



Mer Revision A/S

Registrerede Revisorer - FSR

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The Nordic & Baltic Episcopal Area
Area Fund, Nordic & Baltic
Annual Report 2020



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Statements

Statement on the annual report

Bishop Alsted has presented and adopted the Annual Report for the fiscal year 1. January 2020 - 31. December 2020 for The Area Fund. The Annual Report has been presented in accordance with the Danish Financial Statements Act. We consider the accounting policies used appropriate and the accounting estimates made reasonable. To the best of our belief, the Annual Report includes the information which is relevant to an assessment of the financial position. Against this background, it is our opinion that the Annual Report gives a true and fair view of the assets, liabilities, financial position and results of operations.

We recommend the Annual Report to be adopted by the Central Conference.

Copenhagen,

Christian Alsted
Bishop

Kirsten Hastrup
Assistant to Bishop

Approved by The United Methodist Church, Nordic & Baltic Episcopal Area Group
Copenhagen,

Per-Endre Bjørnevik
Chair of Committee on Episcopacy

Accounting policies

The Annual Report of The Nordic & Baltic Episcopal Area for the period 1. January 2020 - 31. December 2020 has been prepared in accordance with the provisions applying to class A enterprises under the Danish Financial Statements Act.

Reporting currency

The Annual Report has been presented in Danish kroner.

Income statement

Revenue

Revenue is recognized in the income statement provided that the income can be reliably measured and is expected to be received.

Other external costs

Other external costs comprise charges paid during the year in respect to primary activities.

Interest income and expense and similar items

Interest income and expense and similar items are recognized in the income statement with the amounts relating to the financial year.

Balance sheet

Receivables

Receivables are measured at amortized cost. Provision is made for anticipated losses.

Financial liabilities

Financial liabilities are measured at amortized cost corresponding to the nominal value.

Independent auditor's report

To the Board of The Nordic & Baltic Episcopal Area – Area Fund, Nordic & Baltic

We have audited the annual report of 2020 for the financial year 1. January 2020 – 31. December 2020, which comprises the balance sheet as at 31. December 2020, the income statement for the year then ended, the statement by the management on the annual report and a summary of significant accounting policies. The annual report has been prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the annual report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with International Standards of Auditing as well as additional Danish legislation. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the annual report gives a true and fair view of the financial position at 31. December 2020 and of the results of its operations for the financial year 1. January 2020 - 31. December 2020 in accordance with the Danish Financial Statements Act.

Roskilde,

MER REVISION A/S

Daniel Jacobsen
certified public accountant, FSR

Income Statement 1 January 2020 - 31 December 2020

(amounts in DKK)

	2020	2019
Income		
Baltic Salary Support	122.403	285.021
Theological Means, book project NPM 03	2.175	4.936
SOCD	0	123.634
Area Cabinet	7.000	45.419
Area Projects	2.128	5.824
Other Income, dividend payout	15	13.000
Total Income	133.721	477.834
Expenses		
Baltic Salary Support	172.273	351.849
Theological Means, book projects, grants and audit	16.844	69.502
SOCD	0	278.046
Area Cabinet	7.850	40.585
Church planting	28.695	0
Area Projects, round table meeting	46.298	54.261
Other costs	0	0
Total Expenses	271.960	794.243
Financial Items		
Interest income		0
Financial costs	-1.070	-2.976
Total Financial Items	-1.070	-2.976
Net profit (loss) for the year	-139.309	-319.385

Proposed allocation and equity transfers

Baltic Salary Support	-49.870	-66.828
Theological Means	-14.669	-64.566
SOCD	0	-154.412
Area Cabinet	-850	4.834
Church Planting	-28.695	0
Area Projects	-44.170	-48.437
Other, dividend payouts less negative interest rate	-1.055	10.024
Total allocations	-139.309	-319.385

Assets 31. December 2020

(amounts in DKK)

	2020	2019
Receivables		
Fixed Term Deposit	600.000	0
Accounts receivable, dividend payout	0	13.000
	600.000	13.000
Cash and Bank Deposits	66.626	769.850
	66.626	769.850
Total Assets	666.626	782.850

Equity and Liabilities 31. December 2020

(amounts in DKK)

	2020	2019
Equity		
Country Specific		
Baltic Salary Support		
Primo	372.631	439.459
Allocated from Income statement	-49.870	-66.828
	322.761	372.631
Theological Means		
Primo	-89.448	-24.882
Allocated from Income statement	-14.669	-64.566
	-104.117	-89.448
Area Cabinet		
Primo	45.138	40.304
Allocated from Income statement	-850	4.834
	44.288	45.138
Church Planting		
Primo	210.193	210.193
Allocated from Income statement	-28.695	0
	181.498	210.193
School of Congregational Development		
Primo	110.929	265.341
Allocated from Income statement	0	-154.412
	110.929	110.929
Area Projects		
Primo	123.383	171.820
Allocated from Income statement	-44.170	-48.437
	79.213	123.383

Other Equity

Primo	10.024	0
Allocated from Income statement	-1.055	10.024
	8.969	10.024

Total Equity

643.541	782.850
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Liabilities

Other current liabilities	23.085	0
	23.085	0

Total Equity and Liabilities

666.626	782.850
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Kirsten Hastrup

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Per Endre Bjørnevik

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Christian Alsted

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Daniel Jacobsen

Registreret revisor

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