



## Fonden Human Practice Foundation

Brolæggerstræde 2, st.  
1211 København K  
CVR No. 36049081

## Annual report 2020

The Annual Meeting adopted the annual report  
on 12.05.2021

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**Jeff Olsen Gravenhorst**  
Chairman of the Annual Meeting

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# Entity details

## Entity

Fonden Human Practice Foundation

Brolæggerstræde 2, st.

1211 København K

CVR No.: 36049081

Registered office: København

Financial year: 01.01.2020 - 31.12.2020

## Board of Directors

Jeff Olsen Gravenhorst, formand

Christina Grumstrup Sørensen, næstformand

Pernille Kruse Madsen

Pernille Foss

Michael Specht Bruun

Martin Kring

Mads Munkholt Ditlevsen

## Executive Board

Pernille Kruse Madsen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Fonden Human Practice Foundation for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual Meeting.

Copenhagen, 12.05.2021

## Executive Board

**Pernille Kruse Madsen**  
CEO

## Board of Directors

**Jeff Olsen Gravenhorst**  
formand

**Christina Grumstrup Sørensen**  
næstformand

**Pernille Kruse Madsen**

**Pernille Foss**

**Michael Specht Bruun**

**Martin Kring**

**Mads Munkholt Ditlevsen**

# Independent auditor's report

## To the shareholders of Fonden Human Practice Foundation

### Opinion

We have audited the financial statements of Fonden Human Practice Foundation for the financial year 01.01.2020 -

31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark,

we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 12.05.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

**Kristoffer Sune Hemmingsen**

State Authorised Public Accountant

Identification No (MNE) mne33384

# Management commentary

## Primary activities

The object of the Foundation is to launch, fund and operate humanitarian projects, growth projects and community projects helping needy or poor people in the world.

The Foundation uses a unique model according to which a wholly owned management company, whose costs are entirely covered by a charitable group of men and women, the Founding Partners, takes care of the administration. The model means that donations can be used and managed by the Foundation for the intended charity without any deductions of administrative expenses.

## Development in activities and finances

### Introduction

2020 was an exciting year for Human Practice Foundation as we increased the number of projects in Nepal & Kenya and continued developing our project in Denmark while at the same time coping with the COVID 19 pandemic.

Both Nepal, Kenya and Denmark experienced periods of complete lockdowns of both entire communities and schools, making it challenging to proceed with our school projects and affecting the plans for our quality education programme and impact projects. We did and are still doing everything we can to secure our students learning outcomes under the challenging circumstances that the COVID-19 pandemic has brought. We are proud to have teams in both Kenya and Nepal that are agile and efficient and found solutions to continue the projects and education to the extent possible and allowed.

Our Human Practice community expanded with new Chapters in Denmark and Sweden, while our Chapters in London and Zürich are now well established. The HPF chapters are building a network of supporters and fundraising for HPF's projects managed by HPF Denmark. In 2020, HPF UK raised about DKK 2.000 thousand, including the fantastic HPF Atlantic rowing team who crossed the Atlantic raising more than DKK 1.000 thousand. Together, we have reached an important milestone. We have now funded 75 school projects, impacting the lives of more than 30,000 children.

The total commitments from donors in 2020 reached DKK 8,544 Thousand, of which DKK 7.279 thousand were received during the year.

### Nepal

Our presence in the Taplejung district in Nepal is now strong and includes not only schools and education but also health, tea, and coffee projects. The Impact Education Program completes our Full School Approach, where we construct new buildings, install educational facilities, and ensure quality education by training teachers and supporting the students. With this approach we transform some of the worst government schools to quality schools in all aspects.

During COVID 19 lockdowns in 2020, we have been able to find ways to continue our students learning in Nepal through our close collaboration with the Kavli Trust on our Quality education program. We conducted lessons through radio programs and implemented an audio program for the 12th grade students so they could learn at their convenience. We also distributed self-learning material for all grades, developed in cooperation with UNICEF



and Save The Children to all our schools in Taplejung, all initiatives to ensure that the impact on our students' learning outcomes was minimized.

The impact measurements conducted at our schools in Taplejung in Nepal in 2020 show fantastic progress compared to a benchmark of the other public schools in Taplejung. The average learning achievement has increased by 23% at Human Practice partner schools, in comparison to other public schools where the improvement was 11%. Likewise, the dropout rate has diminished by 35% at Human Practice partner schools compared to 9% at the other public schools.

Our coffee impact projects progressed well, creating a source of income for the parents of our students. We facilitated farmers' access to quality seeds and inputs, trained them in best practice agricultural methods and enabled their access to international sales channels. In 2020 we expanded the program to involve Coffee Entrepreneurship activities. The idea is to transform Taplejung into a Quality Coffee District, where quality coffee is farmed, processed, sold and exported. We established a Coffee Training Center, and about 250 additional farmers were trained, and 85.000 coffee seedlings planted. We have partnered with Hagen Espresso Bars in London, who will buy our harvested coffee from Taplejung. In 2021 we will establish a café in Taplejung, providing local jobs.

### **Kenya**

We are now registered as an INGO in Kenya, enabling us to build our own implementing team in Kenya without using external contractors. We are currently completing our tenth school building project in Kenya and expect to implement our coming projects with our own team.

During COVID 19 lockdown in Kenya we established a digital learning project with Eneza where we handed out feature phones to the 8th grade students enabling them to prepare for their exams via a digital platform.

In 2020 a scholarship programme was initiated at 8 of our partner schools. We will at each school be giving a 4-year scholarship program to a student meeting the criteria including performance at the school to ensure that despite economic disadvantages there is an incentive to study hard to reach secondary school.

We have recently entered into a partnership with Syngenta Foundation East Africa (SFEA). SFEA helps smallholder farmers become more professional growers, and links them to markets in profitable ways. Together, we have designed an Agricultural Impact Program. Our aim is to introduce good-quality certified potato and bean seed, as well as more sustainable farming methods, on ten model farms at Human Practice partner schools.

### **Denmark**

Our Inner Strength program in Denmark is expanding; we have established an Advisory Board of experts in the field to ensure that the program is grounded in the most recent and proven theoretical and practical knowledge, and that can evaluate and re-evaluate the program to the highest standard.

The Inner Strength Program has been established at three schools in Fredensborg municipality, and the municipality has chosen to co-finance the program to be able to reach more students. In 2021, we will initiate the program at 1-2 schools in Aarhus municipality supported by Salling Fondene, and we will start fundraising for a new approach – the systemic full school approach, starting with 3 model schools.

Inner Strength has also become a part of our model in Kenya and Nepal where we incorporate Inner Strength as part of students Life Orientation classes.

### Profit/loss for the year in relation to expected developments

The net result of the year was DKK 150 thousand, which was as expected.

### Outlook

The Foundation expects a result of DKK 102 thousand for 2021.

### Foreign branches

The Foundation comprise an INGO in Nepal to support project work locally. The INGO is incorporated in the Financial Statements as a branch.

### Statutory report on foundation governance

#### The Management Board of the Foundation

The board members of the foundation are appointed based on their personal characteristics and competences, taking into account the Board's overall competencies, and taking into account diversity in relation to business and distribution experience, age and gender. The Board of Directors does not receive remuneration.

There is an age limit of 75 years for the board members of the foundation. The members of the Board of Directors are as follows:



#### Jeff Gravenhorst, Chairman

Male, 59 years old.

Joined the board on 29 September 2020.

The member is considered independent.

Other management positions: Chairman of the Board at Rambøll Gruppen, Moment A/S and SSG A/S, Member of the board of Galileo Global Education, Chairman of the Board Gravenhorst Invest Holding Aps, CEO of Gravenhorst Invest A/S.



#### Christina Grumstrup Sørensen, Vice Chairman

Female, 48 years old.

Joined the board on 19 September 2018 for a two-year term, re-elected on 29. September 2020 for a two-year term

The member is considered independent.

Other Management Positions: Senior Partner at Copenhagen Infrastructure Partners K/S. Board member at DSB A/S (the Danish Railway Company). Head of CAPEX procurement committee.



#### Pernille Foss, board member

Female, 68 years old.

Joined the board on 10 July 2014, re-elected on 2 May 2017 for a two-year term and re-elected on 14 May 2019 for another two-year term.

The member is considered independent.

Other Management Positions: Board Member FOSS A/S, Vice Chairman of the Board of N. FOSS & CO A/S, Board Member Løndal Østerskov A/S and Addithus Skovdistrikt Syd ApS, Board member of HPF Kenya.



Michael Specht Bruun, board member

Male, 40 years old.

Joined the board on 19 September 2018 for a two-year term, re-elected on 29. September 2020 for a two-year term.

The member is considered independent.

Other Management Positions: Board member at Econline, HRA Pharma, Navico, Northvolt, Noveltech, ReNew Power & Trackunit.



Martin Kring, board member

Male, 44 years old.

Joined the board on 19 March 2021 for a two-year term.

The member is considered independent.

Other management positions: Chairman: Relabee ApS, Board member: Legacy ApS, TestaViva DK ApS, TestaLegal ApS, OurTradeHub ApS, Board member and CEO at KRING A/S, KRING Group A/S, GREENBLUE A/S & Flextribe ApS, CEO: KRING Speedbooting 2016 ApS, KRING Speedbooting 2019 ApS, New Practice Leadership IVS, M. KRING HOLDING ApS, CASA FRIHEDEN ApS



Mads Ditlevsen, board member

Male, 44 years old.

Joined the board on 19 March 2021 for a two-year term.

The member is considered independent.

Other Management Positions: Vice Chairman: Chr. Hansen Natural Colors A/S, Board Member: Banking Circle, Huscompagniet A/S, Brancheforeningen Aktive Ejere i DK, Partner EQT Partners Denmark ApS



Pernille Kruse Madsen, board member

Female, 41 years old.

Joined the Board of Directors at the foundation on 10 July 2014 as a born member.

The member is not considered independent.

Other Management Positions: Board member at Ejendomsselskabet Scandinavia A/S. Director of HPF Driftsselskab ApS.

Section 60 of the Danish Act on Commercial Foundations requires the Foundation's Executive Committee to consider the recommendations of the Committee on Foundation Governance under the Comply or Explain approach. The Executive Committee has reviewed and considered each recommendation, as stated below.

Nr. 1.1 It is recommended that the board of directors adopt principles for external communication that address the need for transparency and stakeholders' needs and possibilities to obtain relevant up-to-date information about the circumstances of the foundation.

The foundation **complies**

Nr. 2.1.1 It is recommended that, in order to secure the activities of the commercial foundation in accordance with the purposes and interests of the foundation, the board of directors should, at least once a year, take a position on the overall strategy and distribution policy of the foundation on the basis of the articles of association.

The foundation **complies**

Nr. 2.1.2 It is recommended that the board of directors regularly address whether the foundation's asset management is in line with the purpose of the foundation and its long- and short-term needs.

The foundation **complies**

Nr. 2.2.1 It is recommended that the chairman of the board of directors organise, convene and chair meetings of the board of directors in order to ensure effective board work and to establish the best conditions for the work of the board members, individually and collectively.

The foundation **complies**

Nr. 2.2.2 It is recommended that if the board of directors, in exceptional cases, asks the chairman of the board of directors to perform special activities for the commercial foundation which extend beyond the duties of chairman, a board resolution to that effect be passed to ensure that the board of directors maintains its independent, general management and control function. Appropriate allocation of responsibilities should be ensured between the chairman, the vice-chairman, the other members of the board of directors and the executive board, if any.

The foundation **complies**

Nr. 2.3.1 It is recommended that the board of directors regularly, and at least every second year, assess and stipulate the competences that the board of directors needs to possess in order to best perform the tasks incumbent upon the board of directors.

The foundation **complies**

Nr. 2.3.2 It is recommended that, with due respect of any right in the articles of association to make appointments, the board of directors approves a structured, thorough and transparent process for selection and nomination of candidates for the board of directors.

The foundation **complies**

Nr. 2.3.3 It is recommended that members of the board of directors are appointed on the basis of their personal qualities and competences, taking into account the collective competences of the board, and when composing and nominating new members of the board the need for introducing new talent is weighed against the need for continuity and the need for diversity in relation to commercial and grants experience, age and gender.

The foundation **complies**

Nr. 2.3.4 It is recommended that in the management commentary in the annual report and on the commercial foundation's website, if any, there is an account of the composition of the board of directors, including its diversity, and that the following information is provided on each board member:

- the name and position of the member,
- the age and gender of the member,
- date of original appointment to the board whether the member has been re-elected, and expiry of the current election period,
- any special competences possessed by the member,
- other managerial positions held by the member, including positions on executive boards, boards of directors and supervisory boards and board committees in Danish and foreign foundations, enterprises and institutions,

as well as other demanding organisation tasks,

- whether the member owns shares, options, warrants and similar in the foundation's subsidiaries and/or associated companies,
- whether the member has been appointed by authorities/providers of grants etc., and
- whether the member is considered independent.

The foundation **complies**

Nr. 2.3.5 It is recommended that the majority of the members of the board of directors of the commercial foundation are not also members of the board of directors or executive board of the foundation's subsidiary(ies), unless it is a fully owned actual holding company.

The foundation **complies**

Nr. 2.4.1 It is recommended that an appropriate proportion of the board of directors be independent. If the board of directors (excluding employee representatives) is composed of

- up to four members, at least one member should be independent,
- between five and eight members, at least two members should be independent, or
- nine to eleven members, at least three members should be independent, and so on.

To be considered independent, this person may not, for example:

- be or within the past three years have been member of the executive board, or senior employee in the foundation, or an essential subsidiary or associated company to the foundation,
- within the past five years have received larger emoluments, including distributions or other benefits from the foundation/group or a subsidiary or associated company to the foundation in other capacity than as member of the board of directors or executive board of the foundation,
- within the past year have had a significant business relationship (e.g. personal or indirectly as partner or employee, shareholder, customer, supplier or member of the executive management of companies with corresponding connection) with the foundation/group or a subsidiary or associated company to the foundation,
- be or within the past three years have been employed or partner at the external auditor,
- have been a member of the board of directors or executive board of the foundation for more than 12 years,
- be a close relative of, or in some other way be especially close to, persons who are not considered independent,
- be the founder or a significant donor if the purpose of the foundation is to grant support to this person's family or others who are especially close to this person, or
- be a member of the management of an organisation, another foundation or similar, which receives or repeatedly within the past five years has received significant donations from the foundation.

The foundation **complies**

Nr. 2.5.1 It is recommended that members of the board of directors be appointed for a minimum period of two years and a maximum period of four years.

The foundation **does not comply**

**The foundation explains**

Pernille Kruse Madsen, who took the initiative to start the foundation, is due to the statutes, born member of the board of directors, and is not on election.

Nr. 2.5.2 It is recommended that an age limit for members of the board of directors be set, which is published in the management commentary or on the foundation's website.

The foundation **complies**

Nr. 2.6.1 It is recommended that the board of directors establish an evaluation procedure in which the board of directors, the chairman and the contributions and performance of individual members are evaluated annually, and the result is discussed by the board of directors.

The foundation **complies**

Nr. 2.6.2 It is recommended that once a year the board of directors evaluate the work and performance of the executive board and/or the administrator (where relevant) in accordance with predefined clear criteria.

The foundation **complies**

Nr. 3.1.1 It is recommended that the members of the board of directors of commercial foundations be remunerated with a fixed remuneration and that members of an executive board, if any, be remunerated with a fixed remuneration, possibly combined with a bonus which should not be dependent upon accounting results. The remuneration should reflect the work and responsibilities consequential to the position.

The foundation **complies**

Nr. 3.1.2 It is recommended that the financial statements provide information about the full remuneration received by each member of the board of directors and any executive board from the commercial foundation and from the foundation's subsidiaries and associated companies. Furthermore there should be information on any other remuneration which members of the board of directors and any executive board have received for performing other work or tasks for the foundation, the foundation's subsidiaries or associated companies, except for the remuneration of employee representatives as employees.

The foundation **complies**

### **Statutory report on distribution policy**

The distribution policy of the Foundation has been adopted by the Foundation Board and is included below:  
Distribution policy of the Human Practice Foundation

#### **1. Introduction**

1.1 This distribution policy has been prepared in accordance with section 77b of the Danish Financial Statements Act.

1.2 The Foundation's articles of association state that:

"The object of the Foundation is to launch, fund and operate humanitarian projects, growth projects and community projects helping needy or poor people in the world, and any related business."

1.3 The Foundation owns an operating company, HPF Driftsselskab ApS, which is responsible for carrying out operational and administrative tasks, as well as project tasks, etc for the Foundation. The administrative expenses of the operating company are financed entirely by a number of resourceful people, the so-called Founding Fathers. This means that the Foundation, through the operating company, manages funds donated by others, which go to earmarked purposes in full.

1.4 In some cases, however, the Foundation will have funds available, which the Foundation distributes directly, i.e. dividends from the Foundation's ownership interest in HPF Driftsselskab ApS and other means which Management considers to be distributed.

1.5 The distribution of funds in the Foundation is made in accordance with this distribution policy.

## **2. Distribution objectives of the Foundation**

2.1 The Foundation will allocate funds to projects that fall within its object. More specifically, the Foundation will support:

2.1.1 Humanitarian projects, such as initiatives and investments contributing to better educational aspects, including general access to education, as well as education of a higher quality, and under better conditions than would otherwise be available.

2.1.2 Growth projects, such as entering into partnerships, taking initiatives and making investments concerning local businesses which together can support and develop the production of local products and services, thereby creating growth and jobs.

2.1.3 Community projects, such as initiatives and investments aimed at enhancing the standard of living in areas in need of this.

## **3. Adoption and distribution of dividends**

3.1 The Foundation may allocate the amounts determined by the Foundation Board at the annual general meeting, or other board meetings, within the framework of this distribution policy and the regulation of distribution in accordance with the Danish Act on Commercial Foundations. The amount for distribution must be included in the Foundation's distributable reserves.

3.2 Upon distribution, the Foundation determines the specific purpose, possibly in agreement with the donor. Distributions and recipients of distributions are listed in a register of legatees.

## **4. Recipients of distributions**

4.1 It is important to the Foundation that activities managed by the Foundation contribute to a positive social return in the areas where the activities are performed. Projects covered by the Foundation's work must help to start a good circle, thus relying on a sustainability principle, so that the effect can survive after the projects are completed. This means that projects covered by the Foundation's work must include a requirement for local investment and involvement where this makes sense.

## **5. Evaluation of distributions**

5.1. As part of the Foundation's work, projects will be evaluated on an ongoing basis and effects will be measured to the extent possible.

**Events after the balance sheet date**

The Covid-19 pandemic had an impact on the Foundations ability to complete the school projects as planned. The Foundation expects that these difficult conditions will exist throughout most of 2021 and thus reduce the outcome of the efforts made. Due to the unique setup of the Foundation this is not expected to impact the financial results or the Foundations operations and its financial position.

Apart from the above, no events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



# Income statement for 2020

	Notes	2020 DKK	2019 DKK
Revenue	1	4,898,462	4,989,268
Other operating income	2	256,644	0
Other external expenses		(4,003,644)	(3,841,027)
<b>Gross profit/loss</b>		<b>1,151,462</b>	<b>1,148,241</b>
Staff costs	3	(1,079,599)	(1,148,241)
<b>Operating profit/loss</b>		<b>71,863</b>	<b>0</b>
Income from investments in group enterprises		150,151	140,943
Other financial income		5	0
Other financial expenses	4	(71,868)	0
<b>Profit/loss for the year</b>		<b>150,151</b>	<b>140,943</b>
<b>Proposed distribution of profit and loss:</b>			
Provision for distributions		150,151	140,943
<b>Proposed distribution of profit and loss</b>		<b>150,151</b>	<b>140,943</b>

# Balance sheet at 31.12.2020

## Assets

	Notes	2020 DKK	2019 DKK
Investments in group enterprises		50,000	50,000
<b>Financial assets</b>	5	<b>50,000</b>	<b>50,000</b>
<b>Fixed assets</b>		<b>50,000</b>	<b>50,000</b>
Other receivables		291,171	1,050,268
<b>Receivables</b>		<b>291,171</b>	<b>1,050,268</b>
<b>Cash</b>	6	<b>13,688,193</b>	<b>12,599,885</b>
<b>Current assets</b>		<b>13,979,364</b>	<b>13,650,153</b>
<b>Assets</b>		<b>14,029,364</b>	<b>13,700,153</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020 DKK</b>	<b>2019 DKK</b>
Contributed capital		300,000	300,000
Provision for distributions		150,151	140,943
<b>Equity</b>		<b>450,151</b>	<b>440,943</b>
Prepayments received from customers	7	10,342,201	10,550,537
Payables to group enterprises		839,477	465,832
Other payables		188,749	168,226
Deferred income		2,208,786	2,074,615
<b>Current liabilities other than provisions</b>		<b>13,579,213</b>	<b>13,259,210</b>
<b>Liabilities other than provisions</b>		<b>13,579,213</b>	<b>13,259,210</b>
<b>Equity and liabilities</b>		<b>14,029,364</b>	<b>13,700,153</b>
Related parties of commercial foundations	8		
Relation to commercial enterprise or another foundation	9		

# Statement of changes in equity for 2020

	Contributed capital DKK	Provision for distributions DKK	Total DKK
Equity beginning of year	300,000	140,943	440,943
Ordinary distributions	0	(140,943)	(140,943)
Profit/loss for the year	0	150,151	150,151
<b>Equity end of year</b>	<b>300,000</b>	<b>150,151</b>	<b>450,151</b>

# Notes

## 1 Revenue

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Revenue from Founding Partners	3.519.193	3.230.662
Revenue from projects	1.379.269	1.758.606
<b>Total revenue</b>	<b>4.898.462</b>	<b>4.989.268</b>
Other income	(256.644)	0
Administration fee to HPF Driftsselskab ApS	3.688.367	3.186.985
Establishment of international HPF Charities	15.607	43.767
Financial expenses, net	71.863	0
<b>Danish activities funded by Founding Partner contributions</b>	<b>3.519.193</b>	<b>3.230.752</b>
Other external expenses	299.670	610.365
Staff Cost	1.079.599	1.148.241
<b>Nepal INGO activities funded by project contributions</b>	<b>1.379.269</b>	<b>1.758.606</b>

## 2 Other operating income

The grant from the Ministry of Culture Denmark has been utilised in accordance with the purpose of the Foundation and the terms and conditions set out in the grant confirmation dated 27 January 2021.

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Operating grant from the Ministry of Culture Denmark	221.788	0
Collected contributions	34.856	0
<b>Other operating income</b>	<b>256.644</b>	<b>0</b>

## 3 Staff costs

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Average number of full-time employees	<b>32</b>	<b>28</b>

Staff cost of DKK 1.079 thousand (2019: DKK 1.148 thousand relate to staff cost in the INGO, Nepal).

#### 4 Other financial expenses

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Financial expenses from group enterprises	50,000	0
Other interest expenses	15,199	0
Exchange rate adjustments	5,784	0
Other financial expenses	885	0
	<b>71,868</b>	<b>0</b>

#### 5 Financial assets

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>	<b>Equity DKK</b>	<b>Profit/loss DKK</b>
HPF Driftsselskab ApS	Denmark	ApS	100	163,636	102,161

#### 6 Cash

The item comprises prepayments received regarding projects of DKK 10.402 thousand, which the Foundation cannot dispose of for own purposes.

#### 7 Prepayments received from customers

Prepaid donations include donations, of which 100% of the funds are allocated to a project either directly or through the HPF INGO. All cost in the HPF INGO are allocated to projects. These donations are recognised directly in the balance sheet by offsetting payments made to the partner of the individual project or cost in the INGO.

	<b>2020</b>	<b>2019</b>
	<b>DKK</b>	<b>DKK</b>
Donations received at beginning of the year	10.550.537	9.103.332
Donations received during the year	7.279.187	10.761.820
Foundation distributions granted during the year	140.943	105.457
Transferred directly to project partners from Denmark	(2.243.350)	(2.543.046)
INGO resources used in project work	(1.379.268)	(1.760.337)
INGO funds transferred directly to local project partners	(2.744.679)	(5.401.243)
Currency exchange adjustments and interest on project bank accounts	(1.261.169)	284.554
<b>Donations received at the end of the year</b>	<b>10.342.201</b>	<b>10.550.537</b>

## 8 Related parties of commercial foundations

Related party transactions comprise:

- Purchase of services from subsidiary of DKK 3.688 thousand (2019: DKK 3.187 thousand)
- Dividend from subsidiary of DKK 150 thousand (2019: DKK 140 thousand)
- Accrued interest on payable to subsidiary of DKK 50 thousand (2019: DKK 0)
- Founding Partner contributions from board members of DKK 1.445 thousand (2019: DKK 2.059 thousand)
- Project donations from board members of DKK 47 thousand (2019: 265 thousand)
- Payable to group enterprises comprise invoices for administrative services not yet settled.
- The subsidiary's remuneration of the Foundation CEO amounted to DKK 666 thousand (2019: 535 thousand)

## 9 Relation to commercial enterprise or another foundation

The Foundation have established independent fundraising associations in the U.K. and Switzerland with the sole purpose of raising grants to support the Foundations project activities.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

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

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

The Nepal INGO was translated into DKK basend on the exchange rate DKK/NPR as at 31 December 2020 of DKK



0,051 per NPR. (2019: DKK 0,058 per NPR)

## Income statement

### Revenue

Charities and contributions to the Foundation are recognised in the income statement as received.

Contributions from the Founding Partners are recognised as income statement when a binding commitment is available and are recognised in the income statement when they are utilized.

Contributions from projects utilized in the HPF INGO are recognised in the income statement.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

### Other external expenses

Other external expenses include expenses relating to the administration etc. of the Foundation as well as expenses relating to the administration of the HPF INGO.

### Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff in the HPF INGO.

### Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

### Other financial income

Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

## Balance sheet

### Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

### Receivables

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

### Cash

Cash comprises cash in hand and bank deposits.

**Distributions***Distributions approved*

Distributions are regarded as equity movements and are recognised as a liability at the time when the Foundation Board has approved the distribution and the recipient has been informed. Distributions that have been approved, but not paid, are recognised as long-term and short-term liabilities other than provisions, respectively.

*Transferred for distribution*

In accordance with the Danish Act on Commercial Foundations, a provision is made for distributions allowing the Foundation Board to approve and pay distributions during the financial year. The Board is not obliged to use the provision, but it is written down as distributions are approved. Each year at the Foundation's annual general meeting, the Board evaluates the size of the provision.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Donations to projects are recognised in the balance sheet as prepayments. Amounts attributable to project work performed by HPF is recognised as revenue in the income statement. Amounts paid directly to project partners are offset against prepayments received.

**Deferred income**

Deferred income comprises contributions received from the Founding Fathers relating to subsequent financial years.

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## Pernille Foss

Bestyrelsesmedlem

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## Martin Kring

Bestyrelsesmedlem

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## Mads Munkholt Ditlevsen

Bestyrelsesmedlem

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## Pernille Kruse Madsen

Adm. direktør

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## Pernille Kruse Madsen

Bestyrelsesmedlem

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IP: 80.62.xxx.xxx

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## Kristoffer Hemmingsen

Revisor

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## Navnet er skjult (CPR valideret)

Bestyrelsesmedlem

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## Jeff Olsen Gravenhorst

Bestyrelsesformand

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## Jeff Olsen Gravenhorst

Dirigent

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## Christina Grumstrup Sørensen

Bestyrelsesmedlem

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