



**Business for Social Responsibility Nordic ApS**

CVR-nr. 34882762

Vester Voldgade 6-8, 2. th.

1552 København V

Annual report 2020

**Chamber of Commerce**

Approved at the annual general meeting  
the 22 June 2021

Chairmann:

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Michel Chaouki Zeitouny



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## **Statement by the Board of Executives**

Today, the Board of Executives has discussed and approved the annual report of Business for Social responsibility Nordic ApS for the financial year 1. januar - 31. december 2020.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company and of the results of the Company's operations for the financial year.

Further, in my opinion, the Managements review gives a fair review of the matters discussed in the Managements review.

I recommend the annual report to be approved at the annual general meeting.

Copenhagen, the 22 June 2021

Board of Executives

Michel Chaouki Zeitouny

Board of Directors

Michel Chaouki Zeitouny

Aron Cramer

## **Independent Auditor's report**

To the shareholders of Business for Social Responsibility Nordic ApS

### **Opinion**

We have audited the financial statements of Business for Social Responsibility Nordic ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements.

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

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

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 the 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 Company'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 the events or conditions that may cast significant doubt on the Company'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
- Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements represent the underlying transactions and the 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's review**

Management is responsible for the Management's review

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Skodsborg 22 June 2021

## **REVINORD**

Kettebakken 11  
2942 Skodsborg  
Cvr 16347299

René Georg Sørensen  
State Authorized Public Accountant  
mne 17730

## **Managements review**

### **Business review**

BSR is a global nonprofit organization that works with its network of more than 250 member companies and other partners to build a just and sustainable world. From our offices in Asia, Europe, and North America, we develop sustainable business strategies and solutions through membership, consulting, research, and cross-sector collaboration.

BSR's role is to catalyze change within business by integrating sustainability into strategy and operations, and to promote collaboration among companies and their stakeholders for systemic progress toward a just and sustainable world. We work with companies from the farm to the factory to the boardroom, and we work with large multinational companies, government agencies and private foundations as well as global and local stakeholders including from civil society.

Our work is focused on six topic areas including climate change, inclusive business, women's empowerment, human rights, supply chain and sustainability management.

### **Development and transformation**

As for previous years 2020 continued along a path of growth in the Nordic region experiencing growing interest from a variety of industry sectors.

### **Financial information**

The loss during 2020 is considered as satisfying through a year with COVID19 raging across the world.

### **Future expectations**

We expect to continue to grow BSR's presence in the Nordic region including by increasing the number of staff operating out of the office in Copenhagen.

### **Events after the balance sheet dat**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end

## Financial Statement

### Accounting Policies

The annual report has been prepared in accordance with the provisions applying to reporting class B-enterprises under the Danish Financial Statements Act. The accounting policies used are consistent with those of last year.

#### Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item. In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method). Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

##### Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue' and 'Other external expenses' are consolidated into one item designated 'Gross margin'.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

##### Depreciation

The item comprises depreciation of property, plant and equipment. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

- Other fixtures and fittings, tools and equipment 3-5 years. (Scrapvalue 0 %)

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

**Financial income and expenses**

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies.

**Tax on profit/loss for the year**

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

**Balance sheet****Fixed Assets**

Tangible assets, as other fixtures, fittings, tools and equipment are measured at cost less accumulated depreciation and adjustment due to impairment. Depreciation is provided over the estimated useful life which are estimated at 3-5 yrs. Scrap value is estimated at DKK 0.

Shares in Subsidiaries is measured at the lowest price of net cost and expected value if realized.

Other Financial assets, as deposits, are measured at cost less adjustment due to impairment.

**Receivables**

Receivables includes trade receivables and other receivables are measured at amortised cost. Write-down is made for bad debt losses.

**Equity - dividends**

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

**Corporate tax and deferred tax**

Current tax payable and receivable is recognized in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules, e.g. regarding shares, can be applied to determine the tax base, deferred tax is measured based on the Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

**Liabilities**

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.





## Income statement

	Note	2020	2019
<b>Gross margin</b>		8.241.098	6.648.436
Staff costs	1	-5.792.303	-5.278.086
Depreciations		-65.327	-92.272
<b>Profit of the operations</b>		2.383.468	1.278.078
Profit / Loss of activities in subsidiaries		-80.130	-1.335.000
Financial income		157	8.935
Financial expenses		-24.539	-23.894
<b>Profit before corporate tax</b>		2.278.642	-71.881
Corporate tax		-521.990	-279.239
<b>Profit for the year</b>		<b>1.756.652</b>	<b>-351.120</b>
<u>Recommended appropriation of the profit</u>			
Retained earnings		1.756.652	-351.120
Dividend for the year		0	0
		<b>1.756.652</b>	<b>-351.120</b>



## Balance sheet

	Note	2020	2019
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		163.057	166.641
Tangible assets		<u>163.057</u>	<u>166.641</u>
Shares in subsidiaries		682.432	762.562
Other financial assets		133.593	129.343
Financial assets		<u>816.025</u>	<u>891.905</u>
<b>Fixed assets</b>		<b><u>979.082</u></b>	<b><u>1.058.546</u></b>
Receivables from group entities		6.430.820	5.401.167
Prepayments and Deferred income		116.461	107.202
Other receivables		193.480	51.091
Receivables		<u>6.740.761</u>	<u>5.559.460</u>
Cash at hand and in Bank		1.941.044	493.344
<b>Current assets</b>		<b><u>8.681.805</u></b>	<b><u>6.052.804</u></b>
<b>TOTAL ASSETS</b>		<b><u>9.660.887</u></b>	<b><u>7.111.350</u></b>
<b>EQUITY AND LIABILITIES</b>			
Share capital		400.000	400.000
Retained earnings		5.491.297	3.734.645
Dividend for the year		0	0
<b>Total Equity</b>		<b><u>5.891.297</u></b>	<b><u>4.134.645</u></b>
Deferred tax		0	928
<b>Provisions</b>		<b><u>0</u></b>	<b><u>928</u></b>
Debt affiliates		2.109.187	2.109.187
Corporate tax		280.918	207.628
Other Liabilities		1.379.485	658.962
<b>Total liabilities other than provisions</b>		<b><u>3.769.590</u></b>	<b><u>2.975.777</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>9.660.887</u></b>	<b><u>7.111.350</u></b>

Contractual obligations and contingencies etc.

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## Notes

### 1. Staff costs

	<u>2020</u>	<u>2019</u>
Wages and salaries	5.083.708	4.601.849
Pensions	594.699	520.563
Other staff expenses, social costs etc.	113.896	155.674
	<u>5.792.303</u>	<u>5.278.086</u>
Number of employees	<u>8</u>	<u>8</u>

### 2. Contingencies and Contractual obligations

None, except from houserent.