BØRNEfonden Annual report 2017

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BØRNEfonden Otto Mønsteds Gade 5 DK-1571 Copenhagen Telephone: +45 70 22 12 11 Website: www.bornefonden.dk CVR No.: 33 96 98 13 Established: 13 January 1972 Registered address: Copenhagen, Denmark Accounting year: 1 January - 31 December

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Michael Engelbrechtsen (ed.-in-chief), Gerhard Dall (ed.) and Karina Degn-Andersen. Photographs: BØRNEfonden Layout: Askvig+Stitz Auditors PriceWaterhouseCoopers (PwC) Strandvejen 44 DK-2900 Hellerup For 46 years, BØRNEfonden has carried out activities in some of the poorest countries in the world, and today, the foundation is one of the largest development organisations, based on private funding, in Denmark. In cooperation with local communities, organisations and authorities, we work for 15-20 years in each local community to enable a sustainable future for children, young people and families. In 2018, BØRNEfonden will merge with Plan Denmark into a new organisation named Plan BØRNEfonden.

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HIGHLIGHTS OF 2017



We received 204 million

DKK from our supporters to fund our development work



We became strategic partner of the Danish Ministry of Foreign Affairs



in 24 countries worldwide



Our work benefited over **3 million**

people

We decided to merge with Plan International

We completed

a 28-year intervention in

Cape Verde

RESULTS

BØRNEfonden works to build robust, sustainable communities and support children, young people and families create a better future for themselves. Highlighted results:



67,930 children received health checks

⊘3,560 latrinesconstructed,

benefiting approx. 40,000 children and adults

313 youth clubs established with over 5,000 girls and boys





7,247 people, (5,115 women) received vocational training and/ or entrepreneurship training

19 water wellsdug, benefiting6,650 people



1,508 parent school comittees strengthened in schools



41 classrooms constructed or renovated, benefiting over 2,000 children





We can accomplish more together

By Stine Bosse, Chair, and Anne Smith Petersen, Acting CEO

Thanks to our supporters - private individuals, businesses, foundations and authorities - in 2017, we were able to fight poverty and enhance future prospects for the benefit of over three million people in some of the poorest countries in the world. We have enabled a sustainable future for around 55,000 sponsor children, their families and local communities in our own five programme countries - Mali, Burkina Faso, Benin, Togo and Cape Verde - as well as 19 other countries through our partnerships.

However, we have even higher ambitions. BØRNEfonden's strategy has always been to achieve the greatest possible impact with the resources we are granted, and we have made no secret of the fact that the best way to do so is through strong international organisations. That is why in late 2017, we made the important decision to merge with Plan Denmark and in doing so become part of Plan International, which works with international development in over 50 countries.

Cooperation instead of competition

Our new organisation - Plan BØRNEfonden - will become a reality over the course of 2018 and will be one of Denmark's largest organisations working with international development. The merger is a unique opportunity to build on the best aspects of both organisations with our complementary strengths and abilities. Instead of competing against each other, we can work together to accomplish more for the people who need our help the most. We will be able to reach more children and families in more countries, leading to an even greater impact for the funds we receive from our sponsors and partners.

BØRNEfonden has chosen the partner that is the best possible match for us. Our efforts to ensure better development opportunities for children, families and local communities are based on the same principles, and for BØRNEfonden as well as Plan International, our supporters' personal involvement forms the cornerstone of our work. Our strengths complement each other well. For example, Plan International has a major focus on gender equality for girls, while BØRNEfonden focuses on strengthening the opportunities and rights of young people.

A more effective presence in Africa

Following the merger, we will become the largest international development organisation working in in BØRNEfonden's programme countries in West Africa. This will give us greater influence in relation to authorities and partners when working on education, health and a sustainable future for children, young people and families.

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Together, Plan Denmark and BØRNEfonden can reach more children and families, thereby making a greater impact with the resources we have been given.







BØRNEfonden's strategy is based on the UN's Sustainable Development Goals (SDGs). We contribute to the fulfilment of these nine SDGs in particular.

In strategic terms, both BØRNEfonden and Plan International work with the aim of contributing to the UN's 17 Sustainable Development Goals. The international community has committed itself to achieving these goals by 2030. Many of our current activities contribute to the achievement of these goals, for instance in relation to education, poverty reduction, gender equality, clean water and creating job opportunities for young people.

Partnerships with the Danish Ministry of Foreign Affairs and the EU

Both BØRNEfonden and Plan Denmark have been selected as strategic partners for the Danish Ministry of Foreign Affairs' development cooperation efforts (which fall under Danida) for the period 2018-2021. For BØRNEfonden, this official endorsement was yet another important milestone in 2017. BØRNEfonden was awarded a DKK 84 million grant to be disbursed over a four-year period, and the funds will be used for comprehensive interventions for young people in Mali, Burkina Faso, Togo and Benin. There is a massive need for creating better services for young people so that they can acquire skills and employment, thereby allowing them to contribute to the development of their countries.

The quality of BØRNEfonden's work has also been recognised by the EU. In 2017, we entered into a partnership agreement with the European Commission's department for humanitarian aid and civil protection (ECHO). This agreement means that BØRNEfonden now has the possibility to quickly apply for funding in the event of natural or man-made disasters and for interventions that foster resilience and prevent disasters.

A farewell to Cape Verde

In what was already an eventful 2017, BØRNEfonden also completed its phasing-out of activities in Cape Verde at the turn of the year. When we first arrived at the Atlantic island nation in 1989, it was a poor country and there was a great need for the assistance we could provide in terms of better health and education, among other things. Thanks to the positive contributions of many different actors, Cape Verde has elevated itself to a middle-income country that no longer needs aid. 98% of the country's young people are literate, child mortality has been more than halved and the average life expectancy has risen by eight years.

Over the course of a well-planned five-year phase-out period, we have worked together with the authorities and local communities to ensure that all remaining sponsor children will be able to continue their schooling. Thus, Cape Verde serves as a clear example of the successfulness of BØRNEfonden's long-term and dedicated approach. The time has now come to prioritise other interventions.

Thank you for your support

Every day, we see the results of the efforts that our supporters - private individuals, businesses, foundations as well as local and national authorities - make possible. We are grateful for the support and trust, and we remain humble in the face of our great responsibility.

In the following pages, you can read about many of the results that we and our supporters have achieved over the course of 2017.



Stine Bosse Chair



Anne Smith Petersen Acting CEO





Plan International performes development work in over 50 countries.

Joining forces for children's sake

With a shared goal to help even more of the world's vulnerable children and young people, the two international development organisations BØRNEfonden and Plan Denmark will merge over the course of 2018. BØRNEfonden's management has been working for over three years to find a strong, international partner for a comprehensive and binding partnership. Our two organisations have much in common; the children, families and local communities lie at the very heart of our development work, and we both base our approach on personal relationships between the sponsors and children. This is what makes our two organisations unique. Combined, BØRNEfonden and Plan Denmark have approx. 70,000 sponsorships.

The merger will give BØRNEfonden the international presence and gravitas that we have been striving for. By merging with Plan Denmark, BØRNEfonden will become part of the global organisation Plan International, which carries out fundraising in about 20 countries and has development projects in over 50 countries. The merger gives us greater influence in West Africa, where we will be combining our activities, as well as a greater geo-graphic spread, which in the long run will allow BØRNE-fonden's sponsors to support children in other countries.

Merger has been approved

The decision on the merger was announced in December 2017, and the Danish Department of Civil Affairs approved the merger in February 2018. The final merger will officially take place on 1 July 2018, following thorough preparatory work in the four programme countries of Mali, Burkina Faso, Benin and Togo, as well as in Denmark, where Plan Denmark's and BØRNEfonden's employees will work from a single location. Stine Bosse, the chair of BØRNEfonden, will become chair of the new board, while Allan Fenger, Plan Denmark's chair, will become vice chair. The new management of Plan

BØRNEfonden will consist of CEO Gwen Wisti, CFO Michael Engelbrechtsen, Programme Director Anne Smith Petersen and Fundraising & Communications Director Marianne Søndergaard.

CEO resigns

Bolette Christensen, who was BØRNEfonden's CEO for the past six years, resigned from her position as a consequence of the merger.

"Bolette Christensen deserves a lot of credit for her work and achievements, not just in relation to the day-to-day management of the organisation and work on professionalising BØRNEfonden and its fundraising, but also in relation to her involvement in preparing the merger," said Stine Bosse, chair of the board.



FACTS ABOUT PLAN INTERNATIONAL AND BØRNEFONDEN

BØRNEfonden helps over three million people each year, primarily in West Africa.

Plan International is established in more than 70 countries and reached 32 million children in 2016.

Plan International is one of the world's biggest international development NGOs, with an annual budget of USD 1 billion.

Both BØRNEfonden and Plan International are committed to realising the 17 UN Sustainable Development Goals.





BØRNEfonden gives young people in West Africa the means to take responsibility for their own lives. With four instalments of DKK 21 million from the Danish Ministry of Foreign Affairs, the intervention will make a difference for hundreds of thousands of young people.

Denmark and the EU confirm the quality of BØRNEfonden's work

BØRNEfonden's development work in Africa has been endorsedby the Danish Ministry of Foreign Affairs and the EU. BØRNEfonden entered into two strategic partnership agreements in 2017, both of which represent important milestones for our organisation and validate our efforts.

The Danish Ministry of Foreign Affairs has selected BØRNEfonden as a strategic partner for the period 2018-2021. The grant to BØRNEfonden amounts to approx. DKK 84 million distributed in equal instalments over the four-year period, and the money will go to a comprehensive intervention for young people in our West African programme countries of Burkina Faso, Mali, Togo and Benin. This intervention will impact hundreds and thousands of young people.

BØRNEfonden has not previously had a framework agreement with the Danish Ministry of Foreign Affairs and its development cooperation division, Danida. The ministry selected its new strategic partners following an open application round, in which the organisations were assessed in terms of their capacity and ability to deliver significant results within the framework of Denmark's new strategy for development cooperation and humanitarian action. The Danish Ministry of Foreign Affairs determined that BØRNEfonden is a qualified partner.

A seal of approval from the EU

At the international level, BØRNEfonden has entered into a partnership agreement with ECHO, the European Commission's department for humanitarian aid and civil protection. The ECHO partnership came about on the basis of a thorough assessment of BØRNEfonden's capacity to implement humanitarian interventions within areas such as health, nutrition, sanitation and education in some of the world's least resilient countries.

This represents a seal of approval from the EU and demonstrates its level of confidence in BØRNEfonden's work and ability to create results.

The partnership means that BØRNEfonden is pre-approved to apply for funding through ECHO. ECHO is able to grant funding on short notice. Accordingly, BØRNEfonden is now better able to respond to humanitarian and natural disasters, foster resilience for vulnerable groups and communities and prevent new disasters.





PLACES WE WORK IN WEST AFRICA

BØRNEfonden's ambassador, the famous Danish TV host "Bubber", visited Cape Verde in 2017 to see the many positive outcomes of the organisation's work first-hand.

Progress for children and youth in 2017

For 46 years, BØRNEfonden has worked in some of the poorest countries in the world. In 2017, we continued to be an important local actor in our programme countries - Mali, Burkina Faso, Benin, Togo and Cape Verde - with our approx. 450 staff. In the following pages, we present the results we have been able to create with support from our sponsors and partners.

Thanks to our supporters, we are building robust, sustainable local communities and ensuring that children go to school, get health checks and have access to clean water. We provide parents with opportunities to develop a source of income that they can live on, while also helping local communities build schools, kindergartens, health clinics and water wells.

The long haul

Each year, our work helps over three million people struggling with challenges such as poverty, climate change and disease. In cooperation with local communities, organisations and authorities, we work with long-term solutions for 15-20 years in each local community to break down all the obstacles to a self-reliant future based on the countries' most important resource: their children and young people.

Year after year, the number of children enrolled in kindergartens continues to rise along with the proportion of children who complete primary school, while at the same time we work to improve the quality of education. One of the most gratifying results of our work is that we can see the number of girls who stay in school up to the 9th grade is rising sharply.

Thanks to our supporters, we are able to create longterm and sustainable progress that continues even after we leave the area.

A self-reliant future

Our work starts before a child is even born and only ends when he or she has completed an education. In BØRNEfonden's programme countries, our work consists of three phases that track the development and needs of children. Over the course of these three phases, BØRNEfonden supports children, their families and local communities to make them more resilient, developing their capacity to build a self-reliant future for themselves.

Phase 1 covers the period from birth until the child reaches school age. In the mother's womb and during the first two years of a child's life, there is a particularly high risk of contracting a disease or dying. Hence, what we focus on in this phase is to ensure the child gets off to a good start in life. Kindergartens prepare children for primary school.

Phase 2 covers the period from school age to adolescence. In this phase, BØRNEfonden's focus is on primary schooling. Working together with the local community, we build and renovate schools. We also work with school administrators, teachers and parent committees to improve the quality of the children's education.

Phase 3 has to do with the young people we support until they have completed an education and are typically in their mid-20s. We prepare these young people to take responsibility for their own lives so that they can build a good and financially secure future for themselves, their families and local community.



TOGO 2017

OUR RESULTS

THE GLOBAL GOALS

BØRNEfonden upports the 1 UN Sustainable Development Goals

BØRNEFONDEN IN TOGO

BØRNEfonden has been active in Togo since 1992

11,540 sponsor children supported by BØRNEfonden

Number of development centres: 12



BØRNEfonden's activities benefited approx. 1,085,000 people in total

Sponsorship donations used: DKK 25 million

Project funds used: **DKK 10 million**

BØRNEfonden works to build robust, sustainable communities and support children, young people and families create a better future for themselves.

7,209 children, (3,802 girls), attended kindergarten



228 kindergarten teachers received training in modern teaching methods

122 adults and 212 young people received training in combating violence against children in their local communities

1,901 young people (854 girls) were active in youth associations

HIGHLIGHTED RESULTS:



148 parent committees received training in school administration

183 lending groups with a total of 4,258 members (3,511 women) were established



22 classrooms built or

renovated, benefiting 1,100 students

1,100 people provided access to **drinking water** through a solar-powered water system

187 people (94 women) received vocational training and/or entrepreneurship training

751 new latrines,

improving hygiene and health and benefiting approx. 8,500 children and parents

200 youth counselors trained to provide information and engage in dialogue with peers about their rights as well as sexual and reproductive health

BENIN 2017

OUR RESULTS

BØRNEFONDEN IN BENIN

BØRNEfonden's activities

Sponsorship donations used:

DKK 25 million

Project funds used: DKK 10 million

BØRNEfonden works to build robust, sustainable communities and support children, young people and families create a better future for themselves.

HIGHLIGHTED RESULTS:

12,600 children, (6,191 girls) attended kindergarten

BØRNEfonden

supported by

Number of

BØRNEfonden

has been active in

Benin since 1994

11,261 sponsor children and their families

development centres: 16

10,225 children were weighed and received health checks



Over 1,500 young people (more than 1,000 women) received entrepreneurship training. 249 went on to register their own

business



678 parent committees received training in school administration

1,630 young people

(785 girls) were active in youth associations

Ø

2,611 new latrines, improving hygiene and health and benefiting approx. 27,000 children and parents

82 health workers in eight municipalities received training in how to **prevent** mortality among infants and pregnant women and during birth



220 maize farmers (47 women) received training in more efficient agricultural practices as well as receiving better seeds and fertilizer. Maize output per acre doubled



THE GLOBAL GOALS

BØRNEfonden upports the 1 UN Sustainable Development Goals

OUR RESULTS

BURKINA FASO 2017

BØRNEFONDEN IN BURKINA FASOA

BØRNEfonden has been active in Burkina Faso since 1996

11,528 sponsor children and their families supported by BØRNEfonden

Number of development centres: 14



BØRNEfonden's activities benefited approx. 540,000 people in total

THE GLOBAL GOALS

BØRNEfonden upports the 1 UN Sustainable Development Goals

Sponsorship donations used:

DKK 23 million

Project funds used: DKK 5 million

BØRNEfonden works to build robust, sustainable communities and support children, young people and families create a better future for themselves.

HIGHLIGHTED RESULTS:

5,373 children, 2,635 girls, attended kindergarten

47,000 children weighed and received health checks



7,500 students benefited from quality education after 147 teachers received further training in modern teaching methods

> 1,329 young people (755 girls) were active in youth associations



92 parent committees received training in school administration

6 classrooms were built for 300 students



847 people (294 women) received vocational training and/or entrepreneurship training 1,034 children benefited from 20 new sinks, improving hygiene in kindergartens

> 4,500 people benefited from 13 new wells dug

186 new latrines,

improving hygiene and health and benefiting approx. 2,800 children and parents

Radio campaign on girls' education and sexual reproductive health reached **10,000 parents**



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OUR RESULTS

MALI 2017

BØRNEFONDEN IN MALI

Development Goals

BØRNEfonden has been active in Mali since **2003**

11,256 sponsor children and their families supported by BØRNEfonden

Number of development centres: **12**



BØRNEfonden's activities benefited approx. **510,000 people**

Sponsorship donations used: **DKK 24 million**

Project funds used: **DKK 13 million**

BØRNEfonden works to build robust, sustainable communities and support children, young people and families create a better future for themselves.

HIGHLIGHTED RESULTS:

5,965 children, (2,387 girls) attended kindergarten

10,385 children were weighed and received health checks

597 young people (337 girls) were

active in youth associations



5,405 people,

(4,578 women), received teachers **integrating** vocational training and/or entrepreneurship training **into their teaching**



590 parent committees received training in school administration

90 health centres

improved with various hygiene equipment

0

The project "Education in Emergencies" with Barnfonden as our partner has resulted in 80% of the participating teachers **integrating** peacebuilding initiatives into their teaching

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✓
1,750 people benefited from 5 new wells

6

Improved health for 300 children thanks to two new school latrines

0

13 classrooms built or modernised, benefiting **650 students**

Ø

In cooperation with ASDAP, we carried out a campaign aimed at Mali's parliament to support legislation to **combat female circumcision and other gender-based violence**



BØRNEfonden supports the 17 UN Sustainable

CAPE VERDE 2017

OUR RESULTS

BØRNEfonden supports the 17 UN Sustainable Development Goals

THE GLOBAL GOALS

BØRNEFONDEN IN CAPE VERDE

BØRNEfonden has been active in Cape Verde since **1989**

2,509 sponsor children and their families supported by BØRNEfonden

Number of development centres: **4**



BØRNEfonden's activities benefited approx. **175,000 people**

Sponsorship donations used:

DKK 8 million

Project funds used: No ongoing projects due to **phase-out in late 2017**

At the end of 2017 and after 28 years of development work in Cape Verde, BØRNEfonden has phased out its activities on the little island nation in the Atlantic, which has lifted itself out of poverty. The local municipalities are taking over the responsibility for taking care of the sponsor children, who are still receiving financial support from their sponsors. Here is a small sample of the results that have turned Cape Verde into a robust, sustainable society:

⊘
28 health centres
built/restored

35,190 familiesbenefited from the health centres

♥ 81,853 children have been supported through school



3,993 people helped to become entrepreneurs Quality of life improvements for over **20,000 children** - as well as their siblings and families thanks to their sponsors

4,806 families have received **dental care**



♥ 1,572 families have gained access to clean water 0<u>,</u>0

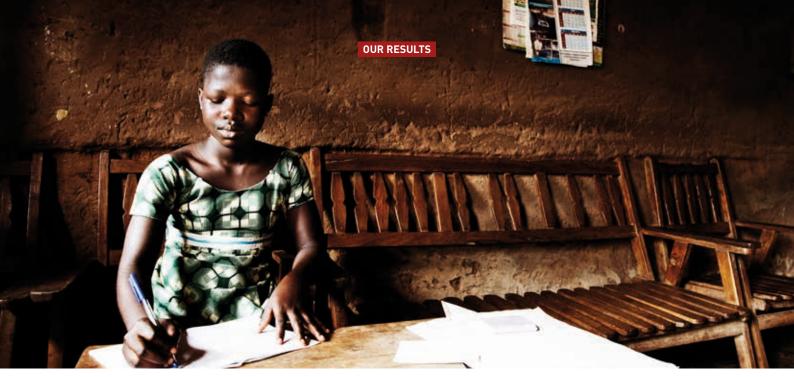
558 children received **glasses**

2,689 young people acquired vocational education and training



476 classrooms built/restored

♥ 112 kindergartens built



More girls are staying longer in school, thereby preparing them better for adult life.

Results show progress

More girls are staying in school up to and including the 9th grade. More young people who had dropped out of school are being put back on the path to an education. Finally, more people are getting access to microcredit, allowing them to become entrepreneurs with their own income-generating activities.

The above are only some of the results that can be documented through BØRNEfonden's annual progress review, which we carry out in the many municipalities in which we work in Burkina Faso, Mali, Togo and Benin. We have chosen to measure progress on the basis of a number of indicators that are adapted to the UN SDGs as well as BØRNEfonden's overall development strategy.

We collect data once a year from local authorities and partners. The measurements now include baseline data from 2014 as well as follow-up data from 2015 and 2016.

More girls staying longer in school

Among the most significant progress made between 2014 to 2016 is the proportion of girls who stay in school longer. During this two year period, the proportion of registered female 9th grade students has risen by roughly 60%. This progress can be attributed to a dedicated effort from BØRNEfonden, other NGOs and the local authorities.

This positive development is an extension of the efforts that BØRNEfonden's sponsors have supported for years, namely to ensure that as many boys and girls as possible get to go to school. At the same time, we are working to improve the quality of education so that more children will be motivated to stay in school.

Youth intervention is proving successful

In recent years, BØRNEfonden has invested heavily in creating opportunities for young people, including those who have dropped out of school. Together with our partners, we have been working to improve young people's access to relevant, high-quality education and training courses (including entrepreneurship opportunities), while also organising health programmes, mainly focused on sexual and reproductive health for young people.

From 2014 to 2016, the number of girls benefiting from this youth intervention has more than doubled, and the corresponding figure for young men has nearly doubled as well. Nearly 30,000 young people in those four countries received supplemental teaching in 2016.

More beneficiaries getting access to microcredit

As part of our youth intervention in our programme countries, BØRNEfonden supports entrepreneurs by giving them access to microcredit, among other things. The number of people with access to microcredit has risen sharply in Mali and Burkina Faso in particular. And in 2016, there were over 200,000 people with access to microcredit in the areas that BØRNEfonden is active in across the four countries. Various entrepreneurship activities help ensure that young people can build a life of financial sustainability and opportunities for themselves.





BØRNEfonden and Maternity Foundation work together to reduce child and maternal mortality among mothers and infants in Ethiopian refugee camps.

Humanitarian efforts are saving lives in Ethiopia

BØRNEfonden has previously carried out humanitarian projects in countries such as Mali. In 2017, our humanitarian activities expanded significantly due to projects in a new country - Ethiopia - in partnership with another Danish NGO, Maternity Foundation.

Ethiopia has taken in nearly a million refugees from Somalia, Sudan, South Sudan and Eritrea, all the while being affected by a drought that affects up to six million people in the country.

BØRNEfonden and Maternity Foundation received 5.2 million Danish kroner for two projects from The Danish Emergency Relief Fund, funded by the Danish Ministry of Foreign Affairs. BØRNEfonden and Maternity Foundation are working together to reduce maternal and infant mortality, improve sanitary conditions in refugee camps and combat malnutrition among young children and mothers in settlements.

Danish app reduces mortality

In Ethiopia's Gambella region, there are over 350,000 refugees from South Sudan living in refugee camps. Approx. 80% of the refugees are women and children, and approximately 6,000 women give birth in the camps each year.

BØRNEfonden and Maternity Foundation have worked together to co-launch "The Safe Delivery App" in response to this. The app, which was developed by Maternity Foundation in collaboration with the University of Copenhagen and University of Southern Denmark, provides life-saving information about births to health workers in refugee camps. Mortality among newborns, pregnant women and women giving birth is high in the camps. One of the reasons why is that many of the midwives lack the basic knowledge and skills needed to deal with birth complications. The midwives now go through a specialised training course, and the app turns their mobile phones into a handbook with specific information on how to handle birth complications such as when the mother is at risk of bleeding to death, or if a newborn baby is not breathing. Furthermore, the aim of the project is also to upgrade health clinics and hand out hygiene kits, all in close collaboration with the United Nations High Commissioner for Refugees (UNHCR) and the Ethiopian authorities.

The sheer number of refugees means there are massive challenges relating to health and hygiene in the camps. Therefore, BØRNEfonden and Maternity Foundation are also constructing 500 latrines so that bacteria and viruses do not transform the camps into massive contagion zones.

Food aid

The second project aims to assist internally displaced Ethiopians who have fled to the Oromia region due to drought and famine in their home villages in the Somali region. BØRNEfonden and Maternity Foundation are training health workers and volunteer health ambassadors in how to deal with malnutrition, while also assisting local authorities with distributing food to malnourished children and mothers. The food comes from the UN World Food Programme.



Global networks make us stronger

BØRNEfonden strives for the highest possible standards in our work, which is why we are part of a number of global networks and alliances. This helps ensure that our work is carried out professionally and allows us to demonstrate to others, including donors and partners, that our work lives up to a number of international standards.

Through the networks, we are able to exchange experiences with other organisations that work in the same field as we do. Networks allow us to develop and refresh our employees' skills and knowledge and keep us up to speed on current topics and issues, including when humanitarian and political crises erupt in the countries we are active in. This collaboration also opens up the possibility of coordinating efforts between NGOs.

Working together with other organisations puts us in a stronger position when we want to put important issues on the international agenda and influence politicians and regulators to take action on protecting the rights of children and youth.

BØRNEfonden is a member of several alliances and networks, including the five below.

Girls Not Brides

Girls Not Brides is a global network of over 600 civil society organisations from 80 different countries. What all these organisations and the activities in Girls Not Brides have in common is the aim to put an end to child marriage and ensure that girls are protected and able to achieve their full potential.

BØRNEfonden is actively involved in national networks to combat child marriage, particularly in Mali and Togo. In Mali, 15% of girls are married off before the age of 15. BØRNEfonden works to create long-term, sustainable progress in relation to the rights of children and young girls.

In October 2017, Yolande Youga, a young woman from Togo, represented BØRNEfonden at the "Ending Child Marriage" conference in Dakar, Senegal. The conference - organised by Girls Not Brides, Save the Children, UNICEF, UNFPA, UN Women, World Vision and Plan International - underscored that combating child marriage is a key component not only of the fight for girls' and women's rights, but also in relation to eradicating poverty in West and Central Africa.



24-year-old Yolande from Togo attended the Senegal conference on combating child marriage to speak on behalf of BØRNEfonden.

Core Humanitarian Standards Alliance

Core Humanitarian Standards (CHS) is primarily focused on humanitarian work, but the established standards also cover long-term development work, which is what BØRNEfonden is primarily engaged in.

CHS is based on a number of jointly agreed standards that all the member organisations must comply with. This includes established criteria relating to accountability and quality, such as minimum standards for the work carried out by the organisations, as well as the fulfilment of rights and principles for the protection of the people with whom the organisations work.

Core Humanitarian Standards Alliance consists of 250 member organisations. The Danish international development agency Danida also supports the CHS alliance, and the agency helps Danish NGOs live up to the established standards.

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Keeping Children Safe sets standards for the protection and rights of children in development work.

Keeping Children Safe

Keeping Children Safe is an international alliance of organisations for children that have come together to define a set of standards for working with children and young people. This includes standards for the protection of children and their rights in connection with projects, as well as how the organisations' staff interact with beneficiaries. As a member organisation, you must document that you live up to these standards as well as the overarching principle of "Do no harm to children".

Keeping Children Safe has 46 member organisations, including several donors that have also pledged to adhere to the alliance's principles.

Global Partnership to End Violence against Children

The network was created in connection with the formulation of the UN's Sustainable Development Goals. Organisations for children from all around the world make up the majority of the network's members, and its purpose is to promote the implementation of sub-target 16.2: "End abuse, exploitation, trafficking and all forms of violence against and torture of children".

We support the Global Compact

In 2016, BØRNEfonden joined the UN Global Compact initiative. The Global Compact is a set of guidelines with 10 principles for companies' and organisations' application of social responsibility.

The 10 principles have to do with social responsibility and sustainability. They are based on internationally recognised conventions on human rights, labour rights, the environment and anti-corruption.

Companies and organisations that have joined the Global Compact are obliged to put the 10 principles into practice in their business activities and submit a Communication on Progress to the Global Compact each year.



Thanks to approximately 55,000 sponsorships, we are able to support children in 24 different countries.

Multiple revenue sources

BØRNEfonden's revenue primarily comes from four sources: Contributions from our sponsors, donations from companies, foundations and organisations, public funding and, finally, BØRNEfonden's share of the annual nationwide fundraising event, Danmarks Indsamling.

The proportion of each share has changed over the years. Sponsorships remain our most important revenue source, representing approximately 3/4 of BØRNEfonden's turnover, but revenue from various donors for projects and programmes continue to make up an increasingly larger share.

With approximately 55,000 sponsorships for children and young people in 24 countries - primarily our own programme countries in West Africa - private sponsors still make up the backbone of BØRNEfonden's financial resources. Our loyal supporters' monthly contributions enable us to provide a better future for children, their families and local communities. Added to this come other types of contributions such as single donations and sales revenue from gifts bought through BØRNEfonden's online shop.

Partnerships are the way forward

Our collaboration with companies, foundations and organisations continues to grow every year, both in Denmark and at the local level in our programme countries. The 17 UN SDGs have put more focus on cross-sectorial partnerships and getting the private sector involved in funding the efforts required to achieve the goals. All countries agree that state funding will be far from sufficient to achieve the SDGs. BØRNEfonden has been working with partners for many years, and we believe that interaction and cooperation between NGOs, companies, foundations and authorities is a prerequisite to realising the UN SDGs by 2030. Local, national and international companies must get involved in specific projects and participate in the development of a local workforce.

There is a lot of potential for companies in the SDGs, and many of them have already chosen to integrate the goals into their activities. The goals give states, companies, NGOs and other involved actors a relevant and broadly backed framework within which to work. Such partnerships can lead to the development and promotion of new, sustainable business models and innovative solutions to the problems our world faces today.

Public recognition

BØRNEfonden is starting to receive an increasing amount of funding for development projects from public sector donors. The most significant funding received in 2017 was donations amounting to nearly 10 million Danish kroner from CISU (Civil Society in Development), which distributes funds from the Danish Ministry of Foreign Affairs via Danida.

Continues on next page





With funding from donors such as CISU, BØRNEfonden works to give young people in Africa the skills they need to provide for themselves and thereby contribute to the development of their countries.

The CISU grant will go to a major youth programme in Mali, Burkina Faso, Togo and Benin. The aim of the programme is to ensure that young people acquire the skills and jobs they need to contribute to development in their own countries. BØRNEfonden improves young people's knowledge and competences in the areas of health, sex education and rights, while also providing young people with the education and skills they require to support themselves as entrepreneurs in their local communities.

Thanks to BØRNEfonden being designated a strategic partner of the Danish Ministry of Foreign Affairs, public sector funding will increase sharply starting from 2018. The CISU grant will end, and the total contribution to BØRNEfonden's youth programme in West Africa amounts to roughly 21 million Danish kroner for each of the years 2018-2021.

For the first time ever, BØRNEfonden received funding from the EU in 2017. The grant is earmarked for an initiative to combat female circumcision, particularly in Mali.

Proceeds from the annual nationwide fundraising event Danmarks Indsamling amounted to around 11 million Danish kroner in 2017. These funds have been used to fight hunger and malnutrition in Burkina Faso and Mali, as well as entrepreneurship training for young people in Benin.

Happy sponsors

The longer a person has been a BØRNEfonden sponsor, the happier they are to be supporting us. A satisfaction survey carried out in 2016 found that the average sponsor stays with us for 13-14 years, and a very large share of our sponsors thus support our "long haul" approach to development work.

The analysis revealed that the following three areas have the highest influence on sponsor satisfaction:

- That the monthly donation goes to the child, their family and local community (i.e. all three)
- That the sponsor knows the child's identity
- That only a very limited part of the sponsorship donation goes to administrative costs

International cooperation

BØRNEfonden's work is strengthened through our collaboration with other international organisations. We help 7,000 Danes to sponsor children in 19 different developing countries where US-based ChildFund International and the Christian Children's Fund of Canada are responsible for the local development work.

However, it is not just Danish sponsorships we facilitate; 11,000 people living in foreign countries have a sponsor child in BØRNEfonden through our partner organisations Barnfonden (Sweden), Taiwan Fund for Children & Families, Un Enfant par la Main (France), ChildFund International (USA) and ChildFund Deutschland.

BARNFONDEN

In 2017, BØRNEfonden and the Swedish development organisation Barnfonden also worked together in a number areas, including projects for girls' education and sexual and reproductive health in Burkina Faso as well as schooling in a conflict area in Mali.





6,000 people have gained access to clean water thanks to tap water stations such as these.

Strong partnership revolving around water in Togo

By May 2019, the Poul Due Jensen Foundation will have built another four solar-powered water towers such as this one in Togo.

Private foundations have increasingly begun to support BØRNEfonden's projects in Africa. For the fourth year in a row now, the Poul Due Jensen Foundation and BØRNEfonden have worked together to provide clean water and better sanitary conditions for thousands of children and families in Togo.

The Poul Due Jensen Foundation has invested a total of 5.3 million Danish kroner in BØRNEfonden's projects based in four villages since 2015. The first project has provided 6,000 people in Haho municipality access to clean water from three solar-powered water towers, each of which has four tap water stations. It's a massive step forward for an area where communities once had to fetch water from many kilometres away. The project also included the construction of 400 family latrines and four school latrines. The fact that children no longer have to go to the bathroom in nature has resulted in a massive improvement in hygiene and well-being.

From October 2017 to May 2019, the Poul Due Jensen Foundation and BØRNEfonden will build an additional four solar-powered water towers as well as 400 family latrines and five public toilets in schools and health centres. This project makes BØRNEfonden one out of only six other strategic partners that the Poul Due Jensen Foundation works with.

A successful partnership

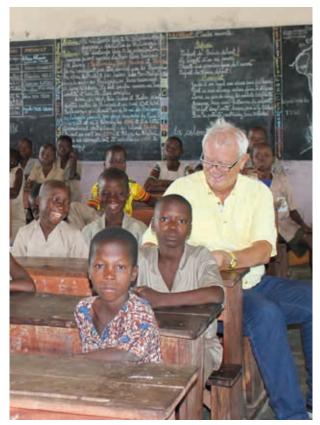
The partnership has been successful because both parties have the same strategic approach to development work, where knowledge transfer and long-term perspectives lie at the core of each project. The Poul Due Jensen Foundation's and BØRNEfonden's efforts are making a direct contribution to the UN SDG 6.1, which is to ensure access to clean drinking water. The foundation requires its water projects to be strongly rooted in local communities and they must involve local partners and authorities. The idea is to ensure that the water systems become a long-term, sustainable success that results in a crucial improvement to quality of life for beneficiaries in the target areas.

The Poul Due Jensen Foundation

The Poul Due Jensen Foundation is a Danish commercial foundation which was set up in 1975 by the founder of Grundfos, Poul Due Jensen. The foundation, which is the main shareholder in Grundfos Holding A/S, provides funding to water projects in the world's poorest rural districts, forgotten refugee camps, labour market inclusion initiatives in the Central Denmark Region and research environments within selected technical research disciplines and natural science.



Per Pallesen's splendid idea



Actor Per Pallesen has travelled to Benin to visit one of the schools that the partnership with GOBIvin has funded.

The Danish wine distributor GOBIvin is one of the companies that BØRNEfonden has worked with over several years to create very significant results. The contact between BØRNEfonden and the company was made through actor and BØRNEfonden ambassador Per Pallesen, who calls the idea "one of the best I've ever had".

As a BØRNEfonden ambassador and longtime sponsor, Pallesen wanted to help provide an additional revenue stream for the organisation's development work in Africa. His hobby is wine, and in 2011 he combined his two pastimes by contacting his good friend Peter Sick, CEO of the wine distributor GOBIvin. Together, they came up with the idea to pledge one Danish krone to BØRNEfonden's projects for every Nugan wine box GOBIvin sold, with the Australian wine maker Nugan doing the same.

The two kroner per wine box has added up to 1.2 million Danish kroner over six years, funding 10 combined schools and kindergartens in Benin and Togo, each with room for about 150 children, complete with wells and latrines. The funding of the 11th school was secured at the start of 2018, and the collection for the 12th school is currently underway.

"We're going to continue with this," said CEO Peter Sick. "This partnership has a nice win-win feeling about it. Firstly, we get to help others, and secondly, it strengthens our brand. It's wonderful that the two kroner per box has become such a big donation over the years."

Sushi money supports children

The sushi chain LETZ SUSHI, which has 19 restaurants spread across Copenhagen and Aarhus, has supported BØRNEfonden since 2016 by sponsoring one child per restaurant. This means that more children in West Africa get to go to school, while also improving the quality of life for their families and local communities.

In addition to their sponsorships, LETZ SUSHI also donates five Danish kroner per children's menu sold at its restaurants to BØRNEfonden's health and nutrition projects in West Africa.

The chain also launched its "Sushi rolls for children" in 2017, which will continue into 2018. The event entails schools being visited by LETZ SUSHI chefs for a special seminar on nutrition, health and development work. 6th and 7th grade students learn about BØRNEfonden's activities in Africa, are shown how to make their own sushi by a professional chef, sell sushi to fellow students during the lunch break and donate the entire proceeds to a BØRNEfonden project of the students' own choosing.



LETZ SUSHI teaches Danish schoolchildren how to make sushi, with all the proceeds going to BØRNEfonden.

"Here at LETZ SUSHI, we have a mission to help people eat better. However, our responsibility goes beyond merely our own taste buds and local community. That's why we've chosen to enter into a close partnership with BØRNEfonden. Together, we can make a difference for children, young people and families in some of the world's most impoverished countries," said Anders Barsøe, CEO.





BØRNEFONDEN'S PARTNERS

THE FOLLOWING COMPANIES AND FOUNDATIONS HAVE DONATED AT LEAST 50,000 DANISH KRONER TO BØRNEFONDEN IN 2017.





225 sponsor children + donation

BAIN & COMPANY (4) Expert assistance

IMPLEMENT CONSULTING GROUP Expert assistance



Technical vocational training for young people in Togo

Echo Bay Foundation

Entrepreneurship training in Togo

Thunes Legat

MICA Fonden

Education in Benin

Water, sanitation and hygiene in Burkina Faso

NY HOLTE SKOLE School project in Benin

ANT Fonden

Vocational training and entrepreneurship in Benin



Clean water in Togo



Security advice and courses

HUMAN ADVISOR



Health initiative in Benin





Sponsor children in Togo + donation

DANSK EL-FORBUND

Technical school in Benin

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50 sponsor children in Benin



Health clinic in Benin





BØRNEFONDEN'S PARTNERS

THE FOLLOWING COMPANIES AND FOUNDATIONS HAVE DONATED AT LEAST 50,000 DANISH KRONER TO BØRNEFONDEN IN 2017.



Electrician vocational course in Mali

Norrbom Vinding Legal assistance

Carliis 100 sponsor children in Mali

Danske Bank

Development projects

Fonden af

17.12.1981 Reducing mortality among mothers and infants in Benin

ISISE fonden Training of fishermen in Benin



Health and nutrition in Mali

Asta og Jul P. Justesens Fond

Sanitation in a Ethiopian refugee camp



Kindergartens in Benin

Mercuri Urval

Expert assistance



Ret&Råd

Legal aid



Development projects

Bradley International Dev. Services Limited

Advisory services



Joso Invest ApS

Play and learning in Benin

vices

Palsgaard[®]

Userneeds

Sponsor children in Benin

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Management of BØRNEfonden

BØRNEfonden, one of the largest development organisations in Denmark based on private funding, is a self-owned, non-profit making, humanitarian organisation.

The highest authority of BØRNEfonden is an unpaid board of directors. Every three years, the board of directors elects a chair and vice chair among its members. Regular board meetings are held at least six times a year. The board's investment committee, which is responsible for the management of BØRNEfonden's assets, convenes twice a year.

The board carries out a self-evaluation procedure once a year. A questionnaire forms the basis of conversation between each board member and the chair.

The day-to-day management of BØRNEfonden is handled by a hired CEO, who is responsible, together with the Management Group, for the management of the work of the foundation.

Every three years, along with the CEO, the board of directors visit one or more of BØRNEfonden's programme countries in order to keep up to date on the societies in which BØRNEfonden carry out our activities and in order to get a first-hand impression of our development activities. BØRNEfonden's activities are independent of political, racial, ethnical and religious issues. Our work is based on the following three values: transparency, credibility and commitment.

As a member of The Danish Fundraising Association, ISOBRO, BØRNEfonden complies with the ethical guidelines for fundraising, including ISOBRO's guidelines for financial reporting.

For use in its development work, BØRNEfonden has drawn up a Child Protection Policy as well as an anticorruption policy covering all employees, partners and suppliers. Further, a Code of Conduct applies for the board of directors and all employees.

New board following the merger

In December 2017, BØRNEfonden decided to merge with Plan Denmark and Plan International. Over the course of 2018, this will result in the creation of a new organisation called Plan BØRNEfonden. Stine Bosse, the chair of BØRNEfonden, will become chair of the new joint board, while Allan Fenger, Plan Denmark's chair, will become vice chair.



BØRNEfonden's work is based on the following three values: transparency, credibility and commitment.

The Board of Directors

Stine Bosse, chair

LL. M., professional board member.

Born 1960. Joined the board in 2009.

Special qualifications: Many years' experience from top management as both operational manager and board member. Several years' experience as chair of boards of directors in both the private sector, NGOs and civil organisations. Managerial style is characterised by taking a balance approach.

Other board memberships: Chair of BankNordik, TELE Greenland, NunaOil and The Danish European Movement.

Board member of TDC and Allianz.

Jørgen Bardenfleth, vice chair

MSc in Engineering (E) and MBA (UCLA), professional board member.

Born 1955. Joined the board in 2014.

Special qualifications: Marketing, sales, communications, management, business development, digitalisation. **Other board memberships:** Chair of Arkitema, Lyngsoe Systems Holding, Lyngsoe Systems, Dubex, Symbion, Accelerace Management and the Accelerace Foundation. Vice chair of Symbion Fonden. Board member in EG, AX IV EG Holding III, Minerva, Catacap Management, Athena It-Group, Prodata Consult, Bizbrains, Nordic Power Converters, Swipx.com, Vallø Stift, the Danish Cystic Fibrosis Foundation and Living It Lab.

Jakob Grymer Tolstrup

MSc in Economics and Business Administration, director of Ucomposites.

Born 1965. Joined the board in 1992.

Special qualifications: Knowledge of African affairs, marketing, general management. Son of BØRNEfonden's founder, Morten Pedersen Grymer. Lived in Africa when BØRNEfonden was being established there. **Other board memberships:** Ucomposites.

Henrik Agner Hansen

State-authorised public accountant, partner at Beierholm Statsautoriseret Revisionspartnerselskab. Born 1970. Joined the board in 2012.

Special qualifications: Finance, controlling, management reporting, strategy, auditing.

Henrik Nielsen

MSc Social Science & Ph.D, senior lecturer, VUC Storstrøm. Born 1961. Joined the board in 2012. **Special qualifications:** Knowledge of development and development aid for West Africa.

Susanne Møller Wallin

LL. M., attorney-at-law, head of management staff at PFA. Born 1978. Joined the board in 2013.

Special qualifications: Legal issues, corporate governance.

Other board memberships: PFA Kapitalforening, Kapitalforeningen Bankpension Aktier, Kapitalforeningen Bankpension Obligationer and Kapitalforeningen Bankpension Emerging Markets Aktier.

Birgitte Boesen

MSc Political Science, strategic consultant, owner of büroCPH.

Born 1957. Joined the board in 2014.

Special qualifications: Strategic communication and information.

BØRNEfonden's management

Copenhagen, Denmark

Anne Smith Petersen Acting CEO and Global Operations Director

Michael Engelbrechtsen

Business Support Director/CFO

The programme countries

Christa N. Rasmussen National Director, Togo and Benin

André Sinamenye

National Director, Mali

Christophe Zoungrana

National Director, Burkina Faso



BØRNEfonden Financial Statement 2017

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LODGE DIVERSION DATE
KEY FINANCIAL DATA
THE FE FE MAN VIAE DATA

2017

2016

	DKK 1,000	DKK 1,000
Financial highlights		
Income from income-generating activities	204,353	204,285
Profit from income-generating activities	180,754	181,635
Administrative costs	-12,675	-11,356
Net financials	4,072	2,381
Profit before activities with a defined purpose	172,151	172,660
Costs related to activities with a defined purpose	-172,151	-166,896
Profit of the year	0	5,764
Fixed assets	24,693	19,476
Current assets	95,138	106,726
Total assets	119,831	126,202
Restricted foundation capital	21,186	18,094
Unrestricted foundation capital	21,398	21,398
Total foundation capital	42,584	39,492
Provisions	579	5,450
Short-term debt	76,668	81,260
Total liabilities	119,831	126,202
Number of sponsors	55,210	57,483
Avg. number of staff	41	41
	2017	2016
	%	%
Key ratios		
Profit margin for fundraising, etc.	88.45%	88.91%
Administration share	6.20%	5.56%
Purpose share	84.24%	81.70%
Consolidation share	0.00%	2.82%
Safety margin	21.75%	20.83%
Solvency ratio	35.54%	31.29%
Public financing share	6.19%	3.83%

The key ratios have been calculated in accordance with the recommendations of the organisation ISOBRO. Please refer to the definitions stated in the section on accounting policies applied.

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Financial review

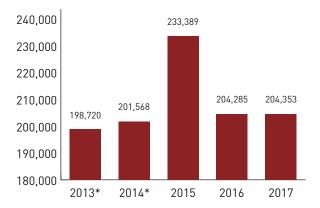
Income statement

Comments for the year

BØRNEfonden had a revenue of DKK 204 million in 2017, which is similar to the revenue achieved in 2016. As in recent years, a decrease in revenue from sponsorships is counterweighted by an increase in donations to projects.

Note that in 2017, BØRNEfonden received DKK 3 million of unrestricted inheritance donations, which has not been recognised in the income statement but is recognised directly in the tied-up foundation capital under equity.

BØRNEfonden's revenue in DKK 1,000



 * The comparative figures for 2013-2014 have not been adjusted to follow the new accounting policies from 2016

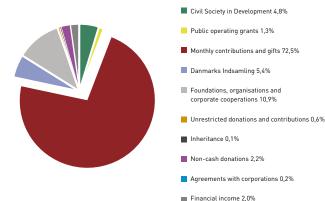
The composition of BØRNEfonden's revenue has gone through changes in recent years. Sponsorships remain our most important revenue source by far, but revenue from various donors for projects and programmes continue to make up an increasingly large share.

In 2017, BØRNEfonden and Maternity Foundation received joint funding from CISU's humanitarian funding mechanism (DERF) for two projects in Ethiopia, amounting to DKK 5 million in total.

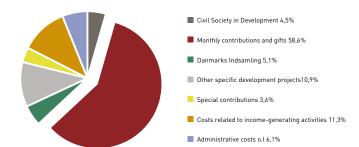
One of the major highlights of 2017 was when BØRNEfonden was selected as a strategic partner of Danida following an open application round in which the applicant organisations were assessed on the basis of their capacity and ability to deliver significant results within the framework of the Danish Ministry of Foreign Affairs' new strategy for development cooperation and humanitarian action.

The strategic partnership agreement entered into force on 1 January 2018 and will run for four years in total. The annual disbursements of approximately DKK 21 million will be used for a comprehensive youth initiative in West Africa, which will significantly impact the lives of hundreds of thousands of young people.

Percentage funds received



Percentage allocation of funds received



*The administrative costs have been calculated based on the total funds received.

The profit of the year was nil, as budgeted (2016: DKK 5.8 million).

Notes for the individual items

Public funds raised

Public funds raised this year amounted to DKK 12.6 million (2016: DKK 7.8 million) and includes funds donated by CISU and public operation grants.

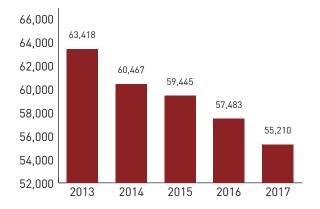
In 2017, DKK 6.9 million was donated by CISU for the programme grant approved in 2016 as well as six development projects. DKK 9.9 million has been recognised as income for the year in accordance with the new revenue recognition principle introduced in 2016. Of the public funds received for development projects and programme grants, 93.5% was used for development work.

Public operating grants constituted DKK 2.7 million. (2016: DKK 2.8 million).



Private funds raised

The core product of BØRNEfonden is sponsorships that help support children and young people in 24 countries around the world. However, the number of sponsorships has declined in recent years for many different reasons. There is still considerable willingness among Danes to support long-term development, individual children and their families as well as vulnerable population groups, but the number of competing fundraising organisations and causes to donate to has risen dramatically. Thus, we also witnessed a decline in sponsorships in 2017; the net figure dropped by 2,273 to 55,210.



Number of sponsorships

As a result of the decline in the number of sponsorships, our income from sponsorships declined by DKK 2.5 million from DKK 153.6 million to DKK 151.1 million.

Other private funds raised for development work can be attributed to income received from Danmarks Indsamling, agreements with corporations and donations from foundations, organisations and corporations. Added to this are unrestricted donations and contributions, inheritance and non-cash donations. Other private funds raised amounts to DKK 40.6 million compared to DKK 42.8 million the previous year. The decline can primarily be attributed to a decline in income from Danmarks Indsamling, foundations, organisations and corporations.

Of the funds received from Danmarks Indsamling, 93% is allocated to development work (2016: 93%).

Out of the remaining private funds raised, including contributions from sponsors, 84% was used for development work in 2017 (2016: 82%).

Costs related to income-generating activities

Funds used for sponsor services, sponsor relations, communication and corporate relations, etc., in Denmark amounted to DKK 23.6 million, which is DKK 0.9 million higher than the previous year (2016: DKK 22.7 million).

Administrative costs, etc.

The costs for overall administration in Denmark was DKK 12.7 million, which is DKK 1.3 million higher than the previous year (2016: DKK 11.4 million). This is due to severance costs for the board in connection with the planned merger with Plan International. In 2017, BØRNE-fonden used 6.2% of the funds raised on administration (2016: 5.6%).

Financial items

In 2017, BØRNEfonden's net financial income corresponded to DKK 4.1 million, which is DKK 1.7 million higher than the previous year. The reason for the increase is mainly due to a positive return on invested funds in securities.

Special distributions

Special distributions have risen by DKK 6 million to DKK 7.4 million, which is due to an increase in both received and distributed non-cash donations at DKK 4 million and an adjustment of the provisions for phasing-out activities in Cape Verde at DKK 1.2 million. Added to this are costs associated with the future merger with Plan Denmark (DKK 1.5 million).

Profit of the year

The profit/loss of the year is nil, which is satisfactory, as BØRNEfonden does not seek to generate profit (2016: DKK 5.8 million).

BØRNEfonden's solvency ratio for the year was 35.5% (2016: 31.3%), and BØRNEfonden thus has a strong capital basis for handling needs for special distributions, etc., that may be necessary in the event of natural disasters, political turmoil and other unusual circumstances. Restricted funds make up 50% of this. Over the course of 2017, we were in dialogue with the Danish Department of Civil Affairs about lifting the restrictions on some of the restricted funds received through inheritance, but this turned out to be impossible. We will further examine our options for freeing up capital over the course of 2018.

Cash flow statement

The cash flow from operating activities reduced cash available by DKK 9.7 million in 2017 compared to an increase of DKK 10.2 million in 2016. In total, cash available was reduced by DKK 3.4 million compared to a reduction of DKK 0.8 million in 2016. This reduction in cash available is primarily caused by payments to programme countries, investments in tangible fixed assets in Copenhagen and in BØRNEfonden's programme countries and projects as well as costs associated with income-generating activities and administration in Copenhagen.

Provisions

In 2012, provisions at DKK 4.3 million were made to cover costs in connection with BØRNEfonden's decision to phase out development activities in Cape Verde over a five-year period. At the beginning of 2017, the remaining provisions were DKK 3.3 million. Of these, DKK 3.1 million have been used in the year, meaning the remaining provisions amounted to DKK 0.2 million at the end of 2017.

In addition, the accounts include provisions from previous years at DKK 2.2 million for legal proceedings instigated against BØRNEfonden by former employees in Cape Verde in connection with the phasing-out of BØRNEfonden's activities on the island of Santa Antao. The provisions have increased by DKK 1.2 million in 2017, and former employees on the island of Santa Antao have received a payment. Thus, the provisions were fully spent as of the end of 2017.

Other former employees in Cape Verde have instigated separate legal proceedings in 2009 in connection with dismissals. However, BØRNEfonden also considers the claims in this case to be unfounded. Owing to the nature and development of this case, no amounts have been set aside for it. Former employees in Mali and Burkina Faso have instigated legal proceedings in connection with dismissals in 2017, which BØRNEfonden and BØRNEfonden's legal team considers unfounded. Owing to the nature and development of these cases, no amounts have been set aside for those cases. One of the cases (in Mali) has seen a ruling in favour of BØRNEfonden in the court of first instance.

Events after the end of the year

Former employees in Togo have instigated legal proceedings against BØRNEfonden in March 2018 connected to the reorganisation. As with the cases in Mali and Burkina Faso, BØRNEfonden considers the claims unfounded.

Expectations for the next year

The two boards of Plan Denmark and BØRNEfonden signed an agreement to join forces and form a new organisation in December 2017. This will take place on 1 July 2018. The new organisation will be called Plan BØRNEfonden, which will become part of the global organisation Plan International and one of the largest privately-funded development organisations in Denmark, with nearly 70,000 child sponsors. The Danish Department of Civil Affairs approved the merger in February 2018. BØRNEfonden does not seek to generate profits. In connection with the merger with Plan Denmark, which will take place on 1 July 2018, accounts will be prepared for the period.

Risk management

Funds donated to BØRNEfonden from sponsors and donors are managed with due consideration of the administrative duties of the foundation, legal as well as (and not least) the obligations which we owe our donors who show their trust in BØRNEfonden.

The management reports to the board of directors regularly to lay out the most important risks and relevant points of action. Thus, BØRNEfonden has established business procedures which are aimed at ensuring control and assessment of important risks.

The risk management systems applied by BØRNEfonden aim to ensure that the foundation is capable of raising, receiving and keeping trusted funds at any time and in a secure manner and to ensure that the funds are subsequently allocated to their intended purposes and used efficiently in accordance with BØRNEfonden's objective.

Further, the management reports the result of the activities of the internal audit for the year and a description of focus areas for the internal audit for the following year. To ensure that the investment policy is observed, the board of directors has appointed an investment committee, which meets twice a year.

Being prepared also includes the ability of the organisation to handle unusual events such as natural disaster, political instability or epidemics.

2017 was also marked by an extremely volatile security situation in Mali and Burkina Faso, where several terrorist attacks have taken place. The security situation remains extremely fragile and has made our work in those two countries more difficult. However, all our activities have proceeded as normal in spite of that.

The fragile situation and risk of terrorist attacks implies a significant risk involved in the execution of our work. BØRNEfonden has contingency plans which attempt to ensure that the work in those countries can continue even under more difficult circumstances with political instability.

BØRNEfonden has formed a task group which closely monitors the developments and makes ongoing adjustments to our travel policy and guidelines.

Fundraising

The greatest risk in relation to BØRNEfonden's fundraising activities is related to the lack of willingness or ability among the present and/or potential donors to contribute to BØRNEfonden's work. This overall risk is affected by circumstances in the world around us which are beyond the influence of BØRNEfonden, for example macroeconomic issues, but also circumstances which the foundation is able to affect, such as the perception of BØRNEfonden's trustworthiness, the quality of our development work and our ability to communicate the effect and results of our efforts.

Since 2009, the number of sponsorships with BØRNEfonden has declined. There is still considerable willingness among Danes to support long-term development, individual children and their families as well as vulnerable population groups, but the number of competing fundraising organisations and causes to donate to has risen dramatically. There are many causes that need support, with campaign ads running on TV on a near-daily basis.

A significant part of BØRNEfonden's DNA is to raise funds to support children and their families and develop local communities in some of the world's poorest countries, and we remain committed to that effort. Our future collaboration with Plan International will result in even better opportunities in this regard, as Plan International is active in over 70 countries.

BØRNEfonden is very aware of the risks related to the administration of funds raised until they are allocated and used, such as the risk of loss of deposits, negative interest rates or unfavourable price developments.

Placing of raised funds until allocation is carried out based on a cautious risk profile. BØRNEfonden carries out investments based on the investment policy adopted by the board of directors within an investment framework where 5% - 25% of the funds are invested in mutual funds which invest mainly in shares, 75% - 95% in mutual funds which invest mainly in bonds, and finally, 0% - 10% of the funds are kept available in cash. The investment policy is revised on a regular basis in order to maintain the necessary balance between return and risks.

BØRNEfonden has established business procedures and internal audits to ensure appropriate administration of raised funds. The management carries out ongoing monitoring and revises business procedures and internal audits.

Use of funds in our own programme countries

BØRNEfonden uses the funds raised for development work in some of the poorest and least developed countries in the world. This involves a number of significant risks in terms of abuse such as theft and misappropriation. A focus on revealing fraud is therefore included in our internal audits. Although we use considerable resources on uncovering these risks by means of prevention and control, we are aware that we are unable to reveal all cases. We strive to maintain a sensible balance between use of resources and revealing risks. We work constantly on establishing and developing procedures and internal controls to minimise risks and ensure that the allocated funds reach their rightful recipients and are used in an efficient manner.

To ensure that the administrative duties are observed in general, BØRNEfonden has created an internal control procedure. Part of the internal control procedure includes:

• A regional internal audit function situated in Benin, West Africa. This function audits BØRNEfonden's branches and projects across the programme countries in West Africa.

It carries out the audit function in coordination and close cooperation with a national internal auditor.

The internal audit reports to the Finance Managers and National Directors of the individual countries as well as to the Business Support Director in Copenhagen. The manager of the internal audit function reports to both BØRNEfonden's management and the board of directors.

 The controller function in Denmark which supervises and checks all the internal audit activities and support the regional audit function. The controller function in Denmark reports to BØRNEfonden's management. As of the end of 2017 the controller function was vacant.

This way, BØRNEfonden has established an internal audit and controlling structure which enables efficient control and reliable reporting from the programme countries to Denmark.

Cases involving fraud of amounts over DKK 15,000 are published on the foundation's website. In 2017, there were no cases of fraud with a value of over DKK 15,000.

Use of funds in other programme countries

For many years, BØRNEfonden has cooperated with partners in the ChildFund Alliance, which has administered sponsorships and carried out development work in countries outside West Africa. The partnership follows adopted standards which are in accordance with BØRNEfonden's objective. BØRNEfonden receives annual confirmations of the use of the funds. Following BØRNEfonden's withdrawal from ChildFund Alliance at the end of 2015, we have entered into bilateral agreements with a number of partners.

In connection with the upcoming merger with Plan Denmark in 2018, BØRNEfonden will be in contact with all its partners, and the partnership agreements will be updated and adjusted to the new situation.

Cash flow and currency risks

Funds in programme countries are deposited in recognised local banks until they are to be used. BØRNEfonden is aware that the funds deposited are not protected to the same degree as is the case in Denmark. It is our aim that the cash available deposited in the programme countries do not amount to more than 3 months' consumption according to budget.

Two currencies are used in the programme countries, and the exchange rate of both is fixed to the euro. As the Danish krone is pegged to the euro, the currency risk is only related to the risk of devaluation of the local currency. The overall currency risk is considered to be minimal.



Accounting policies applied

The annual report is presented in accordance with sound accounting principles, cf. the Danish Act on Foundations and Certain Associations, BØRNEfonden's articles of association and the guidelines of ISOBRO for accounts presented by fundraising organisations including the necessary adjustments owing to the special circumstances of the foundation.

The accounting policies applied remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement as it is earned, among those value adjustments of financial assets and liabilities.

All costs related to the financial year are also recognised in the income statement, including depreciation and write-downs.

Assets are recognised in the balance sheet when it is probable that future financial benefits will accrue to the foundation and the value of the asset can be measured in a reliable manner.

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the foundation and when the measurement of the value of the liability is reliable.

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

Income statement

Income

Public funds raised

Includes funds from institutional donors such as Civil Society in Development in the form of donations for projects, which are recognised when the conditions stated for the projects have been fulfilled and the related costs can be measured in a reliable manner. Amounts received before the conditions were fulfilled are recognised as liabilities in the balance sheet. Public operating grants include funds received from the Danish Ministry of Culture pool for common good (formerly Pools and Lottery Funds), and they are recognised as income in the year in which the funds are granted, usually the year of receipt.

Private funds raised

Includes monthly contributions and gifts from sponsors which are credited at the time they fall due provided they have been received, and funds from Danmarks Indsamling (a Danish annual fundraising event), foundations, organisations and corporations. Those are recognised when the conditions stated for the projects have been fulfilled and the related costs can be measured in a reliable manner. Amounts received before the conditions are fulfilled are recognised as liabilities in the balance sheet.

Inherited funds and non-cash donations are recognised on receipt. Inherited funds received for the use of BØRNEfonden's ongoing work are recognised in the income statement. Inherited funds for which the donor has stipulated that only the current return of the donation may be applied by the foundation are attributed directly to equity under restricted foundation capital. The ongoing return from the donation is recognised in the income statement at the time of realisation. Non-cash donations are only recognised to the extent that their current value can be calculated in a reliable manner.

Costs

Costs related to income-generating activities

Costs related to income-generating activities include costs paid directly for obtaining the related income. The costs are recognised in the income statement at the time of payment unless the costs can be recognised in the balance sheet as prepaid expenses.

The item costs related to income-generating activities includes costs related to wages and salaries for staff employed in Denmark in Customer Care, Corporate Relations, Marketing and Communication & Public Affairs as well as editing, distribution and technical production of the sponsor magazine "Tæt på" and campaign costs such as media costs, campaign production, information material, printed documents, postage and website costs.

Administrative costs, etc.

Administrative costs are costs which may be attributed to the administrative functions of BØRNEfonden, and they include e.g. costs for staff employed in Denmark, including the management, as well as costs related to premises, office supplies, IT costs, depreciations and external assistance.

Financial items

Financial items are recognised in the income statement with the amount related to the financial year.

Financial items include interest income earned and dividends as well as realised and unrealised capital and currency gains from securities, outstanding accounts, debt and foreign currency transactions.

Activities for specific purposes

"Monthly contributions and gifts used for development work" includes costs paid by BØRNEfonden's programme countries for education, nutrition control and health care as well as improvement of living and earning conditions for the benefit of sponsor children, their families and their local community. Gifts in the form of money transferred are used for buying gifts to sponsor children and their families. Further, costs related to National Offices which coordinate, perform and control the development work in the country, for example rent, salaries, transport, office expenses, etc. as well as wages and salaries paid in Denmark for HR staff, certain IT staff and programme staff who are in direct contact with and in charge of development work in the programme countries are included.

The cost item "Supplementary development work" includes costs for the implementation of specific projects as well as salaries and wages paid in Denmark for programme staff who are in direct contact with and in charge of supplementary development work in the programme countries.

"Special distributions" do not include non-cash donations and costs which are not related directly to development work, e.g. structural changes and extraordinary centre closings.

Profit of the year

The profit or loss of the year is allocated by the board of directors and is transferred to either unrestricted capital for use the following year or added to the restricted capital.

Assets

Tangible fixed assets

Furniture and equipment, hardware, cars and leasehold improvements are measured at cost price less accumulated depreciation.

The cost price includes the acquisition price and costs directly related to procurement up until the time when the asset is ready for use.

Linear depreciation is carried out based on the following assessment of the expected lifetimes of the assets:

Furniture and equipment	5 years
Hardware	-5 years
Cars	5 years

Leasehold improvements are depreciated over the remaining tenancy period as per the tenancy agreement. Depreciation is recognised in the income statement in the items "Costs related to income-generating activities", "Administrative costs, etc." and "Monthly contributions and gifts used for development work". Profit or loss from the sale of tangible fixed assets is calculated as the difference between the sales price less sales costs and the book value at the time of sale. Profit or loss is recognised in the income statement in the mentioned items.

Tangible fixed assets in the programme countries are converted from the acquisition price in the local currency to Danish kroner.

Financial fixed assets

"Financial fixed assets" include deposits related to rent in Denmark as well as restricted assets in the form of cash and securities.

Receivables

Receivables are measured at cost price.

The item "Other receivables and prepayments" includes accrued bond return, salary refunds, VAT receivable, etc., and costs paid which are related to the subsequent financial year.

The item "Other assets in programme countries" includes prepayments for premises in development centres in the programme countries. Assets are converted to the price as at the balance sheet date.

Listed securities

Securities recognised as current assets are measured at the current value as at the balance sheet date. Securities recognised as financial fixed assets are recognised at their acquisition price.

Cash and cash equivalents

Cash and cash equivalents are measures at the price as at the balance sheet date and includes cash and deposits of the foundation with banks in Denmark, Norway and the programme countries.

Liabilities

Foundation capital

The foundation capital includes unrestricted capital, which consists of the account profit carried forward from previous years and restricted capital in the form of funds received, for which the donor has stipulated that only the current return of the donation may be applied by the foundation.

Provisions

Provisions include provisions which are uncertain as to amount or due date. In addition, provisions include provisions for phasing out development activities in Cape Verde and ongoing legal proceedings as well as provisions for reorganisation.

Debt

Debt is measured at cost price.

For "Danmarks Indsamling", debt includes funds which have not yet been used for the projects.

"Contributions and gifts to be forwarded next year" includes donations and gifts recognised to the income statement which have not yet been transferred to the programme country in order to ensure responsible allocation and returns. Furthermore, the item includes not yet transferred monthly contributions and gifts for December.

"Other debt" includes debt to suppliers, debt to public authorities, liabilities related to holiday obligations and outstanding balances with partners, etc.

Prepaid monthly contributions received are paid by sponsors in the current or previous financial year and are related to future accounting years.

Special ongoing projects include debt related to funds not yet consumed for CISU projects and other projects in the programme countries.

Tax

The taxable income of the foundation is calculated as the accounting profit less distribution, etc., adjusted for tax-exempt income and non-deductible costs. The taxable income has been calculated at DKK 0, and thus, the foundation does not have any tax obligation.

Deferred tax assets are not included, as the assets are not expected to be realisable by either elimination in tax on future income or set-off in deferred tax liabilities.

Cash flow statement

The cash flow statement shows cash flows for the year split into operating activities and investment activities for the year, as well as change in cash and securities.

Cash flow from operating activities

Cash flow from operating activities are calculated as profit or loss for the year adjusted for non-cash operating items and changes in operating capital.

Cash flow from investment activities

Cash flow from investment activities includes payments in connection with the acquisition and sale of tangible and financial fixed assets.

Cash and cash equivalents

Cash available includes cash and deposits with banks, etc.

Key ratios for presentation in the annual report

The annual report includes three primary key ratios which show partly the share of the funds raised and other income of the financial year which has been spent on activities with a defined purpose, the so-called "Purpose share", and partly the share of the funds raised and other income of the financial year which has been spent on administration and non-distributed joint costs, which is expressed in the key ratio "Administration share".

Further, the key ratio "Profit margin for fundraising, etc." shows the share of the gross income which remains after deduction of costs related to generate the gross income.

Further, key ratios are included showing how the funds raised and other income have been used.

The key ratio "Consolidation share" indicates the share of the funds raised and other income transferred for use in subsequent financial years, and the key ratio "Safety margin" shows the total costs of the financial years in relation to the equity of the organisation. This key ratio expresses the robustness of the organisation in relation to fluctuations in income, costs, etc.

The key ratio "Solvency ratio" expresses the solidity as at the balance sheet date, and the key ratio "Public financing share" shows the share of the total income of the organisation received from public authorities.

KEY RATIOS	CALCULATION FORMULA
Profit margin	Profit from income-generating activities * 100 Income from income-generating activities
Administration share	Administrative costs and non-distributable joint costs * 100 Income from income-generating activities
Purpose share	Costs related to activities with a defined purpose * 100 Income from income-generating activities
Consolidation share	Profit of the year * 100 Income from income-generating activities
Safety margin	<u>Foundation capital * 100</u> Total costs for income-generating activities, activities with a defined purpose and general activities
Solvency ratio	Foundation capital * 100 Balance sheet total

Public financing share

Public funds raised * 100 Income from income-generating activities

Management's Statement on the Financial Statements

The Board of Directors has today considered and adopted the Financial Statements of 2017 for BØRNEfonden.

The Financial Statements have been prepared in accordance with sound accounting principles, the Danish Act on Foundations and Certain Associations, the articles of association of the fund and the guidelines of ISOBRO for accounts presented by fundraising organisations.

We consider the accounting policies applied appropriate, given that the Financial Statements have been prepared in accordance with the Danish Act on Foundations and Certain Associations, the articles of association of the fund and the guidelines of ISOBRO for accounts presented by fundraising organisations.

Therefore, in our opinion the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2017 and of the results of operations of the Foundation for the financial year 1 January – 31 December 2017.

Copenhagen, Denmark 18 April 2018

Executive E

Anne Smith Petersen, Acting CEO of BØRNEfonden

Board of Directors Stine Bosse (Chair)

Henrik Agner Hansen

Jakob

EBmich rgen Bardenfleth (Vice Chair)

Kal

Susanne Møller Wallin

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Independent Auditor's Report

To the Board of Directors in BØRNEfonden.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Foundation at 31 December 2017 and of the results of the Foundation's operations for the financial year 1 January - 31 December 2017 in accordance with sound accounting principles, the Danish Act on Foundations and Certain Associations, the articles of association of the fund and the guidelines of ISOBRO for accounts presented by fundraising organisations.

We have audited the Financial Statements of BØRNEfonden for the financial year 1 January - 31 December 2017, which comprise the income statement, balance sheet and notes ("the 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 Foundation 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

The management is responsible for Management's Review, which includes the annual review and financial review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of certain conclusions on that.

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 in accordance with sound accounting principles.

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 sound accounting principles. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

The management is responsible for the preparation of financial statements that give a true and fair view in accordance with the sound accounting principles, cf. the Danish Act on Foundations and Certain Associations, BØRNEfonden's articles of association and the guide-lines of ISOBRO for accounts presented by fundraising organisations including the necessary adjustments owing to the special circumstances of the foundation. Further, the management is responsible for such internal control as it determines 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 Foundations 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 Foundation 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 performed in accordance with International Standards on Auditing and additional requirements that are applicable in Denmark will always uncover material misstatements when such are to be found. 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 judgement 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 Foundations 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 Foundations 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 Foundation 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 the senior management 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.

Hellerup, 18 April 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

Chris State-Authorised Public

State-Authorised Publi Accountant mne 23371

Jesper Randall Petersen State-Authorised Public Accountant mne 34352

INCOME STATEMENT

INCOME STATEMENT 1 JANUARY - 31 DECEMBER 2017	Note	2017 DKK 1,000	2016 DKK 1,000
		DKK 1,000	DAN 1,000
Public funds raised	1	12,640	7,815
Private funds raised	2	191,713	196,470
Income from income-generating activities		204,353	204,285
Costs related to income-generating activities	3	-23,599	-22,650
Profit from income-generating activities		180,754	181,635
Administrative costs, etc.	4	-12,675	-11,356
Profit before financial items and activities with a defined purpose		168,079	170,279
Financial income		4,072	2,381
Profit before activities with a defined purpose		172,151	172,660
Monthly contributions and gifts used for development work	5	-122,133	-127,525
Supplementary development work	6	-42,577	-38,287
Special distributions	7	-7,441	-1,084
Costs related to activities with a defined purpose		-172,151	-166,896
Profit of the year		0	5,764
Suggested allocation of profits			
Transferred to the restricted capital		0	0
Carried forward to next year		0	5,764
		0	5,764

BALANCE SHEET 31 DECEMBER 2017	Note	2017	2016
		DKK 1,000	DKK 1,000
Assets			
Furniture and equipment, leasehold improvements, hardware and cars		3,335	3,162
Tangible fixed assets	8	3,335	3,162
Deposits		172	171
Cash - restricted assets		54	13
Listed securities - restricted assets	9	21,140	16,099
To be transferred to(-)/from unrestricted assets	9	-8	31
Financial fixed assets		21,358	16,314
Fixed assets		24,693	19,476
Other receivables and prepayments		1,825	3,086
Other assets in programme countries		9,786	7,018
Receivables		11,611	10,104
Listed securities	9	67,544	77,266
Cash and cash equivalents		15,983	19,356
Current assets		95,138	106,726
Total assets		119,831	126,202

BALANCE SHEET 31 DECEMBER 2017

LiabilitiesRestricted foundation capitalRestricted fundsUnrestricted foundation capitalUnrestricted foundation capitalUnrestricted funds1021,39821,39821,39821,39821,39821,398
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Unrestricted funds 10 21,398 21,398
Foundation capital 10 42,584 39,492
Other provisions 11 579 5,450
Provisions 579 5,450
Danmarks Indsamlingen 12 9,185 12,676
Other payables 15,576 11,776
Prepayments received 21,787 23,965
Contributions and gifts to be forwarded next year21,38620,401Contributions and gifts to be forwarded next year20,40120,401
Special ongoing projects 8,734 12,442
Short-term debt 76,668 81,260
Debt 86,710
Total liabilities <u>119,831</u> 126,202
Staff costs Denmark 13
Contingent liabilities and guarantees 14
Financial statement of fundraising 15
Interim accounts with CISU 16

CASH FLOW STATEMENT FINANCIAL STATEMENT 1 JANUARY - 31 DECEMBER 2017

1 JANUARY - 31 DECEMBER 2017	2017	2016
	DKK 1,000	DKK 1,000
Operating activities		
Contributions received from sponsors and donors	195,914	197,826
Payments to programme countries and projects	-178,158	-156,237
Costs related to income-generating activities		
and administration in Copenhagen	-31,543	-34,018
Cash flow from operations before financial items	-13,787	7,571
Net financial income	4,072	2,597
Cash flow from operating activities	-9,715	10,168
Investment activities		
Net investment in securities	7,772	-9,556
Net investments in tangible fixed assets in Copenhagen	-250	0
Net investments in tangible fixed assets in own programme countries	-1,187	-1,435
Net investments in deposits	-1	-1
Cash flow from investment activities	6,334	-10,992
Change in cash and cash equivalents	-3,381	-824
Cash and cash equivalents, beginning of year	19,356	20,211
Change in cash and cash equivalents	-3,381	-824
Transferred to restricted capital	8	-31
Cash and cash equivalents, end of year	15,983	19,356



NC	DTES	2017 DKK 1,000	2016 DKK 1,000
1	Public funds raised		
	Civil Society in Development	9,950	5,058
	Public operating grants	2,691	2,757
		12,640	7,815
2	Private funds raised		
	Monthly contributions and gifts from sponsors	151,136	153,645
	Danmarks Indsamlingen	11,323	16,837
	Foundations, organisations and corporate cooperation	22,787	17,785
	Unrestricted donations and contributions	1,331	4,909
	Inheritance	271	2,000
	Non-cash donations	4,556	804
	Agreements with corporations	309	490
		191,713	196,470
	Distribution of monthly contributions and gifts from sponsors is as follows:		
	Cape Verde	9,607	12,931
	Togo	30,415	29,346
	Benin	31,462	31,334
	Burkina Faso	28,802	27,259
	Mali	29,596	29,416
	Other countries	21,254	23,359
		151,136	153,645
3	Costs related to income-generating activities		
	Staff costs, cf. Note 13	7,923	7,214
	Sponsor magazine "Tæt på"	503	, 642
	Sponsor service, sponsor relations and communication	15,173	14,794
		23,599	22,650
4	Administrative costs, etc.		
-	Staff costs	8,842	7,843
	Costs related to premises, office supplies, etc.	3,833	3,513
	obsis related to premises, once supplies, etc.	12,675	11,356
_			
5	Monthly contributions and gifts used for development work		40 500
	Cape Verde	7,763	10,732
	Togo	24,537	24,330
	Benin	25,414	26,006
	Burkina Faso	23,249	22,602
	Mali Other countries	23,906	24,415
	Other countries	17,264	19,440
		122,133	127,525

44 Financial statement 2017



		2017 DKK 1,000	2016 DKK 1,000
6	Supplementary development work		
	Danmarks Indsamlingen, cf. Note 12	10,539	15,658
	Civil Society in Development	9,320	4,728
	Other specific development projects	22,718	17,901
		42,577	38,287
7	Special distributions		
	Non-cash donations	4,754	804
	Merger costs	1,456	0
	Provision for ongoing legal proceedings, Cape Verde	1,231	280
		7,441	1,084
8	Tangible fixed assets		
	Acquisition value, 1 January	10,180	10,663
	Disposals of the year	-1,011	-2,139
	Acquisitions of the year	1,444	1,656
	Acquisition value, 31 December	10,613	10,180
	Depreciation and write-downs, 1 January	7.018	7,839
	Depreciation and write-downs of disposed assets	-1,004	-1,918
	Depreciation and write-downs of the year	1,264	1,097
	Depreciation and write-downs, 31 December	7,278	7,018
	Book value, 31 December	3,335	3,162

9 Listed securities

	Acquisition				
Listed securities - restricted assets	Qty.	value	Return		
Nordea Invest Medium-Term Bonds	6,029	1,025	19		
NIE Absolute Return Equities II - Ethical	9,820	1,403	103		
NIE Medium-Term Bonds	182,741	18,712	281		
NIE Corporate Bonds	0	0	8		
	-	21,140	411		



	Listed securities - unrestricted assets	Qty./Nominal	Price	Market value	Return
	Nordea Invest Portefølje PBPM Balance KL 3	14,761	138.88	2,050	0
	Nordea Invest Portefølje PBPM Credit bonds. KL 3	126,136	104.67	13,203	401
	Nordea Invest Portefølje PBPM Gov. & mortg. credit				
	bonds KL 3	105,279	103.93	10,942	232
	Nordea Invest Portefølje PBPM Global Shares Strategy KL 3	22,504	132.33	2,978	252
	Nordea Invest Portefølje PBPM Global Shares Focus KL 3	13,163	142.84	1,880	10
	Nordea Invest Portefølje PBPM Balance KL 3	17,343	138.88	2,409	0
	Nordea Invest Portefølje PBPM Credit bonds KL 3	148,195	104.67	15,511	372
	Nordea Invest Portefølje PBPM Gov. & mortg. credit				
	bonds KL 3	123,692	103.93	12,855	216
	Nordea Invest Portefølje PBPM Global Shares Strategy KL 3		132.33	3,499	234
	Nordea Invest Portefølje PBPM Global Shares Focus KL 3	15,465	142.84	2,209	9
				67,536	1,726
	Reserved for restricted capital			8	
				67,544	
				2017	2016
40	From detting on the			DKK 1,000	DKK 1,000
10	Foundation capital			10.00/	1/ 1/0
	Restricted assets, 1 January			18,094	16,143
	Inheritance received subject to limitation			3,092	1,951
	Restricted assets, 31 December			21,186	18,094
	Restricted foundation capital, 1 January			18,094	16,143
	Inheritance received subject to limitation			3,092	1,951
	Restricted foundation capital, 31 December			21,186	18,094
	Unrestricted foundation capital, 1 January			21,398	17,585
	Transferred profit of the year			0	3,813
	Unrestricted foundation capital, 31 December			21,398	21,398
	Total foundation capital			42,584	39,492
11	Other provisions				
11	Other provisions Balance, 1 January			5,450	5,745
	Provisions used during the year			-6,433	-575
	Provisions of previous years carried back			-0,433	-575
				U	U
	Provisions of the year: Adjustment of provisions for phasing-out, Cape Verde			1,231	280
	Provision for leasehold improvements			331	280
	Balance, 31 December			579	5,450
				J/7	5,450

NOTES

12 Danmarks Indsamlingen

	Dannarks musankingen	Danmarks Indsamling 2012 DKK 1,000	Danmarks Indsamling 2013 DKK 1,000	Danmarks Indsamling 2014 DKK 1,000	Danmarks Indsamling 2015 DKK 1,000	Danmarks Indsamling 2016 DKK 1,000	Danmarks Indsamling 2017 DKK 1,000	Total DKK 1,000
	Funds received, 1 January	11,733	8,150	9,612	11,081	8,809	0	49,385
	Funds received of the year	0	0	0	0	206	7,441	7,647
	Total funds received	11,733	8,150	9,612	11,081	9,015	7,441	57,032
	31 December							
	Administration fee (7%)	-821	-571	-665	-776	-631	-520	-3,984
	Available for projects after							
	deduction of administration							
	fee	10,912	7,579	8,947	10,305	8,384	6,921	53,048
	Hereof							
	Consumed, 1 January	10,892	7,578	8,498	5,179	1,120	0	33,267
	Consumed in the year	0	0	412	3,990	4,843	1,293	10,538
	Transferred to future DI projects	20	1	37	0	0	0	58
	Consumed, 31 December	10,912	7,579	8,947	9,169	5,963	1,293	43,863
	Available for projects							
	31 December	0	0	0	1,136	2,421	5,628	9,185
							2017	2016
13	Staff costs Copenhagen Wages and salaries Pension schemes Other social security costs						DKK 1,000 20,633 2,021	DKK 1,000 18,037 1,817
13	Wages and salaries						DKK 1,000 20,633	DKK 1,000 18,037
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generatin	•					DKK 1,000 20,633 2,021 <u>278</u> <u>22,932</u> 7,923	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generatin Monthly contributions and gifts us	ed for devel	opment worl	k			DKK 1,000 20,633 2,021 278 22,932 7,923 5,398	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generatin Monthly contributions and gifts us Supplementary development work	ed for devel	opment worl	ĸ			DKK 1,000 20,633 2,021 278 22,932 7,923 5,398 1,372	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732 1,031
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generatin Monthly contributions and gifts us	ed for devel	opment worl	ĸ			DKK 1,000 20,633 2,021 278 22,932 7,923 5,398 1,372 8,239	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732 1,031 7,212
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generatin Monthly contributions and gifts us Supplementary development work	ed for devel	opment worl	k			DKK 1,000 20,633 2,021 278 22,932 7,923 5,398 1,372	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732 1,031
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generatin Monthly contributions and gifts us Supplementary development work Administrative costs, etc. Hereof total remuneration for: Executive Board	ed for devel					DKK 1,000 20,633 2,021 278 22,932 7,923 5,398 1,372 8,239	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732 1,031 7,212
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generation Monthly contributions and gifts us Supplementary development work Administrative costs, etc. Hereof total remuneration for:	ce pay in cor	nnection with				DKK 1,000 20,633 2,021 278 22,932 7,923 5,398 1,372 8,239 22,932	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732 1,031 7,212 20,189
13	Wages and salaries Pension schemes Other social security costs Distribution of staff costs: Costs related to income-generation Monthly contributions and gifts us Supplementary development work Administrative costs, etc. Hereof total remuneration for: Executive Board Management, 12 months' severant merger and in accordance with co	ce pay in cor	nnection with				DKK 1,000 20,633 2,021 278 22,932 7,923 5,398 1,372 8,239 22,932 1,420 1,311	DKK 1,000 18,037 1,817 <u>335</u> 20,189 7,214 4,732 1,031 7,212 20,189 1,286 0

As was the case last year, staff costs have been distributed on the various activities based on the descriptions of functions for the various employees and time sheets.





14 Contingent liabilities and guarantees

As a result of BØRNEfonden's presence in the countries where the foundation carries out its activities, the foundation is party to minor legal proceedings, all of which are considered unfounded by the management of BØRNEfonden. BØRNEfonden's management constantly monitors the development closely and will reassess the situation when it is considered relevant to do so. BØRNEfonden has entered into a tenancy agreement which cannot be terminated until 1 June 2018 at the earliest. The total obligation amounts to DKK 608,000.

¹⁵ Financial statement of fundraising

The fundraising accounts for 2017 are presented in accordance with the requirements of Consolidated Act No. 820 of 27 June 2014 on fundraising. Other funds include funds not obtained by fundraising. The amount includes inherited funds, public grants, financial income and other contributions.

			2017	2016
	Total BØRNEfonden DKK 1,000	Other funds DKK 1,000	Raised funds DKK 1,000	Raised funds DKK 1,000
Operating activities				
Contributions received from sponsors and donors	195,914	2,960	192,954	193,068
Payments to programme countries and projects	-178,158	0	-178,158	-156,237
Net financial income	4,072	4,072	0	0
Costs related to income-generating activities				
and administration in Copenhagen	-31,543	-59	-31,484	-33,923
Cash flow from operating activities	-9,715	6,973	-16,688	2,908
Investment activities				
Net investment in securities	9,722	9,722	-1,950	0
Net investments in tangible fixed assets in Copenhagen	-2,200	0	-250	0
Net investments in tangible fixed assets in own				
programme countries	-1,187	0	-1,187	-1,435
Net investments in deposits	-1	-1	0	0
Cash flow from investment activities	6,334	9,721	-3,387	-1,435
Total cash flow effect of the year	-3,381	16,694	-20,075	1,473

	2017 DKK 1,000	2016 DKK 1,000
Raised funds not used, 1 January	19,993	18,520
Cash flow effect of the year	-20,075	1,473
Raised funds not used, 31 December	-82	19,993

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	2017 DKK 1,000	2016 DKK 1,000
Result:		
Cash and cash equivalents	15,983	19,356
Listed securities	67,544	77,266
Share of other funds in listed securities	-83,609	-76,629
	-82	19,993
Specification of operating activities:		
Contributions received from sponsors and donors		
Monthly contributions and gifts from sponsors	151,136	153,645
Danmarks Indsamlingen	11,323	16,837
Civil Society in Development	9,950	5,058
Foundations, organisations and corporate cooperation	22,787	17,785
Agreements with corporations	309	490
Unrestricted donations and contributions	1,331	4,909
Non-cash donations	4,556	804
Change in prepaid monthly contributions	-2,179	1,283
Change in Danmarks Indsamlingen	-3,491	-7,324
Change in income-derived activities (outstanding accounts with partners		
and other activities, programme countries)	-2,238	-419
	192,954	193,068
Costs related to activities with a defined purpose	170 151	1// 00/
Consumed according to the income statement	-172,151	-166,896 956
Reversed accounting depreciation and write-downs, programme countries	1,102	
Change in provisions	-4,871	-295
Change in cost-derived liabilities (donations and gifts for transfer		
next year, donations for special purposes and other payables related to	2 2 2 2	0 000
programme countries and partners)	-2,237	9,998
	-178,158	-156,237
Cost payments related to income-generating activities		
and general administration in Copenhagen		
Consumed according to the income statement	-36,222	-33,881
Reversed depreciation and write-downs, Copenhagen	162	141
Change in cost-derived assets (various receivables, etc.)	1,261	76
Change in cost-derived liabilities (other payables related to Copenhagen)	3,315	786
Change in prepayments received for Brussels Office	0	-1,045
	-31,484	-33,923

Interim accounts with CISU	"Projet Amélioration de La Qualité de L'Enseignement L (PAQUE) Lo (Community Involvement for Quality in Education - CIQUE) in Burkina Faso"	"Scaling up the FGM response in Mali"	"Empowering adolescents, youth and civil society to play a leading role in the promotion of safe learning environments in Togolese secondary schools"	"Capacity building young people to take a leading role in the promotion of rights to career skills, develop- ment and finance in Burkina Faso"	"Youth organisation in West Africa"	"Emergency Reproductive Health and Wash for South Sudanese Refugees in Gambella, Ethiopia"	"Community Response to severe and moderate acute malnutrition in Anfilo, Oromia, Ethiopia"
	CISU file no. 13-1401-MP-dec	CISU file no. 14-1595-SP-dec	CISU file no. 14-1602-SP-dec	CISU file no. 16-1836-SP-apr	CISU file no. 16-1865-PR-dec	CISU DERF file no. 17-13-M2	CISU DERF file no. 17-79-M2
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
Unused grants at the beginning of the year + Disbursed grants in the financial year	1,156 207 1,363	727 1,249 1,976	189 1,329 1,518	123 450 573	2,500 1,017 3,517	0 2,130 2,130	500 500
Transferred to partners during the financial year Consumed in Denmark during the financial year	1,018 256 1.274	1,120 309 1.429	1,123 90 1.213	407 48 455	2,521 499 3.020	1,048 202 1.250	314 18 332
Transferred to Danish administration (7%)	89 1,363	104 1,533	129 <u>1,342</u> 176	32 487 86	207 3,227 290	49 <u>1,299</u> 831	7 339
 Interest income Interest income settled in the financial year Repaid to Civil Society in Development (CISU) Unspent funds at the end of the financial year 		0 0 443	0 176	0 0 88	0 0 290	831 831 831	0 0 161

The programme grant CISU file no. 16-1865-PR-dec started up in 2017 and ended within the CISU framework on 31 December 2017. Remaining activities continue under Strategic Partnership.

The project in Burkina CISU file no. 16-1836-SP-apr was launched in 2016 and ended within the CISU framework on 31 December 2017. Remaining activities continue under Strategic Partnership.

at the start of 2018.

The projects in Mali CISU file no. 14-1595-SP-dec and Togo CISU file no. 14-1602-SP-dec were launched in 2015 and activities have ended as of 31 December 2017. Final evaluation will be conducted

The project in Burkina CISU file no. 13-1401-MP-dec was launched in 2014 and is expected to be completed in November 2017. DKK 34 in unspent funds, which will be repaid to CISU in 2018.

The interim position has been prepared in accordance with the acceptance documents and the accounting guidelines prepared by CISU (Civil Society in Development).

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NOTES