

Land of Hope

Vintervej 111 st., 8210 Aarhus V

34 75 28 26

Financial statements for 2022

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.





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Statement by the Executive Committee

Today, the Executive Committee has discussed and approved the financial statements of Land of Hope for the financial year 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act and the Executive Order no. 160 of 26 February 2022 on collections.

In our opinion, the financial statements give a true and fair view of the financial position of the Organisation at 31 December 2022 and of the results of the Organisation's operations for the financial year 1 January – 31 December 2022.

In our opinion, the Executive Committee's review gives a fair review of the matters discussed in the Executive Committee's review.

We the undersigned are responsible for collections made in the financial year and thus declare by signature that the collections made are in accordance with the rules laid down in the Danish Collection Act and the Executive Order on collections, see section 9(1)(iv) of the Executive Order.

Aarhus, 31 May 2023
Executive Committee:

Jakob Binderup
Chair

Anja Ringgren Lovén

David Emmanuel Umem

Pia Ringgren Lovén

Independent auditor's report

To the Executive Committee of Land of Hope

Opinion

We have audited the financial statements of Land of Hope for the financial year 1 January – 31 December 2022, which comprise income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act and the Executive Order no. 160 of 26 February 2020 on collections.

In our opinion, the financial statements give a true and fair view of the Organisation's financial position at 31 December 2022 and of the results of its operations for the financial year in accordance with the Danish Financial Statements Act and the Statutory Order no. 160 of 26 February 2020 on collections.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

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 the Danish Financial Statements Act. The Executive Committee is also responsible for such internal control that 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, 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 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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, 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 the Executive Committee.
- ▶ Conclude on the appropriateness of 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 or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- ▶ evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Executive Committee's review

The Executive Committee is responsible for the Executive Committee's review.

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

Based on the work we have performed, we conclude that the Executive Committee's review is in accordance with the financial statements. We did not identify any material misstatement of the Executive Committee's review.

Horsens, 31 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Uffe Black Jensen
State Authorised
Public Accountant
mne34332

The Executive Committee's review

Information regarding the Organisation

Name	Land of Hope
Address, postal code, city	Vintervej 111, st. DK-8210 Aarhus V
CVR no.	34 75 28 26
Established	12 December 2012
Registered office	Aarhus municipality
Financial year	1 January - 31 December
Website	www.landofhope.global
Executive Committee	Jakob Binderup, Chair Anja Ringgren Lovén David Emmanuel Umem Pia Ringgren Lovén
Audit	EY Godkendt Revisionspartnerselskab Holmboes Allé 12, DK-8700 Horsens

Executive Committee's review

Activity

The objectives of the Association 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.

Financial development

In the year, the Organisation realised a loss of DKK 159 thousand against a profit of DKK 367 thousand last year. Based thereon, the Executive Committee considers the loss for the year unsatisfactory.

Equity amounts to DKK 8,323 thousand.

Events after the balance sheet date

No significant events affecting the financial statements for 2022 have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

Note	DKK	2022	2021
	Income		
	Membership fees	904,199	1,140,259
	Speaking engagements	189,670	249,143
	Donations	5,686,106	4,116,787
2	Pools and lottery funds	109,915	110,299
	Other income	299,433	479,425
		<u>7,189,323</u>	<u>6,095,913</u>
	Expenses		
	Expenses, Nigeria	5,552,574	4,699,700
	Travelling expenses and accommodation	171,357	96,493
	Staff costs, etc.	811,991	802,693
	Administrative expenses	233,564	316,122
		<u>6,769,486</u>	<u>5,915,008</u>
	Amortisation and impairment losses	-48,099	-48,099
	Profit/loss for the year before financial income and expenses	371,738	132,806
	Net financials	-530,613	233,861
	Profit/loss for the year	<u>-158,875</u>	<u>366,667</u>
	Distribution of profit/loss		
	Transferred to equity	-158,875	366,667
	Total	<u>-158,875</u>	<u>366,667</u>

Financial statements 1 January – 31 December

Balance sheet

Note	DKK	2022	2021
	ASSETS		
3	Intangible assets	144,433	192,532
	Total non-current assets	144,433	192,532
	Other receivables	0	24,406
	Receivables	0	24,406
	Other securities	2,804,148	3,348,113
	Cash	5,870,416	5,408,810
	Total current assets	5,870,416	5,408,810
	TOTAL ASSETS	8,818,997	8,973,861
	EQUITY AND LIABILITIES		
	Equity		
	Equity at 1 January	8,481,782	8,115,115
	Retained earnings	-158,875	366,667
	Total equity	8,322,907	8,481,782
	Liabilities		
	Non-current liabilities		
	Other payables	0	37,163
		0	37,163
	Current liabilities		
	Accounts payable	44,500	44,500
	Other payables	451,590	410,416
		496,090	454,916
	Total liabilities	496,090	492,079
	TOTAL EQUITY AND LIABILITIES	8,818,997	8,973,861
1	Accounting policies		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The financial statements of Land of Hope for 2022 are prepared in accordance with the provisions applying to reporting class A under the Danish Financial Statements Act and the Executive Order no. 160 of 26 February 2020 on collections.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The accounting policies may be summarised as follows:

Recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All costs, including depreciation, 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 an outflow of economic resources is probable and when the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

In recognising and measuring assets and liabilities, any predictable losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Collection accounts

The collection accounts include income and expenses relating to the collection. The collection accounts are prepared in accordance with the Danish Collection Act and the Executive Order no. 160 of 26 February 2020 on collections.

Income statement

Income

Membership fees and donations

Membership fees and donations are recognised as revenue at the date of the grant. Membership fees and donations comprise voluntary gifts which the Organisation receives as well as fixed amounts which are given each month/year in connection with membership fee payments.

Speaking engagements

Income from speaking engagements is recognised as revenue in the period to which it relates.

Pools and lottery funds

The Organisation recognises the entire amount granted for the year for which it is granted. Pools and lottery funds comprise the Organisation's grants from pools and lottery funds.

Other income

Other income comprises the Organisation's sale of merchandise and sales by action. Recognition of other income is made when transfer of the risk to the buyer has taken place.

Financial statements 1 January – 31 December

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Expenses

Expenses, Nigeria

Expenses for Nigeria comprise 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, which are distributed by 75% of total staff costs and 50% of the other external expenses.

Staff costs

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

Other external expenses

Other external expenses comprise travelling expenses and accommodation as well as administrative expenses, including legal fees 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 comprise interest expenses.

Balance sheet

Cash and cash equivalents

Cash and cash equivalents relate to bank deposits measured at nominal value.

Receivables

Receivables are measured at amortised cost, which is usually equivalent to the nominal value, less provisions for bad debts.

Intellectual property rights acquired

Acquired intellectual property rights are measured at cost less accumulated amortisation. Write-down of intellectual property rights is made to the recoverable amount if this is lower than the carrying amount.

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

Other securities (current assets)

Other securities recognised as current assets comprise listed securities that are measured at fair value (market price) at the balance sheet date.

Financial statements 1 January – 31 December

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Other financial liabilities

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

Fair value

Fair value is determined based on the principal market. If no principal market exists, the fair value is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities that are measured at fair value or whose fair value is disclosed are classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets/liabilities in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

Financial statements 1 January – 31 December

Notes

2 Pools and lottery funds

From the Danish Agency for Culture, the Organisation has received pools and lottery funds which have been used in conformity with the object of the Organisation.

3 Intangible assets

	2022
Cost beginning of year	336,694
Cost at 31 December	336,694
Amortisation and impairment losses at 31 December	-144,162
Amortisation for the year	-48,099
Amortisation and impairment losses at 31 December	-192,261
Carrying amount at 31 December	144,433

Intangible assets comprise ERP system with integrated membership and journal data base.

Financial statements 1 January – 31 December

Notes

4 Collection accounts

	2022
Membership fees	904,199
Speaking engagements	189,670
Donations	5,686,106
Auctions	186,137
Merchandise	113,294
Funds raised in total	<u>7,079,406</u>
Purchase of merchandise	-42,366
Volunteers and ambassadors	-11,162
Advertising and marketing	-28,927
SMS fees etc. relating to donations	-102,900
Total direct collection expenses	<u>-185,355</u>
Collection accounts total	<u><u>6,894,053</u></u>

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

Gifts/donations come primarily from people who have a special connection to the Organisation as they have signed a membership or otherwise follow and participate in the Organisation's activities.

The profit of the collection accounts, together with other internal profitable fundraising activities, has been used for the Organisation's object laid down in the Articles of Association, which have been submitted to the fundraising board, cf. no. 20-72-00480 – The profit is distributed as follows:

Profits distributed directly to activities in Nigeria in 2022	2,870,237
Profits distributed to administration and salaries in 2022 (excl. direct collection costs).	3,713,894
Used during the year	<u>6,584,131</u>
Collection profit/carried forward to 2023	<u><u>309,922</u></u>

Profit distributed to activities in Nigeria is primarily spent on the daily operations, improvements, and maintenance of the Organisation's activities in Nigeria. Including education, medicine and healthcare, food, local staff and maintenance and operation of orphanages. The profit for 2022 is expected to be used in 2023.