

Danish Cultural Institute

Annual report 2020

Contents

	<u>Page</u>
Institute details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	7
Accounting policies	11
Income statements for 2020	14
Income statement for 2020 compiled in accordance with the framework agreement for 2017 to 2020	15
Balance sheet at 31 December 2020	16
Notes	18
Appendix 1: Overview of the Danish Cultural Institute projects in 2020	25
Appendix 2: Reporting on the framework agreement 2020	32
Appendix 3: Financial statements of the DCI special activities pool for 2020, see section 21(11)(23)(38) of the National Budget	42
Appendix 4: Independently audited projects	47

The English text in this document is an unofficial translation of the Danish original. In the event of any inconsistencies, the Danish version shall apply.

Institute details

Danish Cultural Institute

(self-governing institution)

Vartov

Farvergade 27 L, 2nd floor

1463 Copenhagen K

Business Registration No.: 10 27 77 28

Registered in: Copenhagen

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Board of the Danish Cultural Institute

Carsten Haurum (Chair)

Anette Wad (Deputy Chair)

Michael Ehrenreich

Erik Jacobsen

Rasmus Wiinstedt Tscherning

Rikke Øxner

Carsten Fenger-Grøndahl

Simon Drewsen Holmberg

Olaf Gerlach Hansen

Chief Executive Officer

Camilla Mordhorst

Institute auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the annual report

The Board of the Danish Cultural Institute, the Chief Executive Officer and the Deputy Chief Executive have today presented and approved the annual report of the Danish Cultural Institute for the financial year 1 January to 31 December 2020.

The financial statements are prepared in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture. In our opinion, the financial statements give a true and fair view of the Institute's financial position at 31 December 2020 and of its financial performance for the financial year 1 January to 31 December 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 by the Council of the Danish Cultural Institute.

Copenhagen, 15 April 2021

Camilla Mordhorst
Chief Executive Officer

Annemarie Lindstrøm
Deputy Chief Executive

Board of the Danish Cultural Institute

Carsten Haurum
Chair

Anette Wad
Deputy Chair

Michael Ehrenreich

Erik Jacobsen

Rasmus Wiinstedt Tscherning

Rikke Øxner

Carsten Fenger-Grøndahl

Simon Drewsen Holmberg

Olaf Gerlach Hansen

Independent auditor's report

To the Board of the Danish Cultural Institute

Opinion

We have audited the financial statements of the Danish Cultural Institute for the financial year 1 January to 31 December 2020, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

In our opinion, the financial statements give a true and fair view of the Institution's financial position at 31 December 2020 and of the results of its operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark as well as the standards on public auditing, as the audit was conducted in accordance with the provisions of the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture. 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 Institution 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.

Other matter

In accordance with section 11 of the Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, the Institution has included in the income statement the budget for 2020 approved by the Board as comparative figures. As is also evident from the financial statements, neither the profit and loss budget nor the Appendices 1, 2, 3 and 4 have been subject to audit.

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 Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, 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.

Independent auditor's report

In preparing the financial statements, Management is responsible for assessing the Institution'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 Institution 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 as well as the standards on public auditing, see the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, 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 as well as the standards on public auditing, see the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, 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 Institution'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 Institution'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 Institution to cease to continue as a going concern.

Independent auditor's report

- 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 Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

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 Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements

Statement on compliance audit and performance audit

Management is responsible for the transactions covered by the financial statements complying with the appropriations granted, statutes, other regulations, agreements and usual practice, and for ensuring that sound financial management is exercised in the administration of the funds and in the operation activities covered by the financial statements.

Independent auditor's report

As part of our audit of the financial statements, it is our responsibility to perform compliance audit procedures and performance audit procedures on selected subject matters in accordance with the standards on public auditing. In our compliance audit, we test selected subject matters to obtain reasonable assurance about whether the audited transactions covered by the financial statements comply with the relevant provisions of appropriations, statutes, other regulations, agreements and usual practice. In our performance audit, we make an assessment to obtain reasonable assurance about whether the systems, processes or transactions examined support the exercise of sound financial management in the administration of the funds and activities covered by the financial statements.

If, based on the procedures performed, we conclude that material critical comments should be made, we are required to report this.

We have no material critical comments to report in this respect.

Copenhagen, 15 April 2021

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Christian Dahlstrøm
State-Authorised Public Accountant
Identification No. (MNE): mne35660

Management commentary

Core activities

The objective of the Danish Cultural Institute (“DCI”) is to foster an understanding of Danish and international culture. In cooperation with partners, new insights and networks are created through culturally and socially relevant projects that nudge the usual way of thinking and provide mutual value.

In 2017, DCI entered into a four-year framework agreement with the Danish Agency for Culture and Palaces. The purpose of the framework agreement is to provide a long-term and agreed-upon basis for the strategy and financial position of DCI. The agreement is a mutual indication of the future target developments of DCI activities and the politically prevailing terms. The agreement is effective from 1 January 2017 to 31 December 2020. Reporting on the framework agreement is available in Appendix 2.

The individual targets set out in the framework agreement are based on the following vision for DCI initiatives:

- That DCI – while maintaining its mission and business model, and the arm’s length principle – promotes Danish-international cultural relations, has a geographical reach of relevance and can be flexible in terms of professionalism and partnerships.
- That DCI is an attractive cooperator for the development of Danish-international cultural relations. DCI creates viable projects and networks of high quality and value for both DCI and its partners. DCI has the professional expertise to bring Danish art and culture into play, preferably relevant to handling current cultural and societal challenges.

DCI’s strategy is available at www.danishculture.com. In 2018, a supplement was added to the strategy that increases the focus on relevance, visibility in Denmark and economic sustainability. In 2020, DCI drafted a new strategy applicable from 2021 to 2024. Still, a formal framework agreement will not be finally negotiated until sometime during 2021, as the Danish Ministry of Culture has decided to renew the previous four-year framework agreement until the middle of 2021.

At the beginning of 2020, DCI had seven international branches in China, Russia, India, Brazil, the Baltic States, Poland and Turkey, of which the Copenhagen head office manages the Turkish branch. The seven branches handle or coordinate activities in 13 countries (Denmark, Estonia, Lithuania, Latvia, Poland, Russia, China, South Korea, Japan, Brazil, India, Turkey, Ukraine and Belarus). On behalf of the Danish Agency for Culture and Palaces, DCI China is responsible for coordinating activities in China, Japan and South Korea.

In 2020, the plan was to close down the Polish branch and move the Brazilian branch from Rio de Janeiro to Sao Paulo. The branches in Poland and Rio de Janeiro were closed down by the end of 2020. However, because of the COVID-19 pandemic, DCI Brazil has not yet set up the new office in Sao Paolo.

Management commentary

As part of a syndicate, DCI received a grant to establish a Ukrainian-Danish youth house in Kyiv in June 2020. Moreover, in December 2020, DCI received another grant to establish the New Democracy Fund involving the establishment of observation posts in Belarus and Georgia (please see financial statements and grants received for both projects in Appendix 4).

Development in activities and finances

The income statement for 2020 has been compiled in two ways. It must be partly comparable to the budget for 2020 and partly comparable to the budget model used in the framework agreement with the Danish Agency for Culture and Palaces. The latter divides the costs into grant-financed and income-generating activities.

On page 14, the income statement has been presented in relation to the budget for 2020, while on page 15, it has been presented in relation to the budget model used in the framework agreement for 2017 to 2020. In the following, we refer to the accounting figures in the income statement on page 14.

DCI had a total operating loss of DKK 677 thousand (before financial income and expenses). The net financial items show a profit of DKK 7 thousand. Consequently, the loss for the year totals approx. DKK 670 thousand.

DCI had budgeted for a planned operating overspend of DKK 2.3 million. Including the estimated net financial income of DKK 0.3 million, the total budget showed a loss of DKK 2.0 million for 2020. Consequently, the total results have improved by DKK 1.3 million compared to the budget.

The COVID-19 pandemic has had a significant impact on the activities and, with it, the performance of DCI. Many projects have been postponed or cancelled. However, the majority have been redefined and carried through digitally or as hybrids. International travelling has been limited, and only very few foreign artists and cooperative partners have visited the institutes abroad. However, even though the crisis has hit DCI in all countries, DCI succeeded in a satisfactory performance by the end of the year.

The total operating expenses of the head office and the branches amounted to DKK 17.7 million, which is DKK 3.8 million less than in 2019. The decrease is partly the result of the shutdown of the branches in Belgium in 2019 and Poland in 2020 and the downsizing of the Brazilian branch in 2020. In addition, large project grants made it possible to finance the salary of several permanent employees in 2020. Income granted by the National Budget and other operating income amounted to almost DKK 17 million, which, seen in isolation, results in a loss of DKK 700 thousand.

In 2020, the activities were financed by National Budget pool funding of DKK 900 thousand, grants of DKK 2.7 million for cultural projects, EU grants of DKK 1.3 million and income of DKK 1.4 million from income-generating activities such as Danish language courses and field trips. Consequently, the income was significantly reduced from DKK 10.2 million in 2019 to DKK 6.3 million in 2020. The reduction has almost exclusively involved funds for cultural projects.

Management commentary

Costs of activities amounted to DKK 5.7 million, meaning that, overall, the activities have contributed a profit of DKK 600 thousand. Of this, income-generating activities totalled a profit of DKK 200 thousand, and cultural projects came to a profit of DKK 600 thousand while the EU projects necessitated co-financing of DKK 200 thousand. However, at the same time, the EU projects contributed exempted salary to permanent employees of DKK 700 thousand. The financial statements of the individual activities are specified in Appendix 1.

Financial income and expenses resulted in a net profit of DKK 7 thousand in 2020. The financial items have been influenced by the COVID-19 pandemic, with major fluctuations in securities and foreign currencies. The securities totalled a profit of DKK 400 thousand, while cash exchange losses amounted to DKK 300 thousand.

In addition to the income visible in the accounts, DCI's activities are largely based on in-kind services such as free labour, premises, marketing, etc. The accounts show that the invisible co-financing amounts to DKK 14.6 million, thus a total visible and invisible co-financing of approx. DKK 20 million in addition to the government grant of DKK 14.5 million, i.e. a total visible and invisible revenue of DKK 34.5 million.

Equity

With a total loss of approx. DKK 0.7 million, DCI's equity amounts to DKK 14.1 million at the end of 2020 (including the value of property in St. Petersburg). The equity mainly stems from the net proceeds from the sale of a property in Edinburgh in 2015.

At the beginning of 2020, DCI had securities worth DKK 11.6 million. At the end of 2020, the value of the portfolio had dropped to DKK 11.0 million.

Outlook

The COVID-19 pandemic is expected to continue its influence in 2021. The possibilities of physical attendance at project execution are still limited in most places, although the cultural centre in China can now carry through its activities without restrictions. The possibilities of travelling and exchanging artists and cultural players are also expected to be greatly reduced throughout most of 2021.

The establishment of a Ukrainian-Danish youth house in Kyiv is one of the projects for which DCI has high expectations in 2021. However, the COVID-19 situation complicates the project. Still, a youth house is expected to be found and occupied before the summer of 2021, thus becoming the framework for democracy-supporting activities for Ukrainian and Danish young people. The project is carried through by a Danish Youth Council and DCI syndicate and is financed by DANIDA.

Another DANIDA project will be rolled out in earnest in 2021 when the project "The New Democracy Fund" will become a reality. The project has been given to a syndicate led by the Institute (please see Appendix 4 for the financial statements and budgets of the two DANIDA projects).

Management commentary

The trend towards major cross-over projects is generally expected to continue. Funding for large projects may contribute more to covering the total costs of the activities, and with it an essential element in creating a sustainable basis for the future operations of the Institute.

In this way, income from activities has been provided for by DKK 25.2 million in the budget for 2021, i.e., considerably more than realised in 2020. Of this, DKK 14 million is allocated to the Ukrainian-Danish youth house, and DKK 7 million is earmarked to acquire a property in Kyiv.

Overall, in 2021, DCI budgets for an operating loss of DKK 1.2 million. Equity, which amounts to DKK 14.1 million at the end of 2020, is expected to be reduced to approx. DKK 12.9 million by the end of 2021, and further reduced by DKK 700 thousand in 2022. Afterwards, DCI's economy is expected to balance.

In 2021 and 2022, the equity will be spent for purposes entailing:

- Activities in Turkey.
- Increased visibility in Denmark. DCI will continue communication in Denmark.
- Better financing options. DCI will continue to allocate resources to the development and fundraising of larger cross-over projects that may cover its overheads.
- Streamlining the execution of tasks. An IT platform shared across the organisation, digital handling of vouchers and an invoice flow system are expected to be implemented in 2021, supplemented with a joint reporting tool.

Meanwhile, it will be necessary to obtain additional external funding to maintain the level of activity after 2022.

Events after the balance sheet date

No events have occurred from the balance sheet date to this date, which would influence the evaluation of this annual report.

The opening of the branch in India became a reality in 2019, but it has proven very difficult to get the last legal registrations sorted out. Consequently, the branch will be temporarily closed from May 2021 onwards. Intensive efforts are being made to find a solution that will allow a reopening of the branch in India and continue the good cooperation.

Accounting policies

The financial statements and the management commentary are presented in accordance with the Danish Executive Order no. 1701 of 21 December 2010 on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture, including the following fundamental principles:

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

The financial statements are presented in DKK.

Income statement

Income and expenses are recognised in the income statement according to the gross principle, including income and expenses of foreign branches. Income and expenses are accrued.

The financial statements include an income statement compiled in accordance with the principles applied in previous years and an income statement compiled in accordance with the framework agreement for 2017 to 2020.

Balance sheet

Intangible assets

Development projects in progress on clearly defined and identifiable processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the organisation can be established, and where the intention is to manufacture, market, or apply the process in question, are recognised as intangible assets.

The cost of development projects comprises costs that are directly and indirectly attributable to the development projects.

Development projects completed are measured at cost less accumulated amortisation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Straight-line amortisation is made on the basis of the following estimated useful lives of the assets:

Development projects completed	3 years
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Development projects completed are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

The Institute's properties are measured at an estimated value which is counterbalanced by an equivalent revaluation reserve. The properties are not depreciated.

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost plus revaluation and less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
--	-----------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Assets with an acquisition price less than DKK 15,000 are expensed in the year of acquisition.

Depreciation and impairment losses, and losses from the sale of property, plant and equipment, are recognised in the income statement under the individual expense groups. Profits from the sale of property, plant and equipment are recognised in the income statement as other income.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Other financial liabilities

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

Foreign currency translation

Foreign currency transactions are translated monthly, applying the average EU exchange rate (InforEURO).

Income statements for 2020

	Note	2020 DKK	Budget (unaudited) 2020 DKK'000	2019 DKK'000
National Budget, operating grant	1	14,500,000	14,400	14,600
Grants, donations received from foundations, enrolment fees	2	6,318,597	15,301	10,177
Other income	3	<u>1,883,454</u>	<u>1,719</u>	<u>2,384</u>
Income		<u>22,702,051</u>	<u>31,420</u>	<u>27,161</u>
Wages and salaries, head office and branches	4	-12,142,313	-11,624	-14,156
Other operating expenses, head office and branches	5	-5,521,065	-6,748	-7,295
Activity expenses	6	<u>-5,715,902</u>	<u>-15,338</u>	<u>-9,745</u>
Expenses		<u>-23,379,280</u>	<u>-33,710</u>	<u>-31,196</u>
Operating loss		<u>-677,229</u>	<u>-2,290</u>	<u>-4,035</u>
Financial income	7	1,475,856	500	2,735
Financial expenses	8	<u>-1,468,854</u>	<u>-200</u>	<u>-392</u>
Loss for the year		<u><u>-670,227</u></u>	<u><u>-1,990</u></u>	<u><u>-1,692</u></u>

Income statement for 2020

compiled in accordance with the framework agreement for 2017 to 2020

Income statement, total activities 2020

	<u>Note</u>	<u>2020 DKK</u>	<u>Budget according to framework agreement (unaudited) 2020 DKK'000</u>
National Budget, operating grant and pool funding		15,399,936	15,200
Other grants from national institutions	9	437,320	7,590
Grants/donations received from local grantors, private and international institutions	9	5,295,679	7,190
Income from income-generating activities		1,426,412	1,440
Other operating income (including financial income)		<u>1,618,559</u>	<u>500</u>
Income		<u>24,177,906</u>	<u>31,920</u>
Grant-financed activities		-23,421,721	-32,830
Income-generating activities		<u>-1,426,412</u>	<u>-1,080</u>
Expenses		<u>-24,848,133</u>	<u>-33,910</u>
Loss for the year		<u><u>-670,227</u></u>	<u><u>-1,990</u></u>
Expected equity at 31 December excluding properties (DKKm)		14.01	8.70

The budget is not the one approved by the Board of the Danish Cultural Institute for 2020, but the budget approved by the Danish Agency for Culture and Palaces, see the Danish executive order on finances and administration of beneficiaries of operating contributions from the Danish Ministry of Culture.

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020 DKK</u>	<u>2019 DKK'000</u>
Development projects completed	10	122,461	220
Development projects in progress	10	313,507	0
Land and buildings	11	1,500,000	1,500
Other fixtures and fittings, tools and equipment	12	35,900	76
Deposits		<u>335,531</u>	<u>324</u>
Fixed assets		<u>2,307,399</u>	<u>2,120</u>
Receivables		1,564,677	1,949
Prepayments		<u>985,594</u>	<u>1,024</u>
Receivables		<u>2,550,271</u>	<u>2,973</u>
Other investments		<u>11,008,453</u>	<u>11,622</u>
Cash	13	<u>23,748,857</u>	<u>4,388</u>
Current assets		<u>37,307,581</u>	<u>18,983</u>
Assets		<u><u>39,614,980</u></u>	<u><u>21,103</u></u>

Balance sheet at 31 December 2020

	<u>Note</u>	<u>2020 DKK</u>	<u>2019 DKK'000</u>
Earmarked for expansion and development		5,597,650	6,268
Value of property in St. Petersburg		1,500,000	1,500
Other equity		<u>7,000,000</u>	<u>7,000</u>
Equity	14	<u>14,097,650</u>	<u>14,768</u>
Transferred from allocation of activities from previous years		476,223	424
Change in provisions for the year		<u>-14,970</u>	<u>52</u>
Provisions		<u>461,253</u>	<u>476</u>
Long-term accruals for employee benefits		<u>438,157</u>	<u>344</u>
Long-term liabilities and provisions		<u>899,410</u>	<u>820</u>
Payables to syndicate partners		8,911,319	0
Accruals for employee benefits		1,240,238	702
Other payables		1,273,687	1,353
Deferred income		<u>13,192,676</u>	<u>3,460</u>
Short-term liabilities		<u>24,617,920</u>	<u>5,515</u>
Liabilities and provisions		<u>25,517,330</u>	<u>6,335</u>
Equity and liabilities		<u><u>39,614,980</u></u>	<u><u>21,103</u></u>

Liabilities

15

Notes

	2020	2019
	DKK	DKK'000
1. National Budget, operating grant		
Operating grant according to section 21(11)(23)(38) of the National Budget	<u>14,500,000</u>	<u>14,600</u>
2. Grants, donations received from foundations, enrolment fees		
Grants, donations received from foundations, enrolment fees	5,418,662	9,435
National Budget, pool funding	800,000	800
Unspent pool funding transferred from previous year	99,935	42
Unspent pool funding transferred to next year	<u>0</u>	<u>-100</u>
	<u>6,318,597</u>	<u>10,177</u>
3. Other income		
The Wisti Foundation for International Understanding	250,000	250
The Carlsberg Foundation	1,487,246	1,755
LEGO	3,504	207
Other income	<u>142,704</u>	<u>172</u>
	<u>1,883,454</u>	<u>2,384</u>
4. Wages and salaries, head office and branches		
Denmark	4,661,528	5,741
Foreign countries	<u>7,480,785</u>	<u>8,415</u>
	<u>12,142,313</u>	<u>14,156</u>
5. Other operating expenses, head office and branches		
Denmark	2,039,083	2,747
Foreign countries	<u>3,481,982</u>	<u>4,548</u>
	<u>5,521,065</u>	<u>7,295</u>
6. Activity expenses		
Cultural projects	2,986,800	6,030
EU projects	1,525,511	1,494
Field trips and visitors' programmes, income-generating activities	80,548	911
Other income-generating activities	<u>1,123,042</u>	<u>1,310</u>
	<u>5,715,902</u>	<u>9,745</u>

Notes

	2020	2019
	DKK	DKK'000
7. Financial income		
Interest income received from banks	3,816	7
Return on securities	467,682	675
Unrealised capital gains on securities	903,106	1,131
Realised capital gains on securities	<u>101,252</u>	<u>922</u>
	<u>1,475,856</u>	<u>2,735</u>
8. Financial expenses		
Interest expenses paid to banks	26,442	17
Bank fees	56,071	92
Cash exchange losses	315,539	134
Unrealised capital losses on securities	244,454	98
Realised capital losses on securities	<u>826,348</u>	<u>51</u>
	<u>1,468,854</u>	<u>392</u>
9. Grants/donations received from foundations etc		
Grants received from national institutions		
University of Copenhagen	0	89
The Danish Ministry of Culture, the International Cultural Panel	298,595	1,618
Danish Arts Foundation	110,995	268
Danish Arts Foundation, SNYK	0	10
Danish Embassy in Tallinn	0	10
Danish Embassy in Riga	0	29
Danish Embassy in China	0	26
Danish embassies	<u>27,730</u>	<u>0</u>
Total grants received from national institutions	<u>437,320</u>	<u>2,050</u>
Grants received from local grantors		
The City of Copenhagen	13,830	3
Copenhagen Film Fund	<u>0</u>	<u>6</u>
Total grants received from local grantors	<u>13,830</u>	<u>9</u>

Notes

	2020	2019
	DKK	DKK'000
9. Grants/donations received from foundations etc (continued)		
Donations received from Danish private grantors		
Christian Hansen A/S	117,370	54
Danes Worldwide	0	2
HFC Efterslægten	0	4
Teatercentrum	0	45
Langgaard Fonden	0	8
The Wisti Foundation for International Understanding	277,419	343
Velux Fonden	4,946	9
LEGO	3,504	207
Esbjerg Ungdomssymfoniorkester	0	126
Boligfonden Kuben	0	85
Knud Højgaards Fond	8,277	145
Danmarks Samfundet	0	250
Jan Gehl Architects	0	10
HS Pedersen	0	10
The Danish Agriculture & Food Council	4,120	6
Linak A/S	0	13
The Carlsberg Foundation	1,497,248	1,755
Nordea Fonden	0	14
S.C. Van Fonden	490	1
Scenatet, ensemble for art and music	0	65
The William Demant Foundation	32,643	0
ISS	61,566	0
Total donations received from Danish private grantors	2,007,583	3,152

Notes

	<u>2020</u> <u>DKK</u>	<u>2019</u> <u>DKK'000</u>
9. Grants/donations received from foundations etc (continued)		
Donations received from international grantors		
AF Institute	0	3
Allfilm	0	11
ATOM ART	0	12
British Council	4,649	56
Creative Europe	0	136
Embassy of Iceland	0	209
EMS le Marronnier	0	5
EU Commission	0	18
EUNIC	19,754	100
European Union	0	19
Finnish Embassy in China	0	5
Goethe Institute	3,488	182
H AidAN	0	19
Icelandic Embassy in China	0	5
Institute Français	0	4
INTERREG BSR	1,261,375	987
Italian Cultural Institute	0	3
Kruks Film	0	17
The Nordic Culture Fund	<u>170,258</u>	<u>17</u>
To be carried forward	1,459,524	1,808

Notes

	2020	2019
	DKK	DKK'000
9. Grants/donations received from foundations etc (continued)		
Brought forward	1,459,524	1,808
The Nordic Council of Ministers	487,331	516
Norwegian Embassy	0	5
Sao Paulo City Hall	0	7
Shanghai CTS	0	11
Sino Danish Waterforum	0	15
Swedish Embassy in China	0	5
UNESCO	17	18
Yitay	467,028	517
Panbaltica	0	56
Riga Circus	0	5
Fa Filma	0	3
Studio Nominum	0	4
Alma Mater Foundation	0	41
Northern Dimension Partnership on Culture	0	9
Kragh & Berglund China	94,707	97
City of Pori	0	36
SPCINE	3,720	0
Zhang Ke	37,220	0
Camino Centre	44,987	0
Swedish Embassy in Poland	6,605	0
Baltic Centre for Media Excellence	14,306	0
Total donations received from international grantors	2,615,445	3,153
Other income (enrolment fees, refunds, tickets, etc)	658,821	472
Total	5,732,999	8,836

Notes

	Development projects in progress DKK	Development projects completed DKK
10. Intangible assets		
Cost at 1 January 2020	0	753,757
Additions	313,507	293,907
Disposals	<u>0</u>	<u>0</u>
Cost at 31 December 2020	<u>0</u>	<u>753,757</u>
Amortisation and impairment losses at 1 January 2020	0	-533,328
Amortisation for the year	<u>0</u>	<u>-97,968</u>
Amortisation and impairment losses at 31 December 2020	<u>0</u>	<u>631,296</u>
Carrying amount at 31 December 2020	<u>0</u>	<u>122,461</u>
	<u>2020 DKK</u>	<u>2019 DKK'000</u>
11. Buildings		
Cost at 1 January 2020	4,291,307	4,291
Financed by grants of	<u>-4,291,307</u>	<u>-4,291</u>
Net cost at 31 December 2020	<u>0</u>	<u>0</u>
Revaluation at 1 January 2020	1,500,000	1,500
Revaluation for the year	<u>0</u>	<u>0</u>
Revaluation at 31 December 2020	<u>1,500,000</u>	<u>1,500</u>
Carrying amount at 31 December 2020	<u>1,500,000</u>	<u>1,500</u>

Notes

	Other fixtures etc DKK
12. Property, plant and equipment	
Cost at 1 January 2020	2,592,379
Additions	0
Disposals	0
Cost at 31 December 2020	<u>2,592,379</u>
Depreciation and impairment losses at 1 January 2020	-2,516,838
Depreciation for the year	-39,641
Reversals relating to disposals	0
Depreciation and impairment losses at 31 December 2020	<u>-2,556,479</u>
Carrying amount at 31 December 2020	<u>35,900</u>

	2020 DKK	2019 DKK'000
13. Cash		
Cash in hand	18,065	3
Danske Bank	20,899,756	2,667
Nykredit	1,003,482	-1
Cash at foreign branches	1,827,553	1,719
	<u>23,748,857</u>	<u>4,388</u>
14. Equity		
Equity at 1 January 2020	14,767,877	16,460
Loss for the year	-670,227	-1,692
	<u>-14,097,650</u>	<u>14,768</u>

15. Liabilities

The Institute has assumed a rental obligation concerning a lease in Copenhagen. In addition, the Institute has assumed rental obligations concerning some of the foreign branches.

Appendix 1: Overview of the Danish Cultural Institute projects in 2020

	Income DKK	Payroll DKK	Other expenses DKK	Profit/loss DKK
Grant-financed activities	-4,892,185	2,141,260	2,371,051	-379,874
Income-generating activities	<u>-1,426,412</u>	<u>862,483</u>	<u>341,108</u>	<u>-222,822</u>
Total	<u>-6,318,597</u>	<u>3,003,743</u>	<u>2,712,158</u>	<u>-602,696</u>

The Danish Cultural Institute (“DCI”) has two types of activities; partly cultural projects that are carried through by grants to cover the direct costs (grant-financed activities), and partly field trips, language courses, etc that are completed by cost recovery in full (income-generating activities).

The cultural projects are typically carried through by grants from the Danish Agency for Culture and Palaces (“DACP”), private foundations and the Institute’s activity funds of DKK 800 thousand.

Field trips are financed entirely by the party ordering them, i.e., in 2020, mainly the Danish Ministry of Foreign Affairs, but it would typically be local authorities, organisations, etc. Other income-generating activities include Danish language courses, visitors’ programmes, etc.

Firstly, the cultural projects are listed on the following pages. Only cultural projects with revenue exceeding DKK 10,000 are included. Projects with revenue lower than DKK 10,000 are included as “Other projects” for each country.

Subsequently, all field trips and other income-generating activities are listed for each country.

Both lists are based on the following method of accounting: Several projects are multi-annual, but only the costs incurred and income received in 2020 are included in the calculation.

As far as the cultural projects are concerned, net results are calculated as operating contribution margin because the calculation usually does not include wages and salaries for DCI’s permanent staff or overhead costs. Wages and salaries are only included in the project financial statements if the external staff has been employed on a project.

The two multi-annual EU projects, Creative Ports and UrbCultural Planning, have also been recognised as part of the grant-financed activities. Only DCI income appears from the projects. This also applies to UrbCultural Planning on which DCI is the lead partner. As the lead partner, DCI also allocates EU income to the other partners – these funds are not shown in the project financial statements.

Appendix 1: Overview of the Danish Cultural Institute projects in 2019

In 2020, a total of DKK 4.9 million was recognised as income regarding cultural projects (grant-financed activities). The associated costs have been calculated at DKK 4.5 million. Consequently, DCI generates a profit of DKK 380 thousand.

The profit originates mainly from our branch in China. We have received several grants through cultural cooperation with the city of Handan, south of Beijing, and Kragh & Berglund, resulting in a branch profit of almost DKK 500 thousand. Add to this, large profits in India by DKK 182 thousand and Russia by DKK 125 thousand. The Latvian branch has generated results of DKK 147 thousand and head office results are DKK 119 thousand, mainly due to a deliberate choice of spending savings on strategically important projects.

The loss of DCI Latvia originates in part from the EU projects to which we have redesignated payroll costs of well over DKK 1.3 million. Additionally, approx. DKK 107 thousand has been spent on start-up activities in Ukraine.

The results of income-generating activities are calculated as a secondary contribution margin, corresponding to government rules of income-generating activities. The time spent on each project has been calculated. Payroll and overhead costs have been recognised on the individual project subsequently. The conclusion is income equivalent to approx. DKK 1.4 million and costs of DKK 1.2 million and with it a profit of approx. DKK 222 thousand. On account of this, government grants are not spent on this type of activities.

Cultural project financial statements 2020

	Income DKK	Payroll DKK	Other expenses DKK	Profit/loss DKK
Creative Ports EU project	-619,232	643,267	95,661	119,696
Cultural Meeting 2020	-18,517	5,000	13,367	-150
The New Democracy Fund	0	0	104,168	104,168
Other projects, Denmark	0	0	447	447
Denmark, total	-637,750	648,267	213,643	224,160
Nordic Literature in Polish Libraries	-222,273	35,847	184,417	-2,009
Exhibition Bloom/Wroblewski	-70,162	0	70,162	0
100th anniversary of Danish-Polish diplo- macy	-31,763	31,763	0	0
Growroom 2020	-25,000	0	26,147	1,147
SUPERFLEX at MoMA in Warsaw	-12,500	0	12,997	497
Film festival in Crakow	-10,000	0	9,847	-153
Promotipon of the book "History of Danish Consulate"	-10,900	0	10,093	-807
100 years of Danish-Polish relationships, book publishing	-20,000	0	20,000	0
Jacob Dammas documentary	-20,000	0	19,885	-115
Other projects, Poland	-46,058	18,269	20,348	-7,441
Poland, total	-468,657	85,879	373,897	-8,880

Cultural project financial statements 2020

	Income DKK	Payroll DKK	Other expenses DKK	Profit/loss DKK
Billboard Festival	-55,000	20,000	34,648	-352
International Women's Day on 8 March events	-11,600	0	11,567	-33
ATTA, DCI/Danimarka Türkiye Çocuk Festivali	-114,000	25,440	87,700	-860
Other projects, Turkey	-11,975	0	11,007	-969
Turkey, total	-192,575	45,440	144,921	-2,214
BCME activities (1746008)	-14,306	0	0	-14,306
Urban Cultural Planning EU project	-641,217	695,688	87,226	141,697
Dannebrog 800: Concerto Copenhagen	111,750	0	-111,750	0
EUNIC Baltic Road Trip 2019	-19,754	9,642	10,113	0
Ukraine Phase 2 – Culture and Sustainable Development	0	0	0	0
Great Taste – Zero Waste	-61,340	0	61,371	30
Kim Leine Baltic Tour	-12,491	0	11,806	-685
Northern Light Film Festival 2020	-26,199	2,978	23,221	0
H.C. Andersen art competition	-10,000	2,796	8,647	1,443
Polyfoni – 30th anniversary	-32,643	5,856	26,787	0
H.C. Andersen art competition - Estonia	-10,139	0	11,164	1,026
H.C. Andersen art competition - Belarus	-17,471	5,366	18,303	6,199
Performing Gender in Times of Conflict	-93,032	10,171	82,862	0
Nordic Days in Rēzekne	-7,461	1,675	5,753	-33
Imagining Riga for People	-24,919	5,358	19,973	412
In Search of Justice. History of Violence in Belarus	-39,511	5,200	34,311	0
Frederik Drescher Kluth - Literary Event	-22,602	14,985	7,617	0
CORRUPT:OFF	0	0	0	0
The New Democracy Fund	0	0	0	0
Other projects, the Baltic States	-37,848	2,147	47,371	11,670
The Baltic States, total	-959,184	761,863	344,774	147,453

Cultural project financial statements 2020

	Income DKK	Payroll DKK	Other expenses DKK	Profit/loss DKK
Ukraine Phase 2 - Culture and Sustainable Development	0	90,771	16,340	107,111
Direct Approach in Ukraine: Continuation	-10,347	2,252	8,094	0
UA Online Youth Camp	-19,189	18,173	1,016	0
CORRUPT:OFF	-37,261	4,913	32,347	0
Other projects, Ukraine	0	0	3,387	3,387
Ukraine, total	-66,796	116,109	61,184	110,497
Nordic Composers Go East	-49,970	16,582	27,388	-6,000
TRUST – Health and Happiness of the Nordics	-178,986	0	161,186	-17,800
Various projects 2019 SKT.P	-15,259	12,495	0	-2,764
Waterfront. Tools and networks vol. 2	-204,112	0	154,112	-50,000
Nordic Weeks in North-West Russia	-58,459	1,409	37,050	-20,000
Navigating in information	-28,865	0	3,865	-25,000
SDG posters to Russia 2020	-85,000	0	85,029	29
Arctic festivals 2020	-43,326	2,250	39,635	-1,441
Other projects, Russia	-4,894	0	3,826	-1,068
Russia, total	-668,872	32,736	512,091	-124,045

Cultural project financial statements 2020

	Income	Payroll	Other	Profit/loss
	DKK	DKK	expenses	DKK
	DKK	DKK	DKK	DKK
Handan Cultural Development	-106,773	0	0	-106,773
Let's Play	-172,353	125,000	0	-47,353
HCA museum	-64,522	948	69,011	5,437
Jazz posters	-14,900	933	13,952	-15
K&B	-94,707	0	0	-94,707
Handan	-189,413	0	0	-189,413
Commons and Communities	-21,900	0	21,635	-265
European Cultural Routes	-82,207	7,285	45,831	-29,091
Food Waste	-18,400	0	9,243	-9,157
Event with Minmetal	-22,299	0	1,995	-20,304
Other projects, China	-57,117	2,847	49,472	-4,798
China, total	-844,591	137,013	211,139	-496,440

Cultural project financial statements 2020

	Income DKK	Payroll DKK	Other expenses DKK	Profit/loss DKK
Cineklap 2019	-87,370	56,306	16,064	-15,000
UIA 2020 RIO	-55,300	44,097	11,203	0
Corona Aid Rio	-124,570	9,494	115,076	0
Mini food - Cozinha da Malou	-38,108	37,648	460	0
Ponte Nórdica No Ar	-86,422	75,350	11,072	0
CINE EUROPA – EUNIC SP	-20,719	20,719	0	0
PON @ CVRTA Brasilia	-20,000	18,627	0	-1,373
PON Lab	-12,000	11,918	0	-82
Other projects, Brazil	-55,533	20,462	3,721	-31,350
Brazil, total	-500,022	294,621	157,596	-47,805
Tranquebar – 400 stories	-341,345	10,000	130,744	-200,601
Nordic Dialogues India	-17,518	0	17,518	0
Digital Dancefloors	-61,204	0	60,818	-386
400 Years, book	-15,000	0	15,000	0
INDK SYMPH	-13,875	0	13,875	0
Lars Møller and Danish-Indian musicians	-10,000	0	10,000	0
IMS India movie	-14,500	0	14,500	0
400 years in 4 minutes	-10,000	8,000	2,000	0
Hoogli Heritage Hub (EUNIC)	-35,000	0	34,974	-26
Herbarium Tranquebarenses/Plantae Malabarica	-11,768	0	12,220	452
Other projects, India	-23,529	1,332	40,158	17,961
India, total	-553,738	19,332	351,806	-182,601

Appendix 2: Reporting on the framework agreement 2020

The Danish Cultural Institute (“DCI”) has entered into a framework agreement with the Danish Ministry of Culture (“DMC”) for the period 2017 to 2020.

The following pages specify the progress in 2020 concerning the overall targets of the framework agreement and summarise DCI’s approach to ”recommendations on good governance in self-governing institutions”.

DCI has entered into an agreement with the Danish Agency for Culture and Palaces (“DACP”) about the adjustment of performance targets based on a new supplement to the 2018 strategy, which increases the focus on relevance, visibility and a sustainable economy. The change became effective in 2019. The table below indicates present, changed as well as dead targets and key figures.

The DCI activities will be further described in the management commentary for 2020.

Performance for 2020

Like everyone else, DCI was affected by the COVID-19 pandemic in 2020, implying that many planned projects were either cancelled or postponed to 2021. Compared to the targets of the framework agreement, the pandemic has had a major impact on the ability to meet the targets for project quantity and the number of evaluations.

Of the 12 performance targets and key figures in the table below, only seven have been met. The five performance targets and key figures that have not been met relate mainly to the number of projects and evaluations. Given the challenges presented by COVID-19, DCI considers the results for the year satisfactory.

The overall targets specified in the supplement to the 2018 strategy include increased relevance, greater visibility and sustainable economy. Visibility in terms of media reports reached 328 in 2020, well above the target of 30 (performance goal 1.3.d). In terms of creating a sustainable economy, it is also worth highlighting the performance targets for large investments (1.1.c) and pilot projects (1.3.c). In the case of major projects and investments, the target was two, but the year resulted in nine large projects. The pilot projects have been an important tool in attracting large sums of money in the long term to contribute to the economy. In 2020, the target was six pilot projects and ten completed. Two pilot projects qualified for funds to the Ukrainian-Danish youth house and the New Democracy Fund in 2020, i.e., this part of the performance achievement is very satisfactory.

Regarding the unfulfilled cooperation with the Danish institutes (1.1.e), DCI expects to resume this once the COVID-19 pandemic is over. The number of projects and, with it, the evaluations measured in targets 1.2.a, 1.1.d, 2.1.a and 2.1.c are also expected to increase when it is possible to travel again.

Appendix 2: Reporting on the framework agreement 2020

Performance target 1.1. Better geographical reach

One target is dead, three targets have been achieved, and one target has been partly achieved in the table below as regards the performance targets and key figures relating to item 1.1. “Better geographical reach”:

- The initiatives in Germany have been cancelled due to the discontinuation of the institute in Brussels.
- Coordination of the initiatives in Asia has been implemented.
- Nine major cultural initiatives were completed in 2020, which are seven more than anticipated.
- Eleven pop-up events were carried out in Turkey, Ukraine and Belarus. That is six more compared to the performance target for 2020.
- The target of carrying out three projects with the Danish institutes have not been achieved. DCI did not complete the activities planned together with DEDI at the Cultural Meeting at Mors due to COVID-19.

Performance target 1.2. To inspire Danish artists and cultural players for the purposes of development

This group of targets originally included three performance targets. The key figure on the number of cultural events has been changed to the number of projects broken down by larger and smaller projects. In 2020, fewer evaluations were made than targeted, as, in general, fewer projects with Danish participation were carried out at our institutes abroad because of COVID-19.

- Twenty-five artist and cultural partner evaluations have been completed. The target was 50.
- The evaluations show an average rating of 6.5 on a scale from 1 to 7 where 7 is the best. The target was >6.
- The key figure on the number of cultural events is dead.
- The target for the total number of projects and the number of projects with revenue of more than DKK 100 thousand has not been met. A total of 123 projects were completed, of which 14 projects had revenue of more than DKK 100 thousand. On the other hand, the average revenue of each project has increased from approx. DKK 39 thousand in 2019 to DKK 46 thousand in 2020.

Performance target 1.3. To develop the quality of cross-over projects

Performance target 1.3. previously included a target on cross-over projects. This target has now been replaced by a performance target on the initiation of pilot projects included in a long-term strategy on increased co-financing and projects of more considerable volume. The target for pilot projects was to launch six projects in 2020. A total of ten pilot projects were implemented, which DCI finds satisfactory considering the COVID-19 pandemic.

Performance target 1.4. To create visibility in Denmark regarding DCI’s activities abroad

This group only includes one performance target. Originally, the target was mention in larger media by ten times a year. The level has now been adjusted to 20. At first, the number was determined based on manual counting of the media coverage. Upon the strengthening of the area and the fact that we are now able to retrieve data from Infomedia directly, we reached a mention in the media of 328 during 2020. Add to this a considerable number of radio and television interviews, which have not been included. This entails that the target has been reached.

Appendix 2: Reporting on the framework agreement 2020

In 2020, the press coverage of DCI was especially marked by the heads of institute's reports on the COVID-19 situation in the countries where DCI has its branches. In addition, the grant received to establish the Ukrainian-Danish youth house has attracted much publicity.

Examples of articles and interviews:

- JydskeVestkysten: "Young musicians got culture shock in India" (20 February 2020), interview with Esbjerg Youth Symphony Orchestra about their trip to India (facilitated by DCI in New Delhi)
- Kulturmonitor: Danish performance group interacted with 10,000 quarantined Chinese children – and went viral: "Nobody has ever done anything like this" (12 March 2020), interview with Eric Messerschmidt, among others, about the online concert of DCI in Beijing for isolated children in Wuhan
- Kristeligt Dagblad: "The search for intimacy must not block the way of vision" (5 May 2020) – feature by Camilla Mordhorst about the importance of keeping on working with art and culture across borders despite the restrictions of the pandemic
- Politiken: "Danish performing sisters take over Russian primary and lower secondary school" (15 May 2020), interview with Camilla Mordhorst, among others, about the collaboration with the performance group Sisters Hope
- Ritzau: "Tranquebar is a far-off colony" (26 July 2020), interview with Thomas Sehested about the celebration of the 400th anniversary of the Danish-Indian relationship – including DCI activities
- DR.dk: Danish family goes viral with popular food videos: "We hope to make a huge difference" (2 October 2020), article about DCI's project in Brazil "Cozinha da Malou"
- Weekendavisen: "Culture at the Eastern Front" (27 November 2020), interview with Camilla Mordhorst about the Ukrainian-Danish youth house

Performance target 2.1. Strengthen professional advice to Danish (and foreign) partners

The group includes three targets on the core task, which is the guidance of Danish and foreign partners. All target levels were adjusted in 2019. In 2020, fewer consulting assignments were completed than targeted, as COVID-19 generally resulted in fewer activities being carried out. The target achievement for 2020 was as follows:

- Eight evaluations on consulting assignments have been made. The target was 50.
- The evaluations show an average rating of 7 on a scale of 1 to 7. The target was >6.
- The number of consulting assignments carried out was 13. The target was 90.

Good governance in self-governing institutions

DCI continuously focuses on recommendations for good governance in self-governing institutions and assesses to comply with the recommendations specified. In 2018, the Board of DCI decided to introduce remuneration for the board members. Total remuneration of DKK 144 thousand has been paid to the seven external board members regarding the election period 2019-2020.

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
Cultural project	1.1 Better geographical reach	DCI carries out a number of major cultural projects in German-speaking areas with a target of 5 in 2017 and 7-10 in 2018 to 2020. Indicator: Number of major cultural projects. Smaller cultural projects can be grouped to form a larger project.	Target: 5 Achieved: 2	Target: 7 Achieved: 2	Target: 0 (changed from 8) Achieved: 0	Target: 0 (changed from 10) Achieved: 0	
		DCI undertakes to coordinate initiatives in Asia according to ICP's strategic action plan through the DCI branch in China. Indicator: According to agreement	Agreement with DACP on coordination of ICP initiatives in Asia.	Meetings have been held on an ongoing basis to coordinate initiatives.	Completed	Completed	
		As a minimum, DCI takes part in 1 major cultural event or collaborative project, which includes at least 1 partner from a country where DCI does not have any branch. Indicator: Number of major collaborative project completed.	Target: min 1 Achieved: 3 3 applications for major collaborative projects have been filed.	Target: 2 Achieved: 4 2 major EU grants, of which 1 with DCI as lead partner	Target: 2 Achieved: 4	Target: 2 Achieved: 9	EU grant for the CIVIC project in Turkey with partners from the Netherlands, France and Germany. A grant from the Nordic Council of Ministers for the Waterfront project in Russia with Nordic partners. DCI is Lead Partner. A grant from the Nordic Council of Ministers for the TRUST project in Russia with European partners. EU grant for the CORRUPT:OFF project in Ukraine. A grant from the Danish Ministry of Culture and the Danish Ministry of Foreign Affairs for the Performing Gender project in Belarus.

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
							<p>Large grants:</p> <p>EU BSR Interreg grant 2018-21 to UrbCultural Planning – 14 partners from seven countries in the Baltic Sea Region. DCI is Lead Partner.</p> <p>EU grant 2018-21 to the Creative Ports project. The Goethe Institute in Germany is Lead Partner. DCI is partner.</p> <p>2020-2021 grant from DANIDA for the establishment of a Ukrainian-Danish youth house in Kyiv. DCI is Lead Partner.</p> <p>2020-2022 grant from DANIDA for the establishment of the New Democracy Fund in Belarus, Ukraine, Georgia, Moldova, Azerbaijan and Armenia. DCI is Lead Partner.</p>
		<p>DCI carries out a number of pop-up cultural projects annually in countries where DCI does not have any branches, with a target of 4 in 2017 and 2018, and 5 in 2019 and 2020.</p> <p>Indicator: Number of pop-up projects completed.</p>	<p>Target: 4 Achieved: 5</p>	<p>Target: 5 Achieved: 7</p> <p>(DCI was partner on three cultural projects and contributor to four cultural projects.)</p>	<p>Target: 5 Achieved:12</p>	<p>Target: 5 Achieved: 11</p>	<p><i>Turkey:</i></p> <ul style="list-style-type: none"> • Children’s Day • International Women’s Day events • ATTA • Billboard Festival <p><i>Belarus:</i></p> <ul style="list-style-type: none"> • Northern Light Film Festival 2020 • H.C. Andersen art competition • In Search of Justice. History of Violence <p><i>Ukraine:</i></p> <ul style="list-style-type: none"> • Direct Approach • UA Online Youth Camp • CORRUPT:OFF • Establishment of Ukranian-Danish youth house

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
		DCI will carry through cultural projects in collaboration with the Danish institutes abroad. Indicator: Number of cultural projects with Danish institutes abroad.	Bilateral meetings have been held with DEDI in Cairo and the Danish House in Palestine. A joint dialogue has begun through DMC. Project not yet completed.	Target: 2 Achieved: Project not yet completed.	Target: 3 Achieved: 1	Target:3 Achieved: 0	A joint programme was planned for the Danish-Egyptian Dialogue Institute at the Cultural Meeting in 2020. Due to COVID-19, the project was not completed as planned.
	1.2 To inspire Danish artists and cultural players for the purposes of development	DCI will conduct evaluations with Danish artists/organisations. Indicator: Number of evaluations made annually	Target: 52 Achieved: 30	Target: 35 Achieved: 67	Target: 50 (changed from 40) Achieved: 103	Target: 50 (changed from 40) Achieved: 25	Together with Rambøll, DCI carried out a survey, inviting 36 artists/institutions to participate, of whom 25 responded (69%). Due to COVID-19, much fewer cultural projects have been carried out with foreign visits, so the number of evaluated projects is also much less.
		In the evaluations, DCI will be satisfied with an average rating above 4, measured on a scale of 1 to 7. Indicator: Average rating in all evaluations.	Target: >4 Achieved: 6.27	Target: >4 Achieved: 6.1	Target: >6 (changed from >4) Achieved: 6.5	Target: >6 Achieved: 6.67	
		Key figure: Total number of cultural activities carried out annually.	Target: 1,000 Achieved: 900 The number is lower than the	Target: 1,250 activities Achieved:	Target: 0 (changed from 1,400) Achieved: -	Target: 0 (changed from 1,450) Achieved: -	

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
			expected 1,000, but a higher degree of own larger productions/self-initiated projects.	231 projects			
		New key figure: Total number of cultural projects completed in each country broken down by project with revenue of >< DKK 100 thousand	Target: -	Target: - Achieved: 13/218	Target: 15/205 Achieved: 20/166	Target: 25/195 Achieved: 14/123	The number of major projects completed in 2020 does not exceed the target for the year. Due to COVID-19, many projects were postponed or cancelled in 2020. On the other hand, the average revenue per project has once again increased. The average revenue was DKK 24 thousand in 2018 and DKK 39 thousand in 2019. In 2020, the revenue per project increased to DKK 46 thousand. This calculation only includes projects with direct costs in DCI's financial statements. In addition, several projects exist in which DCI's only contribution has been to make resources available.
	1.3 To develop the quality of work on cross-over projects	DCI will produce 4 best-practice reports during the framework agreement period. The reports must cover 4 different cross-over areas. Indicator: Number of best-practice reports completed.	Target: 1 The report writing did not begin till mid-2017, however the first draft report on best practices in arts and culture educational projects (with special reference to children and young people)	Target: 1 Achieved: no new report has been prepared	Target: 0 (reduced from 4 to 1 during the entire 4-year period)	Target: 0 (changed from 1) Achieved: -	

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
			has been prepared. The report is scheduled for completion on 1 July 2018.				
		Key figure: Total number of cross-over projects completed.	About 80% of DCI's projects has a positive effect on other areas of society (cross-over effect). I.e., out of the approx. 250 projects in 2017, 200 of them have a cross-over effect.	Target: 30 Achieved: 140	Target: 0 (changed from 30)	Target: 0 (changed from 30) Achieved: -	
		Each branch completes an annual pilot project, which is included in a long-term strategy on increased co-financing and projects of bigger volume.			Target: 0 Achieved: 0	Target: 6 Achieved: 10	<ul style="list-style-type: none"> • In 2020, DCI China initiated a Niels Bohr project, expecting to result in a large grant for the project in 2022. • In 2020, DCI Russia initiated the project "Navigating in information" on teaching resources for Russian schools. The project is in cooperation with UNESCO, Moscow, and is expected to result in a large EU grant or the like by selecting a UNESCO-associated school. • In 2020, DCI Brazil completed the project "Politics of Nature Lab" as a pilot for applying the European Spaces of Culture 2021 for funds to develop digital VR games. • In 2020, DCI in the Baltic States planned the two pilot projects "Circular Place" and "Slow Travel",

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
							<p>of which the latter had to be postponed due to COVID-19. The projects are expected to result in an Interreg grant of DKK 3 million and an EU grant.</p> <ul style="list-style-type: none"> • DCI India has initiated the project "Blue coastal zone management", in which cultural heritage is used for rooting in the local community. The project has the potential of World Bank funding. • DCI Poland closed in 2020, for which reason the branch has not completed any pilot project. • In 2020, DCI Turkey completed the ATTA project and participated in the EU project "Culture CIVIC" as a pilot project. The CIVIC project qualifies for several large EU projects in Turkey. • DCI in the Baltic States and the DCI head office together completed the pilot project "CORRUPT:OFF" which helped to qualify DCI to establish a Ukrainian-Danish youth house and the New Democracy Fund, to both of which funds were allocated in June and December, respectively. • Moreover, the pilot project "European House" was completed in Belarus. The project contributed to the funding of the EU4Culture project, which will be completed in 2021.
	1.4 To create visibility in Denmark regarding DCI's activities abroad	Indicator: Number of press coverage in nationwide media annually.	Target: 8 Achieved: 9	Target: 10 Achieved: 33	Target: 20 (changed from 10) Achieved: 287 (excluding radio and television interviews)	Target: 20 (changed from 10) Achieved: 328 (excluding radio and television interviews)	The number of press cuttings covers the number of times that DCI appeared in Danish media in 2020. Consequently, the press coverage may range from short notices to large articles. The number covers publicity per media. That is why, articles may exist that are repeated in several daily newspapers. In addition, it should be taken into account that radio and television interviews are not initially included in the counting by Infomedia. DCI gave more than 25 radio and television interviews in 2020.

ACTIVITY	PERFORMANCE TARGET	OPERATIONAL TARGET	2017	2018	2019	2020	COMMENTS
Advisory services	2.1 Strengthen professional advice to Danish (and foreign) partners	DCI evaluates large, significant consulting assignments. 6 branches are expected in 2017, 7 in 2018 and 8 in 2019 and 2020. Indicator: Number of evaluations made annually	Target: 7 Achieved: 53	Target: 8 Achieved: 88	Target: 50 (changed from 8) Achieved: 8	Target 50 (changed from 8) Achieved: 8	DCI has evaluated 8 consulting assignments. Due to COVID-19, much fewer consulting assignments have been carried out, for which reason evaluated consulting assignments are also far less than usual.
		In the evaluations, DCI will be satisfied with an average rating above 4, measured on a scale of 1 to 7. Indicator: Average rating in all evaluations	Target: >4 Achieved: 6.5	Target: >4 Achieved: 6.5	Target: >6 (changed from >4) Achieved: 6.6	Target: >6 Achieved: 7	
		Key figure: Total number of consulting assignments carried out annually	Target: 70 Achieved: 98	Target: 70 Achieved: 165	Target: 90 (changed from 80) Achieved: 51	Target: 90 (changed from 80) Achieved: 13	DCI carried out 13 consulting assignments in 2020, which are a lot less than in previous years. The development is caused by the COVID-19 situation, with less demand for international cooperation by Danish players. Moreover, the decline also reflects that DCI focuses more on establishing long-term partnerships on large cross-over projects, and most of the consultancy takes place within this framework.

Appendix 3: Financial statements of the DCI special activities pool for 2020, see section 21(11)(23)(38) of the National Budget

By the end of 2020, the Danish Cultural Institute (“DCI”) allocated DKK 899,936 from its special activities pool, of which DKK 800,000 was allocated through the National Budget for 2020. Add to this an amount of DKK 99,936 granted in 2019 and, consequently, transferred from 2019.

Due to the new guidelines from the Danish Agency for Culture and Palaces (“DACP”), amounts allocated can no longer be transferred to subsequent financial years from 2020 onwards. In the past, funding was transferred of projects that had been delayed or if the project extended over two calendar years. Consequently, DKK 0 has been transferred to 2021.

The special allocation is distributed according to DCI’s “Guidelines for the special activities pool”, which emphasise the five principles by ICP: quality, local interest, long-term perspective, cooperation among players, and communication.

The user survey of the collaborations in which DCI has participated with Danish artists and cultural actors shows, among other things, that DCI’s projects generally meet the targets of long-term perspective and cooperation among the players.

The project managers evaluate all projects individually. The evaluation of the three most significant grants in 2020 is shown below. Afterwards, an overview is provided of all amounts granted by the special activities pool in 2020.

Project evaluations

H.C. Andersen Museum in China: (Grant: DKK 55,000)

DCI organised the “Sunshine Freedom and a Little Flower” exhibition in cooperation with the H.C. Andersen Museum in Odense. The exhibition, being the world premiere of the new H.C. Andersen Museum in Odense, was a comprehensive presentation with models, drawings, films and multimedia installations telling about a different approach to the universe of the fairy tale poet and the way he traditionally is viewed – and loved for – in China.

The exhibition received good exposure on various social media. The opening was shared on more than 19 Chinese social media platforms, including government portals such as china.com.cn, China Central Television CGTN, etc. The Facebook post by Global Times resulted in 7,500 likes, 21 comments and 129 reposts. Thirty-seven thousand four hundred and thirty-four people read the posts made by the cultural centre on social media about the exhibition. The exhibition lasts until 6 March 2021.

Appendix 3: Financial statements of the DCI special activities pool for 2020, see section 21(11)(23)(38) of the National Budget

The project has met the purpose of generating attention to and enhancing a greater understanding of H.C. Andersen and the aesthetics and contents of the museum, thus branding the new H.C. Andersen Museum to the Chinese. The project also resulted in the release of a Chinese app about Odense as a tourist destination.

SDG posters in Russia: (Grant: DKK 85,000)

In a collaboration between DCI and Chora2030, 16 Russian designers created several posters with the Sustainable Development Goals as the focal point. Several exhibitions were cancelled due to the COVID-19 pandemic, but after the reopening of the Russian society, the exhibition was shown at the Russian National Library between 16 November and 1 December 2020. The opening ceremony was shown online and translated live. A video dedicated to the exhibition was produced and shown at the Barents Bird Festival (27 to 29 November 2020), Nordic Weeks in Northwest Russia. The exhibition will also be shown in 2021. Consequently, the project managed to fulfil its purpose despite the pandemic.

ATTA Festival: (Grant: DKK 79,000)

In collaboration with a Turkish children's art festival, DCI established attahygge.com in November 2020, while all festival activities were cancelled due to the COVID-19 pandemic.

In 2020, the lockdown showed how important it is for cultural institutions to have a digital presence. In this context, Attahygge.com will act as an online platform giving the project longer life and as a digital portfolio of project activities by DCI Turkey. Users can find workshops, films, music, performances, stories, colouring books, DIY art activities and an educational quiz about Denmark and Turkey on the website.

Malou's Kitchen: (Grant: DKK 38,108)

"Cozinha da Malou" is a programme on the YouTube channel of DCI Brazil. The programme promotes a sustainable food culture for children in an intercultural and practical context, bringing health, gastronomy, food waste, wild food, and Danish cooking culture and cosiness into play in a Brazilian setting. The work on food culture in Brazil brings up environmental, biodiversity, human rights and climate issues of global importance. The Danish nutritionist Betina Lauritsen deals with the big issues in an easy and engaging way, based on the keywords: food creation, food courage and enjoyment of food. The programme is filmed by her husband Augusto in their home in Rio de Janeiro. It shows the couple's six-year-old daughter, Malou, on culinary adventures with her mother in the kitchen, garden and chicken yard. Some episodes have guest performances by Brazilian specialists and children who bring their culinary perspectives to the table, as well as the Danish partners from "Taste for Life". The videos have got more than 160,000 views across different platforms (YouTube, Facebook, Instagram). They are accompanied by several online live cooking sessions, including four online sessions for the kindergarten Casa Monte Alegre and tailored contributions to the channels of two leading Brazilian gastro-influencers.

Appendix 3: Financial statements of the DCI special activities pool for 2020, see section 21(11)(23)(38) of the National Budget

	<u>Amount (DKK)</u>
Cultural Meeting 2020	-18,500
Denmark, total	-18,500
EUNIC Women Conference	-8,200
Poems in the City 2020	-2,807
Performance Job	-9,000
100 years of Danish-Polish relationships, book publishing	-20,000
Spoke'n'Word Festival Warsaw	-2,500
EUNIC Social Design for Sustainable Cities	-6,500
Jacob Dammas documentary	-13,000
Poland, total	-62,007
Great Taste – Zero Waste	-8,483
Kim Leine Baltic Tour	-11,912
Screening of a Fortunate Man	-1,162
H.C. Andersen art competition	-10,000
Northern Light Film Festival 2020	-26,199
H.C. Andersen art competition - Belarus	-17,471
LCCA Summer School	-3,730
Operation Orfeo	-1,092
H.C. Andersen art competition - Estonia	-10,139
Stine Deja exhibition	-5,582
RIBOCA2 2020	-2,977
Voices of Europe	-4,630
Frederik Drescher Kluth - literary event	-22,602
Performing Gender in Times of Conflict	-29,000
Nordic Days in Rēzekne	-7,461
The Baltic States, total	-162,439

Appendix 3: Financial statements of the DCI special activities pool for 2020, see section 21(11)(23)(38) of the National Budget

	<u>Amount (DKK)</u>
Krass Clement photography	-3,957
SDG posters in Russia 2020	-85,000
Arctic festivals 2020	-43,326
Russia, total	<u>-132,283</u>
Film in DCC	-4,700
TWD revisited	-9,400
HCA Museum	-55,000
Jazz posters	-14,900
Commons and Communities	-21,900
Mini Festival at Chao Art Centre	-5,890
Screening at UCCA	-4,350
Graphic art by Poul Gernes	-5,700
Solstice, Christmas and a New Start	-4,275
Learning from HCA and Grundtvig talks	-3,800
China, total	<u>-129,915</u>
Mini food - Cozinha da Malou	-38,108
Ponte Nórdica No Ar	-30,000
Alessandra Meleiro @ TAW	-8,000
CINE EUROPA - EUNIC SP	-12,000
Mini food online seminar	-1,162
CDM phase 2	-8,000
PON @ CVRTA Brasilia	-20,000
PON Lab	-12,000
Brazil, total	<u>-129,270</u>

**Appendix 3: Financial statements of the DCI special activities pool for 2020,
see section 21(11)(23)(38) of the National Budget**

	<u>Amount (DKK)</u>
Bi-Weekly Film Night at VV	-4,673
Institute Urban Rooftop Garden	-2,500
The Danish electronic music duo “Den Sorte Skole” @ Panorama Editions	-4,950
Digital Dancefloors	-26,000
400th anniversary yearbook	-15,000
Dharmasala International Film Festival	-2,250
Lars Møller and Danish-Indian musicians	-10,000
IMS India movie	-14,500
400 years in 4 minutes	-10,000
Urban Lens Film Festival 2020	-6,000
What Makes A Home?	-2,000
Hoogli Heritage Hub (EUNIC)	-35,000
Herbarium Tranquebarensis/Plantae Malabarica	-11,768
India, total	<u>-144,641</u>
23 April Children’s Day	-6,280
International Women’s Day 8 March events	-11,600
ATTA, DCI/Danimarka Türkiye Çocuk Festivali	-79,000
Billboard Festival	-24,000
Turkey, total	<u>-120,880</u>
Total	<u>-899,936</u>

Appendix 4: Independently audited projects

Activities supported by EU INTERREG programmes

Creative Ports: In 2018, the Danish Cultural Institute (“DCI”) was granted almost DKK 2 million as part of a syndicate under the leadership of the Goethe Institute. In 2020, DCI recognised DKK 619 thousand of this grant as income in its financial statements. Completion of the project is expected by 2021.

Urban Cultural Planning: In 2018, a syndicate of 12 partners was granted a total of DKK 13.4 million. DCI is leading the project with a share of the grant of DKK 2.1 million. In 2020, DCI recognised DKK 641 thousand of this grant as income in its financial statements. Completion of the project is expected by 2021.

Activities supported by the Danish Ministry of Foreign Affairs

Ukrainian-Danish youth house: In 2020, the Danish Ministry of Foreign Affairs granted DKK 18 million to establish a Ukrainian-Danish youth house in Kyiv in 2020-2021. The project is carried out in cooperation with the Danish Youth Council under the leadership of DCI. DCI’s share of the budget is DKK 15.3 million in 2020-2021. In 2020, the Danish Youth Council recognised DKK 390 thousand as income, and DCI recognised DKK 571 thousand as income.

New Democracy Fund: In 2020, the Danish Ministry of Foreign Affairs granted DKK 50 million to establish and run the New Democracy Fund in 2020-2022. The project is carried out in cooperation with the Confederation of Danish Industry, the trade union 3F, the Danish Youth Council and International Media Support under the leadership of DCI. DCI has a total budget of DKK 12.6 million. In 2020, DCI recognised DKK 26 thousand of this grant as income.

Fundraising campaigns approved by the Danish Fundraising Board

Corona Aid Rio: The project has raised DKK 136 thousand. A similar amount has been spent on expenses in connection with the project.