

Land of Hope
Business Registration No. 34 75 28 26
Annual Report 2021

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This document is an unofficial translation of the Danish original. In the event of any inconsistencies the Danish version shall apply.

Organisation details

Organisation

Land of Hope

Website: www.landofhope.global

Vintervej 111, ground floor

8210 Aarhus V, Denmark

Business Registration No.: 34 75 28 26

Registered in: Municipality of Aarhus, Denmark

Founded: 12 December 2012

Financial year: 1 January 2021 to 31 December 2021

Executive Committee

Eskild Christiansen, Chairman

Anja Ringgren Lovén

David Emmanuel Umem

Anders Stig Vestergaard

Organisation auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C, Denmark

Statement by the Executive Committee on the Annual Report

The Executive Committee has today considered and approved the Annual Report of the Land of Hope Organisation for the financial year 1 January to 31 December 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act, and Executive Order no. 820 of 26 June 2014 regarding public collections.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position on 31 December 2021 and of the results and cashflows of its operations for the financial year 1 January to 31 December 2021.

We believe that the Executive Committee's report contains a fair review of the affairs and conditions referred to therein.

The Executive Committee is responsible for collections made during the financial year and declares by signature, that the collections have been made in accordance with the rules of the Collection Act and the collection executive order §9, subsection 1, No. 4.

Risskov, 31 May 2022

Executive Committee

Eskild Christiansen
Chairman



David Emmanuel Umem

Anja Ringgren Lovén

Anders Stig Vestergaard

Independent auditor's report

To the members of Land of Hope

Opinion

We have audited the financial statements of the Organisation for the financial year 1 January to 31 December 2021, which comprise a summary of significant accounting policies, the income statement, balance sheet, cashflowstatement and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act, as well as in accordance with generally accepted accounting principles.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31 December 2021 and of the results and cashflows of its operations for the financial year 1 January to 31 December 2021 in accordance with the Danish Financial Statements Act, as well as in accordance with generally accepted accounting principles.

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 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 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.

The Executive Committee's responsibilities for the financial statements

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with generally accepted accounting principles as described in the Summary of significant accounting policies, and for such internal control as the Executive Committee 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, the Executive Committee 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 the Executive Committee 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.

Independent auditor's report

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 in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk 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 the Executive Committee.
- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.

Independent auditor's report

- 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 Danish Financial Statements Act.

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 Executive Committee's report

Our opinion on the financial statements does not cover the Executive Committee's report, 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 Executive Committee's report and, in doing so, consider whether the Executive Committee's report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Executive Committee's report provides the information required under the Danish Financial Statements Act, as well as in accordance with generally accepted accounting principles.

Based on our procedures, we are of the opinion that the Executive Committee's report is in accordance with the financial statements. We did not identify any material misstatement of the Executive Committee's report.

Aarhus, 31. May 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Søren Lykke
State-Authorised Public Accountant
MNE no. mne32785

Executive Committee's report

Activity

The objects of the Organisation are:

- To create a secure environment for all children to grow up in, eradicate superstition and foster development;
- To give poor children a better and more decent life;
- To raise awareness about the situation of children;
- To provide humanitarian relief for future projects dealing with children and their conditions, directly or indirectly, e.g. by supporting local organisations that meet the objects of the Organisation; and
- To engage in other activities which directly or indirectly promote the above objects.

Development in finances

In 2021, the Organisation has realised a profit of DKK 367k against a profit of DKK 456k last year. The executive committee find the result satisfactory.

Equity stands at DKK 8,482k at 31 December 2021.

Events after the balance sheet date

No events have occurred after the balance sheet date up to this date which would influence the evaluation of these financial statements.

Summary of significant accounting policies

Basis of accounting

The financial statements are presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class A enterprises with addition of selected statements from class C, and Executive Order no. 820 of 26 June 2014 regarding public collections.

The Annual Report has been presented applying the same accounting policies as last year.

Basis of recognition and measurement

Income is recognised in the income statement when earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable 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 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.

Anticipated risks and losses that arise before the time of presentation of the Annual Report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income

Membership fee income and donations

Membership fee income and donations are recognised as income when granted. Membership fees and donations are composed of voluntary gifts received by the Organisation and fixed amounts granted on a monthly or annual basis in connection with membership fee payments.

Presentations

Income from presentations is recognised in the period to which it relates.

Funds from the state football pools and the National Lottery

The Organisation recognises the entire amount granted for the year for which it is granted. Funds from the state football pools and the National Lottery are composed of the Organisation's grants from funds from the state football pools and the National Lottery.

Summary of significant accounting policies

Other income

Other income consists of the Organisation's sales of merchandise and auction sales. Other income is recognised when risk has passed to the buyer.

Expenses

Expenses in Nigeria

Expenses in Nigeria are composed of the Organisation's direct and indirect operating expenses and grants for the orphanage in Nigeria. Expenses in Nigeria also include administrative expenses and staff costs. The staff cost is distributed by 75% to expenses in Nigeria and administrative expenses is distributed by 50%.

Staff costs

Staff costs are composed of staff costs not directly attributable to resources used for relief or operations in Nigeria.

Other external expenses

Other external expenses consist of the Organisation's travelling and accommodation expenses and administrative expenses, including legal and accounting expenses, IT and other external expenses.

Amortisation and impairment losses

Amortisation and impairment losses relating to intangible assets comprise amortisation and impairment losses for the financial year as well as profits and losses from the sale of intangible assets.

Other financial expenses

Other financial expenses consist of interest expenses.

Cash

Cash consists of bank deposits measured at nominal value.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Summary of significant accounting policies

Intellectual property rights acquired

Intellectual property rights acquired are measured at cost less accumulated amortisation. Intellectual property rights are written down to the lower of recoverable amount and carrying amount.

The basis of amortisation has been stated at cost. Straight-line amortisation is made over the estimated useful life which has been set to be seven years.

Other financial liabilities

Other financial liabilities relate to payables, provisions for holiday pay obligations and other payables. Other financial liabilities are measured at amortised cost, which usually equals nominal value.

Other securities and investments (current assets)

Other securities and investments recognized under current assets comprises of listed securities that are measured at fair value (market price) at the end of the financial year.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items and working capital changes.

Cash flows from investing activities comprise payments in connection with investments, and purchase, development, improvement and sale, etc of intangible assets

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

Income statement for 2021

	Note	2021 kr.	2020 kr.
Membership fee		1.140.259	1.105.142
Presentations		249.143	390.999
Donations		4.116.787	3.704.946
Fund from the National Lottery	1	110.299	154.537
Other income		<u>479.425</u>	<u>369.331</u>
Income		<u>6.095.913</u>	<u>5.724.955</u>
Expenses in Nigeria		(4.699.700)	(4.298.557)
Travelling and accommodation expenses		(96.493)	(29.875)
Staff Costs etc.		(802.693)	(750.736)
Administrative expenses		<u>(316.122)</u>	<u>(242.316)</u>
Expenses		<u>(5.915.008)</u>	<u>(5.321.484)</u>
Amortisation and impairment losses		(48.099)	(48.099)
Profit/loss for the year before net financial		132.806	355.372
Net financials		<u>233.861</u>	<u>100.854</u>
Profit/loss for the year		<u>366.667</u>	<u>456.226</u>
Proposed distribution of profit/loss			
Transferred to equity		<u>366.667</u>	<u>456.226</u>
Total		<u>366.667</u>	<u>456.226</u>

Balance sheet at 31.12.2021

	Note	2021 kr.	2020 kr.
Intangible assets	2	<u>192.532</u>	<u>240.631</u>
Total non-current assets		<u>192.532</u>	<u>240.631</u>
Other receivables		<u>24.406</u>	<u>228.725</u>
Receivables		<u>24.406</u>	<u>228.725</u>
Other securities and investments		3.348.113	3.081.047
Cash		5.408.810	5.129.711
Total current assets		<u>8.781.329</u>	<u>8.439.483</u>
Assets		<u><u>8.973.861</u></u>	<u><u>8.680.114</u></u>
Equity, beginning of year		8.115.115	7.658.889
Retained earnings		<u>366.667</u>	<u>456.226</u>
Equity		<u>8.481.782</u>	<u>8.115.115</u>
Other liabilities		<u>37.163</u>	<u>37.163</u>
Non-Current liabilities		<u>37.163</u>	<u>37.163</u>
Payables		44.500	44.500
Other liabilities		<u>410.416</u>	<u>483.336</u>
Current liabilities		<u>454.916</u>	<u>527.836</u>
Total liabilities		<u>492.079</u>	<u>564.999</u>
Equity and liabilities		<u><u>8.973.861</u></u>	<u><u>8.680.114</u></u>

Collection accounts

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Cash flow statement for 2021

	2021	2020
	kr.	kr.
Operating profit/loss	132.806	355.372
Amortisation, depreciation and impairment losses	48.099	48.099
Change in other receivables	204.319	(211.134)
Change in current liabilities	(72.920)	366.290
Cash flow from ordinary operating activities	312.304	558.627
Financial income received	249.476	102.016
Financial expenses paid	(15.615)	(1.162)
Cash flow from operating activities	546.165	659.481
Increase/decrease in cash and cash equivalent	546.165	659.481
Cash and cash equivalent beginning of year	8.210.758	7.551.277
Cash and cash equivalent end of year	8.756.923	8.210.758
Cash and cash equivalent at year-end are composed of		
Cash	5.408.810	5.129.711
Other securities and investments	3.348.113	3.081.047
Cash and cash equivalent end of year	8.756.923	8.210.758

Notes

1. Funds from the National Lottery

From the Danish Agency for Culture and Palaces, the Organisation has received the funds from the state football pools and the National Lottery that have been applied consistently with its objects.

2. Intangible assets

Cost, beginning of year	336.694
Cost, end of year	336.694
Amortisation and impairment losses, beginning of year	(96.063)
Amortisation for the year	(48.099)
Amortisation and impairment losses, end of year	(144.162)
Carrying amount, end of year	192.532

Intangible assets consists of operations systems with integrated membership and journal database.

3. Collection accounts

	2021 kr.
Membership fee	1.140.259
Presentations	249.143
Donations	4.116.787
Auctions	284.120
Merchandise	<u>195.305</u>
Funds raised in total	<u>5.985.614</u>
Purchase of merchandise	(25.562)
Volunteers and amassadors	(1.171)
Advertising and marketing	(34.098)
SMS fees etc. relating to donations	<u>(92.665)</u>
Expenses total	<u>(153.496)</u>
Collection accounts total	<u>5.832.118</u>

Only costs directly related to the collection are included and not general administration costs or salaries.

Donations comes primarily from people who have a special connection to the association as they have signed a membership or otherwise follow and participate in the association's activities.

The profit of the Collection accounts, together with other internal profitable fundraising activities, has been used for the associations' statutory purposes, which have been submitted to the fundraising board, J.nr. 20-72-00480 – The profit is distributed as follows:

Profits distributed directly to activities in Nigeria 2021:	2.229.556
Profits distributed to administration and salaries 2021:	<u>3.685.452</u>
Profit used during 2021:	5.915.008
Profit/Loss of collections carried forward to 2022:	(82.890)

Profit distributed to activities in Nigeria is primarily spent on the daily operations, improvements, and maintenance of the association's activities in Nigeria. Including education, medicine and healthcare, food, local staff and maintenance and operation of orphanages. The deficit for the year 2021 is covered by the association's other activities like funds from the national lottery as well as returns from the securities depositories.

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Søren Lykke

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Anders Stig Vestergaard

Bestyrelsesmedlem

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