooperatively owned property (DKK 3,934 thousand) and deposits on leases regarding second-hand activities (DKK 13,165 thousand)

NOTE 12	2017	2016
Receivables (DKK'000)		
Sale of goods and services	13,450	12,895
Grant commitments	475,039	155,660
Danish Immigration Service	21,868	0
Other receivables	68,941	70,356
Total receivables	579,298	238,911

NOTE 13	2017	2016
Cash and cash equivalents (DKK'000)		
Own funds	169,072	102,371
Donor funds	141,359	209,338
Total cash and cash equivalents	310,431	311,709

NOTE 14				
Equity (DKK'000)	1 Jan.	Add./disp.	Distribution of surplus for the year	31 Dec.
Capital funds	87,314	1,694	0	89,008
Reserve, International Fund	67,392	0	7,501	74,893
Reserve, National Fund	19,136	0	0	19,136
Reserve, Development Fund	15,000	0		15,000
30,000				
Reserve, local branch funds	1,948	-739	0	1,209
Retained earnings	79,322	-9550	78,367	
Total equity	270,112	0 22,501	292,613	

NOTE 15
Accrued subsidy for recognised assets
Accrued subsidy for recognised assets under non-current liabilities consists of subsidy received for the construction of the Volunteer House.

ACCOUNTING POLICIES

The financial statements cover the Danish Red Cross, comprising local branches and county districts (joint activities between branches) and the national office including the Asylum Department.

Financial statement items of a uniform nature are consolidated and income and expenses and balances between the Danish Red Cross and local branches and county districts are eliminated.

The financial statements of the Danish Red Cross are presented in accordance with the accounting policies described.

The Annual Report 2017 is presented in the same layout as in 2016 with specific focus on enhancing transparency and reader friendliness. As a Danish non-profit charitable organisation, the Red Cross is not subject to any specific requirements regarding presentation, recognition, measurement or the like, but the financial statements are prepared in accordance with what is considered generally accepted accounting practice for organisations in Denmark.

INCOME STATEMENT

Income

Income mainly consists in collected funds and grants.

Income from the sale of goods and services is recognised in the income statement provided that delivery and invoicing have taken place before year end.

Income from fundraising activities, legacies and gifts is recognised as the funds are received.

Grants are recognised as income when a binding commitment has been received from the appropriating party.

Earmarked funds not used are recognised as a liability under "Earmarked funds" to be carried forward. The change for the year in earmarked funds to be carried forward is recognised in the income statement as a net amount corresponding to the earmarked funds used. Change in earmarked funds thus represents the difference between earmarked grants received during the year and the amount of such funds used during the financial year.

Like other international non-profit organisations, the Danish Red Cross includes the value of non-cash donations in the income statement. Donations, e.g. in the form of consignments of goods, ancillary equipment or consulting services related to specific projects, with a value in excess of DKK 0.1 million are included. On recognition and use of the included donations etc., the value of non-cash donations is included to the extent that the value of the donation can be reliably measured and exceeds DKK 0.1 million.

The value of the work of Red Cross volunteers is not recognised in the financial statements.

Expenditure

Funds for international projects are expensed when the funds are dispatched.

Income and expenses are accounted for on an accruals basis.

Financial items

Financial income and expenses are recognised in the income statement in the amounts relating to the financial year. These items comprise interest income and expenses, realised and unrealised capital gains and losses on securities, debt and transactions in foreign currency.

Tax on surplus for the year

The Danish Red Cross is exempt from taxation pursuant to section 1(1)(vi) of the Danish Corporation Tax Act.

The Asylum Department's financial statements

The Asylum Department prepares its financial statements in accordance with the Danish State's cost accounting principle. Costs are accounted for on an accruals basis, and costs due for later payment or settlement are provided for under liabilities. The Asylum Department's financial statement items are consolidated on a line-by-line basis. The result for the year in respect of the asylum activities is not recognised in the income statement of the Danish Red Cross, as the equity of the Asylum Department is considered a balance with the Danish Immigration Service and recognised in the balance sheet under "Earmarked funds".

BALANCE SHEET

Intangible assets

Intangible assets with a value exceeding the minimum amount determined by the National Executive Committee of the Danish Red Cross, currently DKK 0.1 million, are recognised at cost and amortised on a straight-line basis in the income statement over a period of five to seven years.

The cost of intangible assets received as donations or the like is measured at estimated fair value at the recognition date to the extent that such value can be reliably measured. The fair value reflects the amount that the Red Cross would have paid to acquire the asset on normal market terms. The value of such assets is written off in the year in which the donation is received.

Property, plant and equipment

Buildings and land are measured at cost less accumulated depreciation effective from the financial year 2015. Land is not depreciated. Cost is determined at the original acquisition cost plus any improvements. Where no other value can be determined, the cost of individual properties is stated at the most recent official property value for 2014.

Depreciation is provided on a straight-line basis, over 100 years for the properties of the national office and over 50 years for the properties of the local branches, to expected residual value. Depreciation is recognised in the income statement under 'General management and administration'.

Generally, machinery is expensed in the year of acquisition. Costs in connection with major acquisitions or creations may,

however, (upon specific assessment) be capitalised and depreciated over the asset's useful life if the acquisition cost of the asset exceeds DKK 0.1 million and the useful life is at least five years.

The cost of property, plant and equipment received as donations or the like is measured at fair value at the recognition date, to the extent that such value can be reliably measured. Fair value reflects the amount that the Red Cross would have paid to acquire the asset on normal market terms.

Subsidies etc. received for the construction or acquisition of property, plant and equipment are not set off against the cost of the asset but are recognised as a separate liability in the balance sheet and recognised as income over the useful life of the asset.

Financial assets

Financial assets, comprising capital contributions on purchase of cooperatively owned properties and deposits on leases regarding second-hand activities, are recognised at cost.

Inventories

Inventories of first aid products and books and stocks of essentials at the asylum centres are measured at the lower of cost and net realisable value. Other inventories, including the value of goods received as donations, are not recognised unless their value exceeds DKK 0.1 million.

Receivables

Receivables are recognised less provision for bad debt losses.

Prepayments

Prepayments comprise prepaid expenses relating to subsequent financial years.

Securities

Securities comprise listed bonds and unit certificates measured at fair value. Realised and unrealised gains on securities are recognised as financial items.

Cash and cash equivalents

Cash and cash equivalents are measured at market value at the balance sheet date and comprise own funds and funds received from various donors, earmarked for specific purposes.

Equity

Amounts designated by the National Executive Committee for specific purposes are recognised as reserves under internal funds in equity. Grants to and from the internal funds are treated as either unrestricted or earmarked funds, depending on their nature, in accordance with the general accounting policy in this respect.

Under equity, an amount equal to the difference between the value of land and buildings less mortgage debt and accrued subsidies for recognised assets is recognised as capital funds.

Liabilities

Liabilities are measured at amortised cost, which usually corresponds to nominal value.

Earmarked funds to be carried forward

Earmarked funds to be carried forward are donations received that are earmarked for a specific purpose but have yet to be used for that purpose.

STATEMENT BY MANAGEMENT

The general management and the National Executive Committee have today discussed and approved the financial statements of the Danish Red Cross for the financial year 1 January - 31 December 2017.

The financial statements have been prepared in accordance with the described accounting policies.

It is our opinion that the financial statements give a true and fair view of the Danish Red Cross' financial position at 31 December 2017 and of the results of the Danish Red Cross' operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the management's review on pages 6-16 includes a fair review of the developments in the Danish Red Cross' activities and financial position.

In our opinion, the arrangements comprised by the financial reporting are in accordance with the grants received, legislation and other regulations as well as with agreements entered into and common practice. Also, in our opinion, we have set up business procedures which ensure financially appropriate management of the funds reported on in the financial statements.

Copenhagen, 18 June 2018

On behalf of the general management

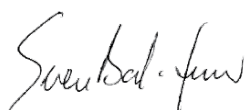


Anders Ladekarl
Secretary General

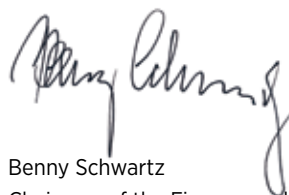


Lars Meibom
Director of Finance and Administration

On behalf of the National Executive Committee of the Danish Red Cross



Sven Bak-Jensen
President



Benny Schwartz
Chairman of the Finance and Audit Committee

INDEPENDENT AUDITOR'S REPORT

To the National Executive Committee of the Danish Red Cross

AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Danish Red Cross for the financial year 1 January – 31 December 2017. The financial statements comprise accounting policies, income statement, balance sheet and notes to the financial statements, pages 17-27. The financial statements have been prepared in accordance with the accounting policies.

In our opinion, the financial statements give a true and fair view of the Danish Red Cross' financial position at 31 December 2017 and of the results of the Danish Red Cross' operations for the financial year 1 January – 31 December 2017 in accordance with the accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing and additional requirements applicable in Denmark and in accordance with the Danish public-sector auditing standards as the audit is conducted on the basis of the provisions of Executive Order no. 98 of 27 January 2014 on financial reporting and auditing, etc. of the financial statements of recipients of grants from the Danish Ministry of Social Affairs, Children and Integration's funds pursuant to the Danish Act on Allocation of Revenue from Lotteries and Horse and Dog Betting. 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 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. 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 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 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 International Standards on Auditing and additional requirements applicable in Denmark and in accordance with the Danish public-sector 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 International Standards on Auditing and additional requirements applicable in Denmark as well as the Danish public-sector 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 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 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 in accordance with the accounting policies.

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 in accordance with the accounting policies.

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 accounting policies. We did not identify any material misstatements of the Management's review.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Statement on compliance 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 the operation of the activities comprised by the financial statements.

In connection with our audit of the financial statements, our responsibility is in accordance with the Danish public-sector auditing standards to select relevant subjects for the compliance audit and the performance audit, respectively. In a compliance audit, we verify with reasonable assurance whether the transactions covered by the financial reporting comply with appropriations granted, legislation and other regulations and with agreements entered into and usual practice. In a performance audit, we assess with reasonable assurance whether the examined systems, processes or transactions support due financial consideration of the management of the funds and the operation of the activities comprised by the financial statements.

If, on the basis of the work performed, we conclude that this gives rise to material critical comments, we are required to report thereon.

We have no material critical comments to report in that respect.

Copenhagen, 18 June 2018

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56



Lars Kronow
State authorised public accountant
MNE no.: mne19708

