



ANNUAL REPORT 2017

SAVE THE CHILDREN SWEDEN



Rädda Barnen

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12: Save the Children, Mozambique

22: David Mcpherson Chidakwa/Save the Children, Malawi

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35: Elin Toft/Redd Barna (Rädda Barnen Norge)

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41: Oli Cohen/Save the Children

42: Save the Children Malawi

The names are changed of some of the children who are interviewed or photographed, to protect the identity of the child.

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Project management: Helena Lindfors Nybom

Text: Maria Rodikova/Proidea

Layout: Åtta.45 Tryckeri

Graphics: Rikard Söderström TT

Annual Report 2017

The Board and the Secretary General of the Save the Children Sweden National Association (802002-8638) hereby submit the following Annual Report for the 2017 financial year. This Annual Report has been reviewed and approved by a certified public accountant and an elected auditor in accordance with good auditing practices*.

*Good auditing practices among other things entail that the audit takes place in accordance with international standards on auditing (ISA).



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Save the Children

THE OPERATION IN GENERAL

We support children worldwide

Save the Children Sweden is a democratic, non-governmental organisation independent of all political and religious affiliations that fights for children's rights. We stimulate opinion, influence decision-makers and support children in vulnerable situations. Everything that we do is based on children's rights, from the child's perspective and their reality. Our trustworthiness is born of our meetings with and initiatives for children.

We want to see a world in which every child's right to life and development, protection, and to participation and influence is satisfied. In our values, which are based on the UN Universal Declaration of Human Rights and the UN Convention on the Rights of the Child, we state that:

- All people are of equal value.
- Children have special rights.
- Everyone has a responsibility, but states have binding obligations.

We call this a rights perspective.

When Save the Children was founded in 1919 in the UK many children were in great need of help after the horrors of World War One. Children in war-torn Europe had been severely affected and Save the Children became an organisation that concentrated on the needs of the children.



Save the Children was founded by British activist Eglantyne Jebb. She was the first to introduce the idea of children's rights and was one of the instigators behind the Geneva Declaration – a precursor to the UN Convention on the Rights of the Child.

Save the Children Sweden was also formed in 1919 by Ellen Palmstierna and Elin Wägner, among others. In the beginning the organisation's work was concentrated in Europe, but over time Save the Children Sweden became a humanitarian and children's rights organisation that also worked to change the situation for children in developing countries.



Save the Children Sweden's objectives

Today Save the Children Sweden is part of a global children's rights movement. Together we aim to achieve three important breakthroughs for children by 2030:

- Survive – no child dies from preventable causes before their fifth birthday
- Learn – all children learn from a quality basic education
- Be protected – violence against children is no longer tolerated

Save the Children Sweden has decided on an eight-year operational focus up to the year 2024. It establishes that we shall contribute to the global ambition by focusing on:

- ensuring child migrants have their rights fulfilled
- reducing violence against children
- supporting child rights governance

Our operation must be high quality and able to engage many different players. We are involved worldwide in humanitarian disaster relief and in long-term projects such as lobbying against corporal punishment.





Achieving results through collaboration

We develop and expand direct initiatives both for and together with children

Our trustworthiness is born of our results, of our meetings with and initiatives for children.

Save the Children Sweden is a player that identifies new solutions and influences others based on in-depth knowledge of children's situations. This requires us to be anchored in children's reality. We need to collaborate with other players so as to identify long-term solutions.

Our experience from the direct operation and meetings with children forms the basis of our knowledge development. We are continuously improving our methods. This knowledge, which is firmly anchored in children's reality and systematically developed, is the foundation of our advocacy.

In 2017 we began to shift the emphasis of our operation in Sweden towards more direct initiatives for children. This means that not only are we developing new operations directly for children but also that the scope of our overall operation is growing so that we can reach more children.

Save the Children Sweden is growing

Agenda 2030 strengthens the view that all of society's players are responsible for contributing to the global sustainability goals. This gives voluntary organisations new possibilities for financing and collaboration. Public funds and various forms of collaboration with the business community can help to grow Save the Children Sweden's operations.

Save the Children Sweden is already well placed to achieve results for children in partnership with other players. We are an active membership movement in Sweden with local anchorage, and also part of an international movement. We have strong, long-term relations with other players in society, companies and agencies, both in Sweden and abroad.

In 2017, Save the Children Sweden agreed on a five-year strategy to put it on an even stronger footing so that we can grow and create more extensive improvements for children.

Save the Children Sweden in partnership

We primarily work with children. Children take part in and influence the shape of our operation. We also work in partnership with a host of players in civil society, the business community and private sector. This is not only essential for our own operation but also contributes to the work of others. Together we bring about the changes we want to achieve for children.

Partnerships with local civil society are a foundation stone of our international work. We want to draw on local expertise in the countries and our partners' experience and resources. By strengthening capacity and ownership locally, we create even better conditions for long-term, sustainable results for children. Members, other active parties and employees in Sweden work together to create a high-quality operation, often in collaboration with other players in society.

Many companies want to support Save the Children Sweden and make donations to contribute to a socially sustainable society. We work out operations, alongside our partner companies to varying extents, so as to strengthen children's rights.

The Save the Children Centre for Child Rights and Business (CRB)¹, enables us to act as consultants to companies to help them analyse the effect their businesses have on children's rights throughout the value chain. The analysis is based on children's rights principles for companies. We provide support by identifying and implementing new working practices and proposing measures to strengthen their positive impact on children.

We are a non-governmental organisation

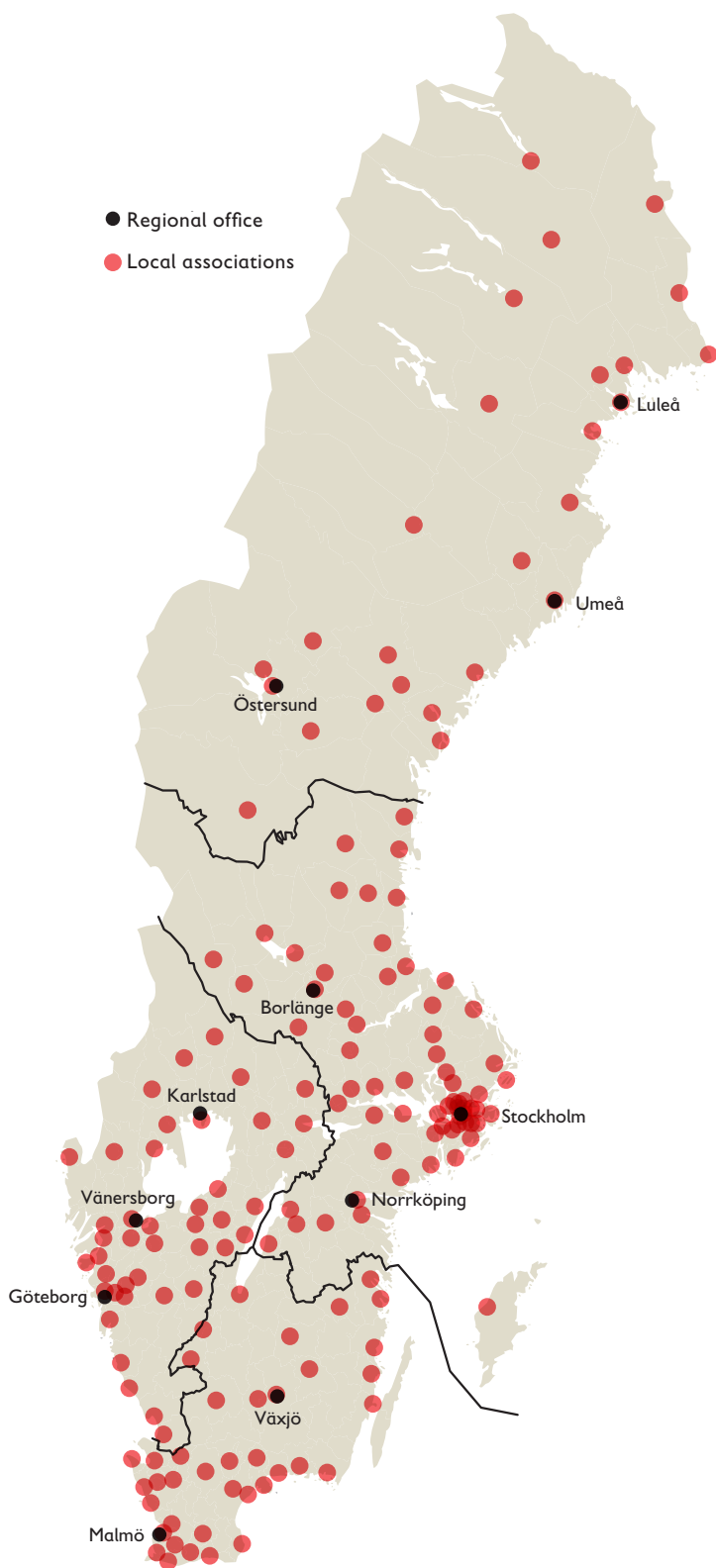
Save the Children Sweden is a membership movement and our members' dedication is essential for the operation to function, develop and achieve results. Members are the driving force behind the associations and they are Save the Children Sweden's most important representatives at all levels.

Local associations and districts across the whole of Sweden work actively with and for children in their areas. This is where we build up operations with children, networks and have channels to local decision-makers. We are also engaged in various campaigns, advocacy and international humanitarian work.

Save the Children Sweden's membership movement and employees must reflect society's diversity. Our diversity contributes to quality and results, and ensures our relevance in society.

¹ The consultancy operation is run within the framework of Save the Children Sweden's wholly-owned company Rädta Barnen Service AB.

The operation in general



Membership development and local operations

The members of Save the Children Sweden continue to be strongly committed to making an active contribution for children who have recently arrived in Sweden. Hundreds of activities have been carried out by districts and local associations across Sweden with a focus on psychosocial support for children and families such as child-friendly places, help with homework, leisure activities, therapy groups and meeting-places.

Some of the associations have trialled new forms of engagement to attract new groups of active parties to Save the Children Sweden. One such example is work to support asylum seekers' own organisation.

Conference 2017

A conference is held every other year, between the General Assemblies, where members and the Board of Trustees can share experiences and discuss important issues concerning the future development of the operation.

The focus of the conference in September 2017 was on Save the Children Sweden in the future. The results of an external inquiry, which was tasked with reviewing Save the Children Sweden's membership movement from a future perspective, was presented and the participants discussed the issues. There was also a follow-up of decisions made at the most recent General Assembly and of the Annual Report for 2016.

Membership in figures

Save the Children Sweden has had approximately 75,000 members in recent years, but in 2017 membership fell to around 70,000 ².

This is a trend that many other organisations in civil society are also experiencing. There is a general downturn in conventional membership and it is difficult to pinpoint one particular factor. Save the Children Sweden will review its membership recruitment both to strengthen the organisation but above all to get more people active in the local operations.

² Save the Children Sweden had 5,029 fewer members in 2017 compared with 2016.

The operation in general

A global organisation

There are 28 Save the Children organisations in as many countries around the world, and together we make up one of the world's leading players in children's rights. We carry out joint operations in more than half of the world's countries, both long-term development collaborations and humanitarian relief. Working together makes us more effective and makes it easier to evaluate operations. Save the Children Sweden provides funds, staff and knowledge to help make the joint vision a reality.

Save the Children International assigns members responsibility for various prioritised issues. Sweden is leading the global work on:

- Child protection.
- Protecting children in armed conflicts. The particular focus of our work here is influencing decision-makers and the players involved in conflicts to protect and safeguard children's rights.
- Influencing companies to advocate children's rights.

We also provide support through methods and knowledge for the joint global work of influencing states and other players in society to strengthen children's rights.

We provide special support to our sister organisation in South Africa and Elisabeth Dahlin, the Secretary General of Save the Children Sweden, is a member of the Board of Trustees there.

The members' meeting for all organisations in the global Save the Children Association sets out the joint global strategy, objective, vision, tasks and values. It decides how Save the Children's name is to be used, and decides on new members and changes to statutes and regulations. The membership meeting draws up joint standpoints on issues that affect all member organisations.



Our **Ambition 2030** strategy steers the global operation and also applies to all member organisations' strategies and operational focuses.

- The national offices coordinate programme activities in their countries,
- while the regional offices coordinate the activities in their regions.
- Advocacy offices in Addis Ababa, Brussels, Geneva and New York coordinate multilateral political lobbying of the African Union, EU and UN.

Governance of Save the Children Sweden

Board of Trustees

- Promotes Save the Children Sweden's development in line with its statutes and the decisions of the General Assembly.
- Responsible for planning, executing and evaluating Save the Children Sweden's entire operation.
- Responsible for Save the Children Sweden's work within the global Save the Children Association and Save the Children International based on the mandate provided by the General Assembly in connection with decisions on operational focus.
- Draws up an operational plan and budget for the national association every year.

The Board of Trustees held six minuted meetings in 2017 and consists of a Chair, Deputy Chair and other members. The Save the Children Sweden Youth Council appoints one member and a personal substitute while the unions appoint two co-opted members, who have rights of attendance and expression.

NAME	LOCATION	FUNCTION	BACKGROUND	ATTENDANCE
Lise Bergh	Stockholm	Chair	Lawyer, former Director of Amnesty International's Swedish section	6/6
Cecilia Abrahamsson	Stockholm	Deputy Chair	Communicator	6/6
Lars Axelsson	Stockholm	Member	Head of marketing	5/6
Åsa Ekman	Gothenburg	Member	Children's strategist, children's rights consultant	6/6
Oliwer Karlsson	Malmö	Member	Gender studies researcher, democracy developer, inclusion coordinator	6/6
Birgitta Lahti Nordström	Luleå	Member	Education consultant	6/6
Veronica Palm	Stockholm	Member	Children's nurse	0/6
Fredrik Rosengren	Stockholm	Member	Finance director	4/6
Tomas Rydsmo	Ljungkile	Member	Head teacher	5/6
Ingela Schmidt	Solna	Member	IT security officer	6/6
Madeleine Sultan Sjöqvist	Uppsala	Member	Doctor of theology in the sociology of religion, social sustainability consultant	6/6
*Vinje Tornberg	Gällivare	Member (Save the Children Sweden Youth Council)	Save the Children Sweden Youth Council	2/6
* Olivia Wijkander	Stockholm	Deputy (Save the Children Sweden Youth Council)	Save the Children Sweden Youth Council	1/6
** Petter Martinsson	Stockholm	Member (Save the Children Sweden Youth Council)	Save the Children Sweden Youth Council	1/6
** Elin Liljenblad	Stockholm	Deputy (Save the Children Sweden Youth Council)	Save the Children Sweden Youth Council	1/6

Sara Lindbom and Ylva Åkerblom, co-opted members, staff representatives, the trade unions Unionen and Akademikerförbundet

* Save the Children Sweden Youth Council representative up to and including October 2017

** Save the Children Sweden Youth Council representative from November 2017

The operation in general

Fees

Chair: SEK 20,000/month.

Deputy Chair, responsible for international collaboration: SEK 10,000/month. Members of the executive committee and chairs of the Board of Trustees' committees: SEK 1,000/month. Other members and deputy members of the Board of Trustees: SEK 0/month.

All members, with the exception of the Chair and Deputy Chair, may receive remuneration for loss of earnings. No pension provision is made for members of the Board of Trustees.

Committees in 2017**Executive committee**

Prepares the Board of Trustees' meetings. Comprises Lise Bergh (chair), Cecilia Abrahamsson, Åsa Ekman and Tomas Rydsmo. 8 meetings.

Remuneration committee

Regularly reviews the Secretary General's pay terms and employment contract as well as the remuneration principles for senior officers of Save the Children Sweden.

Comprises Lise Bergh (chair), Cecilia Abrahamsson, Åsa Ekman and Tomas Rydsmo. 2 meetings.

Audit committee

Monitors that Save the Children Sweden's accounting policies comply with generally accepted accounting principles and are applied in a proper manner. The audit committee also monitors that internal control of financial management is conducted in a satisfactory manner, takes part in the planning and follow-up of internal audit work and oversees how internal and external auditors' findings and recommendations are addressed in the organisation. Comprises Cecilia Abrahamsson (chair), Fredrik Rosengren and Ingela Schmidt. 6 meetings.

Asset management committee

Supports the organisation with fund management of both long-term assets and short-term liquidity. Reviews the policy on fund management and evaluates the results of fund management. Conducts ethical reviews and evaluates whether fund management complies with the management policy. Comprises Fredrik Rosengren (chair), Lars Axelsson and Madeleine Sultán Sjöqvist. 4 meetings.

Membership committee

Works to improve communication between the membership and the Board of Trustees and to strengthen the democratic process and sense of community within the whole organisation. The members of the committee participate in regional councils and other similar regional meetings as representatives of the Board of Trustees. Comprises Åsa Ekman (chair), Oliwer Karlsson, Birgitta Lahti, Sofia Zackrisson (up to and including June 2017), Veronica Palm (up to and including June 2017), Ingela Schmidt (from June 2017) and Vinje Tornberg (up to and including September 2017). 5 meetings.

International committee

Supports Save the Children Sweden's Board of Trustees in its collaboration with the global Save the Children Association and Save the Children International. Comprises Lise Bergh (chair), Cecilia Abrahamsson, Tomas Rydsmo and Madeleine Sultán Sjöqvist. Inger Ashing, member of the Board of Save the Children International (co-opted). 4 meetings.

Child Safeguarding

Responsibilities include ensuring that all decisions made by the Board of Trustees are in line with Save the Children's Child Safeguarding Policy, and that the framework and policy are implemented and maintained by the membership. Officer responsible: Åsa Ekman.

Nominations committee

Marianne Omne-Pontén (chair), Dalarna; Sona Rashid, Stockholm; Inger Ashing, Stockholm; Mathias Casserlund, Värmland and Anneli Ivarsson, Västerbotten.

Auditors

Auditors: Jonas Grahn, authorised public accountant, PwC AB and Torbjörn Englund, elected auditor. Deputy auditors: Erik Albenius, authorised public accountant, PwC AB and Marie Rosengren Engström, elected deputy.

Save the Children Sweden's secretariat

Save the Children Sweden's head office is in Sundbyberg, Stockholm county, and is led by Secretary General Elisabeth Dahlin.

Senior management team

Elisabeth Dahlin, Secretary General; Ulf Rickardsson, Head of Secretariat and Deputy Secretary General; Charlotta Sterky, Head of Child Rights and Business; Anniken Elisson Tydén (up to and including October 2017) and Lena Ingelstam (as of November 2017), Head of the International Programme; Ola Mattsson, Head of the Sweden Programme; Malin Morell, Head of Communications and Fundraising; Christine Engdahl (up to and including May 2017) and Johannes Nilsson (as of August 2017), Head of the Administrative Department; Sofia Skoog, Head of Financing and Partnership; Anna Nordström, Head of HR (as of August 2017); Freddie Hellström, Financial Manager (as of August 2017); Sara Tonhammar Lööf, administrator, coordinator and secretary to the senior management team.

Employees

On average Save the Children Sweden had 335 employees during the year. 240 were permanent employees (of whom 57 men). 77 employees had fixed-term contracts (of whom 20 men). Save the Children Sweden seeks an even gender distribution and is working actively to increase the number of male employees.³

Professional categories:

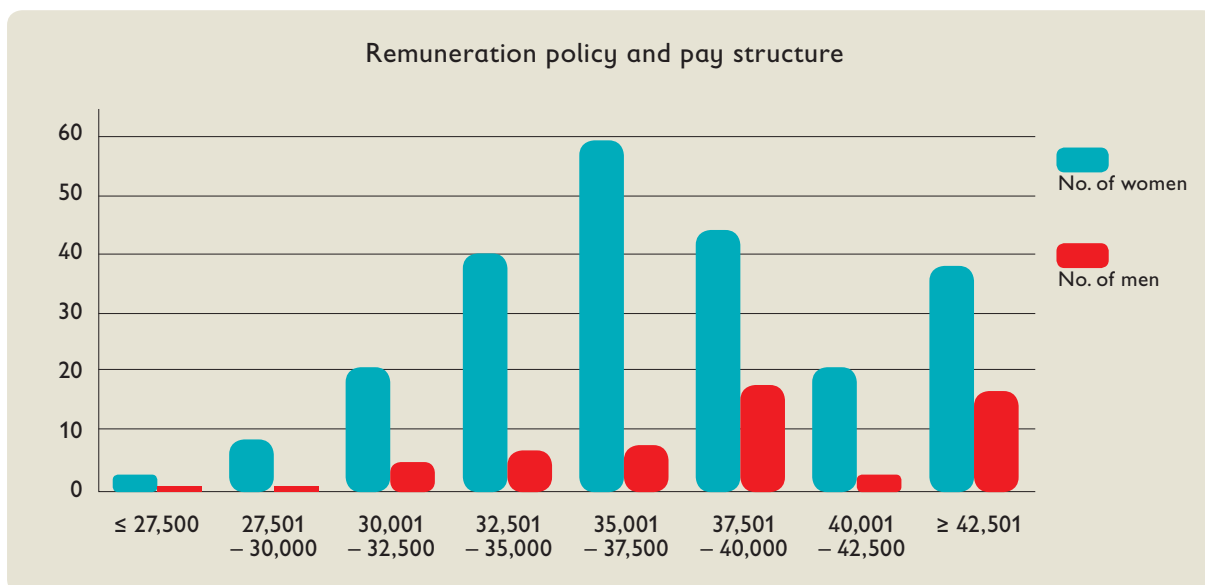
Assistants: administrators, general assistants, receptionists and caretakers.

Administration: economists, award managers, HR business partners, IT engineers, key account managers, communications staff, marketing staff, programme officials, project managers, advisors, therapists and business developers. Managers with staff responsibilities: heads of department, section managers and group managers.

Managers without staff responsibilities: area directors, assistant department managers, assistant regional managers, competence development managers, press managers and operations managers.

Remuneration policy and pay structure

Save the Children Sweden seeks to have a clear remuneration policy that includes principles and criteria for remuneration based on our values and our instructions regarding pay reviews. The pay structure is on a par with similar organisations in Sweden. Save the Children Sweden has no commission-based remuneration.



³ All figures relate to average number of employees.

The operation in general

Pay in 2017 (permanent employees and their substitutes)

Save the Children Sweden is a member of IDEA (an employers' association for non-profit organisations) and has signed collective agreements that apply to all employees who are members of the trade unions Akademikerförbundet and Unionen. Akademikerförbundet and Unionen have local trade union clubs at Save the Children Sweden.

The Secretary General's employment terms and assignments

The Secretary General's monthly salary: SEK 99,000. The Secretary General's term runs up to and including 31 December 2020. The notice period is six months if initiated by the Secretary General and 12 months if initiated by Save the Children Sweden.

In the event of notice of termination with no obligation to work, deductions are made if other employment is found during the notice period. Costs for occupational pension provisions in line with collective agreement: SEK 467,843 in 2017.

The Secretary General of Save the Children Sweden, Elisabeth Dahlin, has the following other assignments:

- Chair of Världens Barn (Children of the World)
- Board member of the Radiohjälpen foundation
- Member of the Utrikespolitiska samfundet association
- Board member of New Wave Group
- Vice-chair of Uppsala University Board
- Member of IKEA People & Planet Positive Advisory Group
- Member of the advisory council for the Family Law and Parental Support Authority (MFoF).
- Member of New Wave Group's Advisory Board for CSR issues

Out of these the following are remunerated: MFoF and Board member of New Wave Group. SEK 975 is paid per meeting attended for MFoF. Remuneration for the Board assignment with New Wave Group is SEK 150,000 a year. After taxation and deductions for travel expenses and costs, the fee goes to Save the Children Sweden. When Elisabeth Dahlin serves as a Board member of New Wave Group she is on leave from her role as Secretary General.

Rädda Barnens Service AB

Rädda Barnens Service AB is a company owned by the national association. It runs a consultancy business in Sweden and abroad regarding children's rights and sustainability issues. There are currently two subsidiaries: CCR CSR in Beijing and Hong Kong.

Foreign branches/offices

Save the Children Sweden had legal responsibility for an office in Sudan up to and including 30 June 2017. The office carried out its own financial reporting which was consolidated on an ongoing basis with the national association's reporting. The operation was transferred to Save the Children International on 1 July.

Internal control and audits

Internal control is part of ongoing financial and operational management. It is undertaken by the Board of Trustees, management and other staff so as to provide reasonable assurance of whether goals have been achieved, reporting, and how laws and regulations are being followed. The Board of Trustees' audit committee monitors that internal control is carried out in a satisfactory manner. An internal auditor supports the committee and reviews the operation in accordance with an annual plan. The aim of the overall audit of Save the Children Sweden is to assure the organisation's stakeholders that its financial reporting provides a true and fair view of the operation. The principle is that follow-up and audits should take place in all subsequent stages. When other members of Save the Children International or partners of Save the Children International carry out an operation on behalf of Save the Children Sweden, an external audit of the operation is performed if the overall sum exceeds a threshold of SEK 284,000. Operations carried out by Swedish partners and those implemented through Save the Children International are subject to their own annual external audits. Save the Children Sweden applies the quality code developed by the Swedish Fundraising Council (FRII) and reports in accordance with FRII's guidelines on code reporting 2017.

INFORMATION ON SUSTAINABILITY

Save the Children Sweden submits a sustainability report within the framework of the integrated annual report.

FINANCIAL INSTRUMENTS

Asset management must be ethical

Over time, Save the Children Sweden has built up a contingency fund for unforeseen events and so that it can guarantee long-term efforts to help children. The management of this money is governed by a policy with strict requirements on ethics, low risk and cost-effective management.

Save the Children Sweden's policy on asset management is based on the Swedish Fundraising Council's (FRII's) guidelines for fundraising organisations on drawing up investment policies. The policy is also reviewed by Charity Rating. It has been adopted by Save the Children Sweden's Board of Trustees and is reviewed every other year. The asset management committee prepares the review.

Key features of the asset management policy:

- Long-term asset management must have an expected total return of 3% per annum in real terms over a five-year period.
- The total level of risk regarding currency and credit risks, for example, must be low. This shall be achieved through global diversification, strict limits on operative management and a reasonable balance between equities, interest and alternative investments.
- A good balance between the proportion of capital invested in equities, fixed-income securities and in alternative products for a given required return and risk.
- The equities portfolio shall be managed in index funds with passive management, where possible.



Save the Children Sweden shall seek to be a responsible investor and the companies in which it invests shall be characterised by consideration for the environment, reasonable social conditions and good governance. The companies in the funds in which Save the Children Sweden invests must operate in accordance with the international conventions signed by Sweden.

Save the Children Sweden follows FRII guidelines:

- The management policy's ethical aspects are linked to the goals and aims of Save the Children Sweden's operation
- The goals are measurable and can be followed up
- The investment policy is public

Save the Children Sweden also aims to exert an influence as much as possible through its asset management. Save the Children

Sweden chooses investment options based on its investment philosophy and thereby has an indirect impact on the market. Through its investments Save the Children Sweden can also influence companies on issues in the organisation's core area. The ambition is for the companies in Save the Children Sweden's investment portfolio to be fossil free (not trading in or producing fossil fuels) as far as possible.

RESULTS AND POSITION

Income

Save the Children Sweden's operations are made possible thanks to funding from private donors, public institutions and companies.

The strategy for 2017-2021 aims to produce growth. The aim for the first two years of the strategy is to lay the foundation in the organisation to subsequently be able to expand the operation.

We work in close dialogue with institutional contributors on a national and global level, such as Swedish government agency Sida, the EU and the UN, and add a children's rights perspective when contributors shape their own strategies and priorities. Together we then develop an operation that can strengthen children's rights. Follow-up is extremely important for the collaboration and for continuously improving the operation.

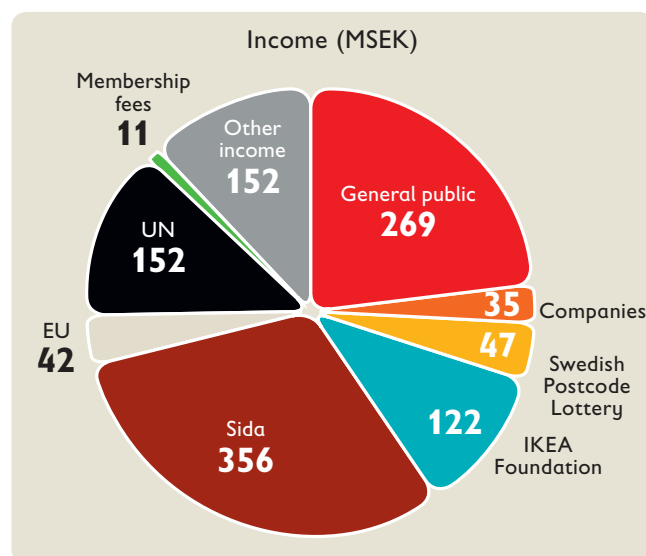
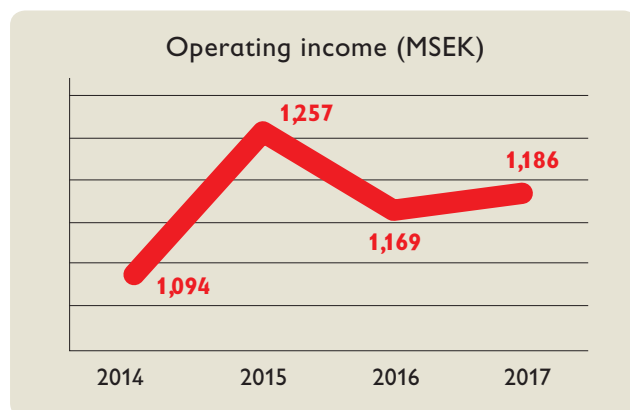
Save the Children Sweden's income comprises contributions, grants and other income. Sometimes contributors set requirements for particular results, the content of the operation or the distribution of costs. In other cases they accept Save the Children Sweden's own priorities and follow-up processes. A so-called grant is linked to certain terms, and if they are not fulfilled it has to be repaid, whereas a donation is unconditional.

Save the Children Sweden regularly follows up the operation in its annual and interim reports, staff accounts and processes for internal control.

Here follows a report of income in 2017

Total income: MSEK 1,186 (1,169) +1.4%⁴

⁴ 2016 figures are in parentheses. MSEK indicates millions of Swedish kronor.



Total:
MSEK 399
(398)*
+0.3%

Donations

General public - MSEK 269 (263)* +2%

The funds we receive from the general public are extremely important in enabling us to prioritise where we think the funds are needed the most. They enable strategic investments, innovations and a flexible humanitarian operation. In 2017, income from the general public increased by just over MSEK 6, a result that we would like to improve on next year.

For the first time in Save the Children Sweden’s history we received over MSEK 200 from our monthly donors in a year. Recruiting monthly donors is a long-term strategic initiative that has now started to bear fruit. The number of monthly donors increased to 108,051 (107,323). TV appeals were a successful new way of recruiting monthly donors.

Income from one-off donations, MSEK 101, was lower than forecast. The main reason for this was that the Christmas campaign did not go quite as well as expected.

Legacies - MSEK 31 (50)* -38%

Income from legacies has decreased during the year. Individual donors can make a big difference to this figure. Income from legacies was at a record high in 2016.

Business collaborations - MSEK 34 (33)* +3%

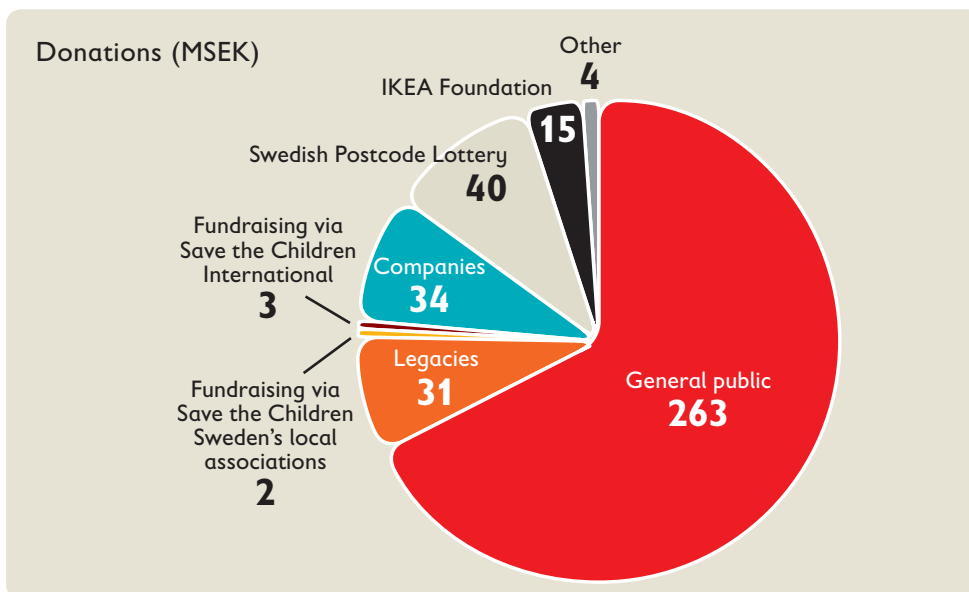
Companies that have made donations include Folkspel, Willys, Apoteket and Santa Maria. A campaign with Apoteket was a success and Willys raised funds from its reverse vending machines for packaging.

The companies are motivated to create fundraising activities and we will be expanding this concept in the future. Another example is H&M which, together with Save the Children Sweden, organised a staff competition where different teams in a department came up with ideas to raise money for the hunger crisis in East Africa.

We have carried out a number of strategic investments during the year to strengthen our partnerships with companies. This has led to a new collaboration with Scandic Hotels, for example, and we have engaged in dialogue with several new partners. We have also broadened our offering and are carrying out several campaigns with our partners.

Swedish Postcode Lottery - MSEK 40 (40)* +0%

The Swedish Postcode Lottery contributed MSEK 40, which is on a par with the previous year.



* figures in parentheses refer to 2016.

IKEA Foundation - SEK 14,630,000⁵

IKEA Foundation decided to donate SEK 14,630,000 to Save the Children Sweden’s humanitarian efforts in Bangladesh and Yemen. This is a large increase on the previous year because in the past IKEA Foundation has tended to fund Save the Children Sweden through grants rather than donations.

Donations in kind

Donations in kind, i.e. any donations other than cash, have been received in a collaboration with UNHCR and World Food Program. The value of donations in kind in 2017 was MSEK 5.3.

Other donations

Save the Children Sweden has also received donations in other forms, such as pro bono services from Vinge law firm, Accenture and IKEA. Skandia has allowed Save the Children Sweden to use conference facilities. IKEA and H&M has donated Christmas presents to asylum centres. Apoteket has donated products.

⁵ The agreement means that the sum must be reported in its entirety in the annual report (MEUR 1.5).

Grants

Public sector grants

**Total:
MSEK 606 (615)* -1%**

Sida - MSEK 356 (327)* +9%

Sida’s grants finance a large part of Save the Children Sweden’s development collaborations in more than 50 countries. They equate to approximately 30% of Save the Children Sweden’s total operating income. Save the Children Sweden has agreed a sub-arrangement within a framework agreement with Sida on financing for a further five years, 2017-2021.

EU - MSEK 42 (68)* -38%

Grants from the EU have decreased. One reason for this is that EU funding for the operation in Sudan is no longer managed through Save the Children Sweden. Save the Children Sweden’s legal responsibility for the Sudan office was transferred to Save the Children International during the year.

UN - MSEK 152 (149)* +2%

The UN has funded operations in Bangladesh, Ethiopia, Lebanon and Sudan.

Foundations and companies - MSEK 159 (140)* +14%

The increase can mainly be attributed to a larger grant from IKEA Foundation (+MSEK 22) for humanitarian efforts and development efforts in international programme activities. An agreement on immediate funding for humanitarian disasters enabled efforts in, for example, Vietnam and Iraq. Grants from other foundations decreased by MSEK 4.

Net turnover and other income - MSEK 10.4 (3.5)* +197%

This refers, for example, to funding from the state and local government for our centre for children and young people living in vulnerable situations. The centre provides support, treatment and training in trauma-informed care.

KEY FIGURES FOR FUNDRAISING	2014	2015	2016	2017
Funds raised/operating income	41.1%	52.2%	46.1%	47.1%
Fundraising costs/funds raised	15.4%	11.3%	14.1%	13.8%

KEY FIGURES FOR GRANTS RECEIVED	2014	2015	2016	2017
Grants received/operating income	66.1%	64.2%	64.6%	64.5%

* figures in parentheses refer to 2016.

**Total:
MSEK 1,191
(1,174) +1%**

Costs

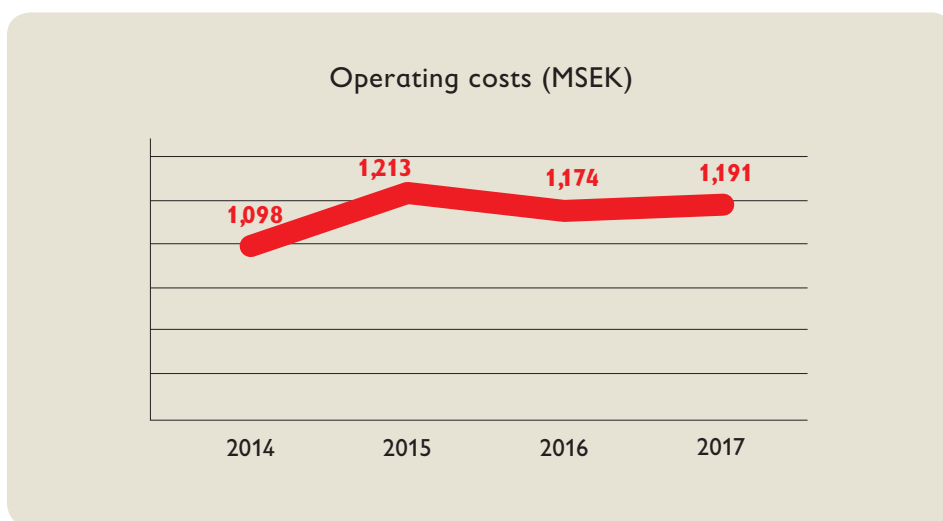
Save the Children Sweden’s costs comprise costs for charitable activities, fundraising and administration.

Costs for charitable activities: Save the Children Sweden’s costs for achieving concrete results for children. They comprise programme costs for running operations in Sweden and abroad, and member costs in the form of support for the member organisation.

Fundraising costs: costs for the staff and activities required to raise donations from private individuals and companies.

Administrative costs: costs for rent, administrative systems and some staff costs, etc.

Costs for charitable activities



COSTS BY CATEGORY (MSEK)	2014	2015	2016	2017
Costs for charitable activities, programmes	965.9	1,076.4	1,028.2	1,043.1
Costs for charitable activities, members	23.8	22.5	23.7	22.9
Fundraising costs	69.1	74.2	75.9	76.9
Administrative costs	38.8	40.0	46.3	48.4
Total costs	1,097.6	1,213.1	1,174.1	1,191.4
Total income	1,100.5	1,269.3	1,177.0	1,207.3
Fundraising & Administration/Total income	10%	9%	10%	10%

* Total income including Save the Children Sweden’s earnings from financial investments.

Results and position

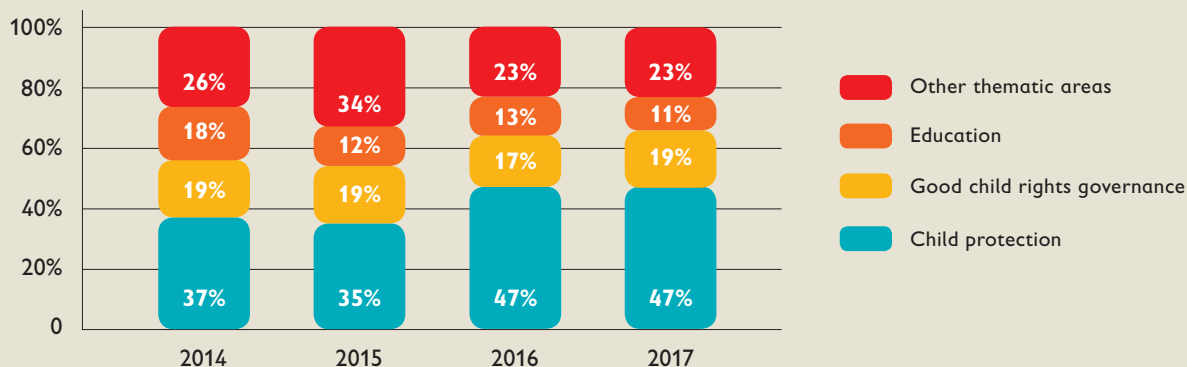
Costs for charitable activities relating to direct operations have increased, but they have decreased slightly for the membership operation, mainly due to the closure of Barn (Children) magazine.

We divide our costs thematically into the operational areas of child protection, child rights governance and education, and into other thematic areas relating to work on health, HIV/AIDS, food supply and living conditions. Our humanitarian work is also included here.

All of these operational areas are necessary building blocks for us to achieve the results we want in line with our operational focus. In our operational focus we concentrate on ensuring child migrants have their rights fulfilled, reducing all forms of violence against children and strengthening child rights governance.

**Total:
MSEK 1,066
(1,052)
+1%**

Programme costs per operational area



CHILD RIGHTS GOVERNANCE

**Total:
MSEK 126
(110)* +15%**

The operation for children's right to good child rights governance has increased by approximately MSEK 15 during the year and represents a higher proportion of the total programme activities than before.

Good child rights governance means that states and authorities take the necessary measures to ensure that children's rights are respected, protected and implemented. Save the Children Sweden's operation in this area focuses on getting states to take responsibility for this by introducing legislation that strengthens children's rights, appointing independent children's ombudsmen and producing reliable statistics on children. We also want states to safeguard collaborations between the public institutions that work with children and their rights, work with organisations in the civil society and

allocate resources to enable the Convention on the Rights of the Child to be implemented.

Save the Children Sweden also works with the influence companies have on children's rights. We are strengthening our sister organisations in the area and we work actively with the companies ourselves.

In Sweden, Save the Children Sweden strives to improve knowledge among various players in society of children living in socio-economic deprivation. This could involve raising the issue of homeless children, for example. We are active in socio-economically deprived areas, so that together with the children and other players in society we can reduce discrimination and strengthen children's influence over issues that affect them.

CHILD PROTECTION

**Total:
MSEK 312
(303)* +3%**

Children's right to protection is Save the Children Sweden's biggest operational area and has increased further during the year.

Save the Children Sweden works to ensure that all children, especially those living in the most vulnerable situations, have their rights fulfilled. One key aspect involves preventing children from being subject to violence, abuse and other harmful or degrading treatment, and contributing to rehabilitation.

We strive for the creation of child protection systems. This requires institutions and other functions in society that can both take preventive action and provide support for children who are subject to violence and need rehabilitation, and also aims to reintegrate children into society (in, for example, conflict and disaster situations).

We work to give children in war and child refugees the protection and support they need. For example we help to reunite families after disasters and work to minimise risks to children in particularly vulnerable situations. In conflict situations we educate and influence military players so that they respect and promote children's rights and children's right to protection during disasters and conflict.

We carry out advocacy work against corporal punishment and other degrading discipline, in the home, in schools and in society at large.

In Sweden, Save the Children Sweden has increased its operation in recent years to ensure that child migrants have their rights fulfilled. A lot of this work involves ensuring children's protection. We give children psychosocial support through child-friendly spaces at asylum centres and a support line for new arrivals, for example.

Save the Children Sweden runs a clinic with psychologists and social workers in Sweden at our centre for children and young people living in vulnerable situations. Experiences gained from treating and advising children and parents are used in educational initiatives and advocacy work.

We work with Swedish sports associations to increase skills and awareness of bullying, violations and discrimination in sport. Save the Children Sweden also carries out an operation against honour-based violence by, together with local players, engaging in dialogue about children's rights directly with school children.

* figures in parentheses refer to 2016.

EDUCATION

**Total:
MSEK 75
(87)* -14%**

The operational area children's right to education has decreased as a proportion of the total programme activities. However, operations relating to education are also being carried out in the other thematic areas.

In 2017, work with the main focus children's right to education was carried out in more than 12 countries in Asia, Europe and Africa. We are working for inclusive schools, equal conditions as well as non-discrimination and security in the school environment. We also have an operation to make education available to children in wars and armed conflicts. In Europe we are working for Roma children's right to education as part of efforts to stop discrimination against children in particularly vulnerable situations.

Through our support children living in the most vulnerable situations, children with physical, mental or cognitive variations, children from ethnic minorities and child refugees have gained access to good education in protective environments. Governments have been given support so as to strengthen their teacher training, and children

have been given support so as to act and bring about changes themselves in vulnerable areas.

The focus has been on ensuring that child refugees have their right to education fulfilled by establishing temporary education centres in recipient countries and refugee camps. We have phased out the initiatives in Greece and expanded our support for Rohingya refugees in Bangladesh. In China we have worked to give children with physical, mental or cognitive variations more rights to education in mainstream schools. In Romania, Roma children have been given greater access to compulsory school, chiefly due to our support for school preparedness programmes. We have supported a rehabilitation centre for children with physical, mental or cognitive variations in Bangladesh with therapy, opportunities for recovery and other initiatives to prepare the children for school. There is a great shortage of global statistics on children living in the most vulnerable situations. We have therefore created a mechanism during the year to help governments to collect data on children with physical, mental or cognitive variations, for example.

HUMANITARIAN WORK

**Total:
MSEK 389
(474)* -18%**

In 2017, humanitarian work accounted for just under 40% of the total programme costs. Costs for humanitarian work decreased compared with 2016.

Internationally our humanitarian support went to around 40 countries. Prioritised disaster relief efforts were carried out in Syria and its neighbouring countries, in Bangladesh, Ethiopia and Somalia. Major support initiatives were also carried out in Yemen and eastern Congo.

Save the Children Sweden increased its contribution to Save the Children International's Children's Emergency Seed Fund, which supported around 70 disaster relief efforts around the world in 2017. This fund is a special reserve of money that can be used immediately after a disaster has occurred. Save the Children Sweden supports initiatives to promote security, protection and education during disasters as well as initiatives relating to food supplies, health, water and hygiene.

Save the Children Sweden has humanitarian consultants who are dispatched for short periods to work with Save the Children International's efforts in various disasters. In 2017 they were dispatched on 21 different assignments including disaster relief efforts in Bangladesh, Iraq, Yemen, Somalia, South Sudan and Syria, and to the rescue ship helping refugees off the coast of Libya.

We have also worked on preventive measures in countries such as the Democratic Republic of Congo, Mali and Niger.

Humanitarian work was carried out in Sweden in 2015 and 2016 due to the large number of people seeking protection in the country. In 2017 the focus evolved from the emergency reception of refugees to helping refugees establish themselves in society. As a result there were no costs for humanitarian operations in Sweden in 2017.

* figures in parentheses refer to 2016.

SAVE THE CHILDREN SWEDEN'S OPERATIONS 2017



EXAMPLES: GOOD CHILD RIGHTS GOVERNANCE

Western and central Africa:

Support for children's rights coalitions (in Cape Verde and Guinea Bissau, for example), civil society organisations, child-led organisations and the media regarding following up budgets and countries' commitments to strengthening children's rights. Regional support for national offices, member countries and partner organisations in their work with companies.

Eastern Africa:

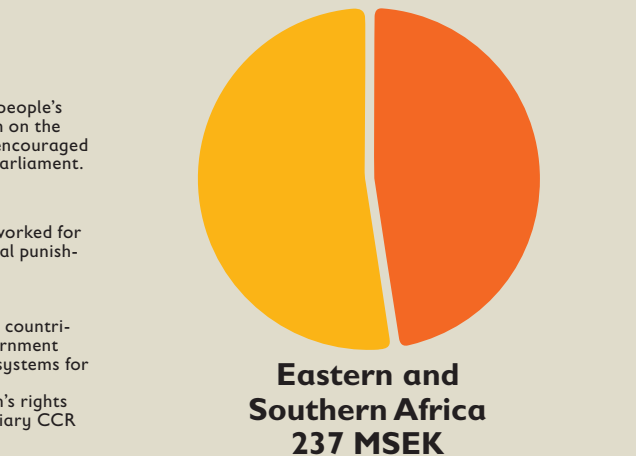
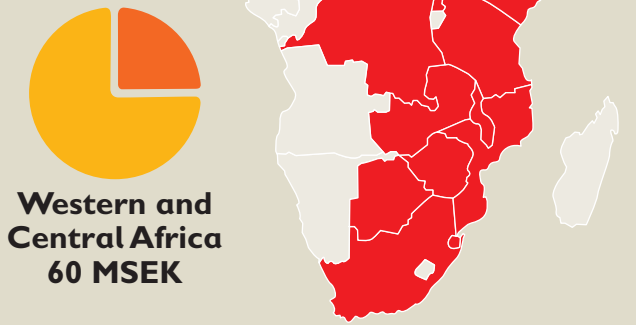
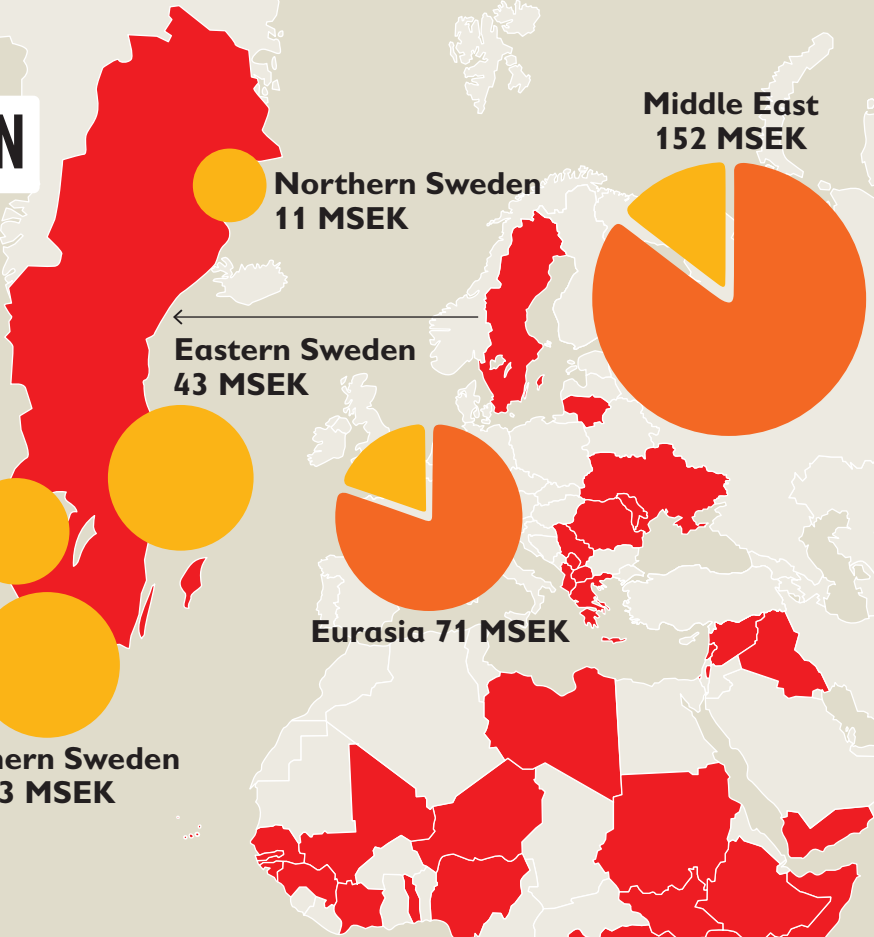
Support for the African Committee of Experts on the Rights and Welfare of the Child to ensure better knowledge about and compliance with the African Charter on the Rights and Welfare of the Child with a special focus on Ethiopia, Kenya and Senegal.

Southern Africa:

Advocacy work in Zambia to encourage local governments and local agencies to redistribute budget resources and invest more in children.

Latin America:

Advocacy work in Brazil, Guatemala, Honduras, Mexico and Peru to encourage more investment in children in the government budgets. Regional support for national offices, member countries and partner organisations in their work with companies.



Middle East:

Operations regarding children and young people's participation in monitoring the Convention on the Rights of the Child. The Manara network encouraged the Arab League to establish a children's parliament.

Eastern Europe:

In Kosovo, Save the Children Sweden has worked for legislation to protect children from corporal punishment.

Southern and central Asia:

Education initiatives and advocacy work in countries such as Afghanistan, to encourage government agencies to strengthen local and national systems for children's rights to child protection. Advice to companies in Asia about children's rights through Save the Children Sweden's subsidiary CCR CSR.

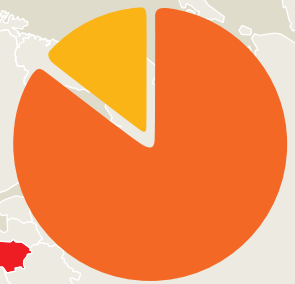
Southeast Asia and the Pacific region:

Advocacy, education and support for local agencies to enable children with physical, mental or cognitive variations to attend school in the Philippines, Indonesia, Cambodia, China and Myanmar.

Sweden:

Studies and advocacy work to increase knowledge in society about children who are living in socio-economic deprivation, such as homelessness. Presence in socio-economically deprived areas to strengthen children's empowerment and influence. Advocacy work about on and children's rights as well as advice to individual companies through consultancy services.

Middle East
152 MSEK



Eastern and Southern Africa
237 MSEK

EXAMPLES: EDUCATION

Western and central Asia:
Efforts to create more school places for children in the Ivory Coast.

Eastern Africa:
Education for child refugees in Ethiopia, Rwanda and Sudan.

Middle East:
Child refugees in Lebanon have been able to take part in public school education through work in local communities, follow-up and self-help initiatives.

Eastern Europe:
Initiatives for equal treatment of Roma children in Romania and support to give them access to school education.

Southern and central Asia:

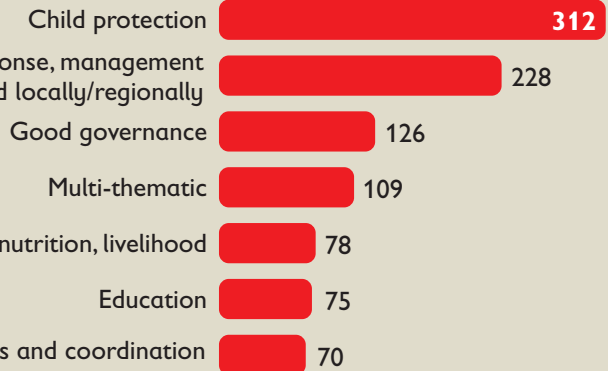
Initiatives focused on children in Pakistan who work and have therefore been unable to start school.

Southeast Asia and the

Pacific region:

Temporary schools have been opened in the Philippines and school materials have been distributed to child refugees in armed conflicts.

COSTS PER AREA, MSEK



Total programme operations 998 MSEK



TOTAL COSTS 1 191 MSEK



Asia 120 MSEK

EXAMPLES: CHILD PROTECTION

Western and central Asia:
Work in the Ivory Coast, Gambia, Guinea, Senegal and Togo to strengthen national and local systems to protect children from violence, exploitation and female circumcision.

Eastern Africa:
Parents in countries such as Rwanda and Sudan have been educated in alternative methods for raising children. We have also given training on children's rights to members of the African peacekeeping forces in Ethiopia, Kenya, Rwanda and Uganda.

Southern Africa:
Work on children's and young people's right to sexual and reproductive health in Kenya, Malawi, Swaziland, South Africa, Tanzania, Uganda, Zambia and Zimbabwe.

Latin America:
In Paraguay we have worked to improve compliance with laws on corporal punishment.

Middle East:
The capacity of Syrian organisations has been strengthened to adapt to the difficult situation in which they are carrying out their work.

Eastern Europe:
Psychosocial support for children from areas in Ukraine affected by armed conflict.

Southern and central Asia:
Unaccompanied children who fled Myanmar for Bangladesh have been given support so that they can be reunited with their parents.

Southeast Asia and the Pacific region:
Training for parents in the Philippines, Thailand and Vietnam to reduce the use of corporal punishment.

Sweden:
Psychosocial support for child migrants. Psychological treatment at our centre for children and young people living in vulnerable situations. Training in trauma-informed care. Support to promote a secure sports movement. Advocacy work to strengthen society's ability to detect, protect and support.

Development work

Humanitarian work

40% of the programme costs have been devoted to humanitarian and disaster reliefs input. This work is also largely conducted within the prioritised areas.

EXAMPLES: HUMANITARIAN WORK

Western and central Asia:
Support for child refugees in the Democratic Republic of Congo, Mali and Niger to protect them against violence and abuse.

Eastern Africa:
Disaster relief efforts in Ethiopia, Rwanda, Sudan, South Sudan and Tanzania for children's rights to security, protection and education. The countries have been hit by drought and internal conflicts which have resulted in large flows of refugees.

Latin America:
System support for children's right to child protection in connection with the devastating floods in northern Peru.

Middle East:

Psychosocial support, activities in the local community and individual support to meet the emergency needs of children who are vulnerable and marginalised due to the conflict in Yemen.

Eastern Europe:

Health clinics for mothers and small children in refugee camps in Greece.

Southern and central Asia:
Initiatives to counter malnutrition among infants in refugee camps in Bangladesh.

Southeast Asia and the Pacific region:

Distribution of water filters and repairs to latrines and water systems in schools affected by the typhoon in Vietnam.

Child migrants

In its operational focus for 2017-2024, Save the Children Sweden has decided to concentrate on child migrants and on operations to reduce violence against children and create good child rights governance. These operations shall be based on the organisation's specific strengths and in relation to other players. The aim of the operational focus is not to control finances, but rather to provide a shared view of goals for the voluntary work in the organisation and for the secretariat.

The costs for the international and Swedish operations are both mainly directed at child migrants. We have, however, decided to report the costs based on the thematic areas to avoid the risk of double reporting as there are operations directed at child migrants in all of the thematic areas.

Internationally

We carry out extensive international work to strengthen refugees' and migrants' rights and protection against violence. Refugees and migrants were the primary target group for projects that accounted for around one-third of the international programme activities' costs.

The operation for child migrants mainly involved protection against violence and access to water, food, healthcare, education and other rights. It also involved identifying sustainable solutions (such as reuniting parents and children who had become separated), integration in the new country, and enabling refugees and migrants to return to their homeland in an orderly way.

Some preventive measures, such as campaigns, have been taken to prevent unsafe migration where children and young people risk being subject to trafficking or other forms of exploitation.

In Sweden

In the Swedish operation, child migrants are a separate operational area under the theme child protection. It is the largest operational area in Sweden and costs amount to approximately MSEK 35 (around 30% of total costs for the operation in Sweden).

Membership costs

Income from membership fees has been used to run the Save the Children Sweden association. A lot of the funds, MSEK 2.8, go to the local associations and districts. The Save the Children Sweden Youth Council receives MSEK 1.3 a year through a three-year agreement. The rest of the funds, MSEK 2.4, goes on costs for the Board of Trustees, the General Assembly, the conference and on financing the positions of secretary general, head of the general secretariat, board and member coordinators, and member communicators.

Fundraising and administrative costs

Fundraising MSEK 76.9 (75.9)* +1%

Administration MSEK 48.4 (46.3)* +5%

Fundraising and administrative costs have increased in 2017. Since the ambition is for Save the Children Sweden's operation to increase, fundraising and administration costs will also increase. This is especially true for the first years of the strategy period when the organisation needs to lay a foundation for the new work practice. We estimate that the cost will increase to approximately 11-12%, which equates to previous years' levels. The aim for Save the Children Sweden is to keep these costs at a reasonable level in relation to costs for charitable activities. This will ensure that we can live up to internal and external rules, guidelines and demands on good internal control and reporting, and must be related to how well it results in Save the Children Sweden fulfilling its purpose.

* figures in parentheses refer to 2016.

Results

MSEK 1.1 (4.9)*

The decrease in the result is mainly due to donations not increasing as expected.

Provision for appropriated funds**MSEK 43.9 (53.4)***

Donations, primarily legacies, that have not yet been used for operations:

MSEK 17.7 (18.5) The provision also includes unrestricted provisions in accordance with decisions by the Board of Trustees:

MSEK 25.2 (33.0), of which MSEK 5 has been allocated to unrestricted equity (the Save the Children

fund). MSEK 18.6 (15) has been allocated for strategic initiatives.

Utilisation of appropriated funds from previous years**MSEK 29.4 (55.5)***

Funds raised in previous years from the child refugees campaign and provision from previous years for the cost of closing the organisation's own overseas offices.

Unrestricted equity**MSEK 291.5 (285.4)***

The aim is for equity to equal at least one year of operating costs in accordance with the Swedish Fundraising Council's (FRIF's) guidelines.

* figures in parentheses refer to 2016.

Yield income

The market value of long-term managed capital at the end of 2017 equated to MSEK 383.5 (363.5), of which MSEK 3.8 in cash and cash equivalents. The objective is for the long-term portfolio to meet an annual expected return on the total portfolio of 3% a year in real terms over a rolling five-year period. Asset management should mainly be carried out externally and the equities portfolio should mainly be managed in line with indices. Managed capital is invested in one of three asset classes: equities, fixed income or alternative investments. Long-term asset management has developed well in 2017 with a total yield of 6.2%. Viewed in relation to the comparative indices for the component asset classes, the portfolio performed better than the index for fixed income but slightly worse than the indices for equities and alternative investments.

Nevertheless, investments in equities have produced a very good return in relation to the 3% expected return and shown a total return of 11.7%, which is approximately 1.1% below the comparable index. During the year the entire holding in SEB Etisk Global Indexfond was sold in favour of alternative investments and fixed-income investments. Fixed-income investments have yielded a total return of 1.3%, which is far lower than the expected return for the total portfolio, but considering prevailing market conditions and the fact that the investments over-performed by almost 0.9% compared to the index, the return for the year can be deemed very good. Alternative investments changed during the year with the sale of some of the holdings in hedge funds and new investments in a real estate product (not direct ownership of real estate). The total return for the year amounted to 2.8%, largely owing to the new investment in the real estate segment.

Management costs mainly comprise a fixed percentage fee based on the size of the assets managed rather than the size of the return, and this cost has been relatively stable in recent years. The average total management cost for 2017 amounted to 0.42% of the value of the investment portfolio at year-end. The long-term investment portfolio equates to 32.3% (30.7%) of Save the Children Sweden's turnover and 78.9% (76.3%) of equity (market value). In addition to its long-term investment portfolio, Save the Children Sweden also uses short-term liquidity management to manage liquidity risks and maintain satisfactory payment reserves. These funds mainly comprise bank deposits.

Foundations managed

Seven foundations were managed by Save the Children Sweden during the year, and their restricted capital amounted to a book value of MSEK 29.9 (25.0) at year-end. Six of these foundations were co-managed while Margit Levinson's foundation was managed independently. The foundation capital is invested in accordance with each foundation's legal documents, which – with the exception of small holdings – means reflecting the national association's investments in its long-term asset management to the greatest possible extent. The market value together with cash and cash equivalents for all foundations amounted to MSEK 43.4 (39.1).



IMPORTANT EVENTS DURING THE FINANCIAL YEAR

Key external factors

The number of humanitarian disasters in 2017 was relatively high and they were far-reaching. At the same time, financing for humanitarian work did not increase at the corresponding rate. This posed a major challenge for Save the Children Sweden and other humanitarian organisations.

Humanitarian organisations continued to be targets in armed conflicts. This meant that we were unable to act in a number of places with an acute need for help due to the security risks. There are similar challenges in long-term development work with dwindling scope for democracy in many countries, which makes it more difficult for civil society to take action.

When Sweden took a seat on the UN Security Council, this created a positive opportunity for Save the Children Sweden to work to protect children in armed conflict in collaboration with Sweden's ambassador for children in armed conflict.

The US administration's decision to reinstate the Mexico City Policy (MCP) during the year curtailed Save the Children International's opportunities to take action. The policy has a strict condition for organisations that want to receive American aid. The organisations must certify that they – or the partners that the aid is to be forwarded to – will not perform or actively promote abortion as a method of family planning. The policy also applies to programme activities for family planning and for sexual and reproductive health and rights (SRHR). Save the Children's international Board of Trustees decided to comply with the policy so as to not risk cutting off financing for other, larger programmes that benefit children and young women.

Save the Children Sweden and a number of other member organisations have chosen to continue the work and even strengthen their programme activities within SRHR, but they now carry out the activities outside of Save the Children International's structures. For example, in the autumn the regional SRHR programme in Africa was transferred from Save the Children International to Save the Children Sweden.

As a result of the tightened policy on asylum in Europe and Sweden, the number of asylum seekers decreased significantly in 2017, which has had consequences for Save the Children Sweden's operation. Humanitarian work in Greece has been phased out, as has Save the Children Sweden's sea rescue initiative in Italy. The operation in Sweden has switched its focus from reception activities to integration and inclusion activities.

Psychosocial support, however, continues to be a key element of its work.



Important changes in the operation

The new General Data Protection Regulation (GDPR) came into effect on 25 May 2018. The regulation will entail a number of changes for anyone who handles personal data. A project began in 2017 to adapt systems and procedures to GDPR.

The strategy step by step

Save the Children Sweden adopted a new strategic plan for 2017-2021, based on extensive intelligence analyses and our operational focus. The strategy period is divided into two phases. During the first two years we are laying the foundation for change and growth, and in years 3-5 we will begin to reap the fruits of this work and will then be able to increase our programme activities. The strategy involves us having to make five transitions: (see panel on the right)

This section looks at some of the change work during the year. The direct results for children (closer to children's reality and greater tangible improvements for children) are summarised below.

Together as one Save the Children

Save the Children Sweden works on behalf of its members. We are a non-profit organisation and work through employees, locally, regionally, nationally and globally. We have implemented changes during the year so as to effectively capitalise on the entire organisation's potential. For example, the Board of Trustees set up an inquiry, 'Save the Children Sweden in the future', to work on issues relating to how we can continue to be a successful popular movement. Intensive dialogue has been held with members of local associations, districts, the Board of Trustees and employees about how we can move forward together and become a stronger children's rights organisation.

The global organisation's shared learning is very important. One good example of this during the year was when active members and volunteers from the Save the Children movement across Europe met at The Hague to learn from each others' work on receiving refugees.

We have contributed to developments in our global organisation through our work with companies, sustainability, children's rights and the Save the Children Centre for Child Rights and Business (CRB). For example, we have supported Save the Children in the Netherlands, Norway and Italy in their advocacy work.

Through proven knowledge

During the year Save the Children Sweden has intensified efforts to knowledge-proof our working methods. This work is continuing in 2018. In the Swedish organisation, scientists are increasingly being linked to the operations to continuously evaluate our work.

Within the global organisation we have helped to develop standardised methods. Examples include 'Childrearing without violence' and 'Inclusive schools and local communities', which focus on including and not discriminating against children with various physical, mental and cognitive variations.

In active partnership with others

In our operation in socio-economically deprived areas of Sweden, we have continued to develop work practices during the year by building partnerships between civil society, the public sector and the business community to create the foundations for a socially sustainable society. We have also further developed partnership projects in several operations in Sweden.

Partnerships with civil society are fundamental to our international work. We draw on local expertise in the countries and our partners' experience and resources. During the year we have contributed to an evaluation and the development of our global joint work practice for partnerships with civil society organisations and other partners.

CRB's knowledge is sought by an increasing number of companies and members in the global movement. We carry out consultancy assignments for their new and existing business partners. Interest among Swedish companies is also increasing and more consultancy assignments have commenced.

Together as one Save the Children closer to children's reality and through proven knowledge, we will create greater tangible improvements in children's lives. We will do this for and with children and in active partnership with others.

Other changes

Save the Children Sweden started up an office in South Africa so as to continue to run programme activities relating to family planning and sexual and reproductive health and rights.

In 2017, Save the Children Sweden transferred the operation and employer's responsibility in the Sudan office to Save the Children International.

Key points in the operation

In Save the Children Sweden's new operational focus for 2017-2024 we focus on ensuring that child migrants have their rights fulfilled, reducing violence against children and ensuring that political decisions and social services take greater account of children's needs and rights; we term this child rights governance. 2017 is the first year in an eight-year operational period. This means that some results will be a baseline for comparison in future reports. We continuously monitor and evaluate the operation; the effects reported in the annual report are a composition of the most important results in relation to our operational focus. The results are reported in more detail in the operational report and impact report. Here are a few key points in this year's results for children.

Child migrants shall have their rights fulfilled

Some results from the operation in Sweden

- Save the Children Sweden creates secure, child-friendly places in asylum centres and transit centres so that child refugees have an opportunity to be children again. Our special child protection guides met around 600 children. Many more children have taken part in games, recreational and study activities arranged by voluntary powers across Sweden.
- The support line for newly arrived young people took 1,300 calls. Most of the calls were about difficulties understanding the asylum process and about children feeling unwell. If the child wants us to, we can follow up on calls by contacting the centre or reporting concerns to social services, for example. Fifteen reports of concerns were made in 2017. We apply the knowledge we gain from the calls to influence rules and practices. We also help young people to influence decision-makers and improve the system themselves.
- We support asylum seeker parents in being an active force in their children's lives. In western Sweden we have helped parents who want to arrange activities for children and adults so as to create a meaningful wait at asylum centres. We have contributed knowledge and networks for organisation.
- Save the Children Sweden started a new operation during the year focusing on social establishment in Sweden; it was called 'The Way In'. We have coached 50 young people and 60 families on their way to enable them to achieve their individual goals. Outreach work has enabled us to reach a further 150 people with information and advice. We have also worked structurally with other players in society to create better long-term solutions for establishment.
- We have contributed to a children's rights perspective in talks on the EU's joint legislation on asylum. Thanks to our work, fingerprints and face scans are no longer being discussed for children aged between 6 and 14.

Some results from the operation outside of Sweden

- We are working for safe migration, and during the year we have exerted an influence on governments and international bodies so that child migrants have their rights fulfilled. Cross-border solutions are encouraged. For example, we contributed to a collaboration between Mozambique, South Africa, Zambia and Zimbabwe so that children do not get forgotten.
- In Lahore and Karachi, Pakistan, child migrants were given improved access to care. Mobile child-friendly places enabled us and our partners to ensure that the children received psychological support, care and school education. We helped to reunite families and we provided support for their return.
- We helped to meet basic needs in refugee camps in Bangladesh for child refugees from Myanmar. Our focus is child protection, and the child-friendly places are an important hub for this work.
- We have helped children in refugee camps in or around Syria have their rights to school and care better fulfilled. We have strengthened local organisations through innovative methods such as education and coaching via the internet and digital services.

Reducing violence against children

Some results from the operation in Sweden

- We have accepted 115 children for psychological treatment. These include children who have been sexually abused, who have witnessed or been subject to violence or whose parents have been involved in family legal disputes. We use knowledge from the clinical operation to influence decision-makers and important adults close to the children. We have published material on post traumatic stress disorder and on children involved in family legal disputes. Our work has led to new support initiatives in 15 municipalities. Lectures have given 4,612 adults increased knowledge.
- We have worked to stop honour-based oppression and violence. Over a three-year period we have communicated with almost 30,000 school children about their rights.
- We have worked for a secure sporting environment. We have held around 50 lectures to strengthen expertise and awareness in sport. Several sports associations have agreed on action plans against bullying, violations and discrimination.
- Save the Children Sweden made an appeal for the right to treatment after sexual abuse. The appeal was signed by 8,000 private individuals and the issues were raised in the mass media.

Some results from the operation outside of Sweden

- We have encouraged governments to ban corporal punishment and to work to end violence against children.
 - During the year Lithuania and Montenegro have banned violence against children. Corporal punishment is now banned in 53 countries, partly as a result of our advocacy work.
 - Proposals to ban corporal punishment have begun to be processed in the Philippines and Kosovo. This is the result of many years' work by Save the Children and our partners.
 - Together with other children's rights organisations in Vietnam, we have taken important steps in influencing the government to bring in a legal ban on corporal punishment.
- We have worked to combat sexual violence and child marriage worldwide. Save the Children Sweden plays an active role in a joint attitude and method development in this field globally within Save the Children.
- We have striven to prevent children from being recruited into armed groups.
- We have worked to get adults to change their attitudes and behaviour. One important method is positive parenting. The training reduces parents' use of physical punishment (evaluation in 2017).
 - In Rwanda the issue of positive parenting has been moved high up the agenda thanks to Save the Children's advocacy work.

Child rights governance

Some results from the operation in Sweden

- We have a presence in socio-economically deprived areas to strengthen children's empowerment and influence over issues that affect them. During the year we met around 200 children a week through our forums. We have also regularly met parents. Residents drive local developments with the help of Save the Children Sweden, local authorities, the business community and other players in society. Together we have established physical meeting-places in these areas, for example. Our partners have contributed to development opportunities such as courses in writing a CV, summer jobs and work experience placements.
- Save the Children Sweden conducted a study to highlight how homelessness affects children's opportunities for good living conditions. We formed the opinion that all children in Sweden should have a place to call home.
- Four hundred and fifty parents have called a support line for parents.
- We have influenced the EU's proposal on social rights so that the text has a clear children's rights perspective. We have also worked to ensure that the EU's budget goals in the social area are kept and special resources are allocated to reducing child poverty.

Some results from the operation outside of Sweden

- Save the Children monitors and calls for children's rights. We hold governments accountable and support local civil society organisations. We encourage children to have an influence:
 - In Ethiopia children have influenced a national action plan for children.
 - In Zambia legislation on children's rights has been proposed.
 - A bill has been put through in Pakistan to strengthen children's rights.
 - In Myanmar children's rights have been recognised as an integral aspect of human rights.
- A step forward has been taken in strengthening women's and girls' rights in Southeast Asia. Save the Children's advocacy work has helped to raise the issues within the framework of the Association of Southeast Asian Nations.
- We advocate increased public resources for children's rights and increased transparency surrounding how the money is used:
 - Globally we have shaped opinion on the UN's comments on public investments in the right to social protection.
 - In Peru grants to prevent teenage pregnancies and reduce malnutrition increased.
 - In Zambia budget grants for education and social protection increased.
 - In Kosovo Save the Children supported civil society in leading a dialogue with local government and residents regarding child protection and education for vulnerable children.

FUTURE DEVELOPMENT

A new reality awaits

2017 was the first year in the strategy period ending in 2021. In 2018 we will continue to pave the way for our ambitious goals and start to test concrete changes on which we have agreed.

The global goals for sustainable development represent major opportunities to bring about sustainable improvements for children and children's rights – but that calls for change. Our conventional work forms are being challenged, both in terms of financing and effectiveness.

In very simple terms, conventional financing for organisations like Save the Children Sweden largely comes from grants for purposes guided by the contributor. As a result, projects become the chief mechanism for carrying out operations, and the time frames are often short. A lot of time in the flow goes on planning, making applications, carrying out checks, following up and feeding back on grants. This can result in several projects being managed by different players and running in parallel with each other in one place, without major coordination.

The new working practice that's emerging is described using terms such as value chains and ecosystems. The aim is to coordinate and achieve lasting shared results from the initiatives of multiple players – local government, national agencies, companies and civil society – through various forms of collaboration. New ways of financing operations are also emerging for these new working practices. Public and private financing is often mixed, unlike conventional aid and donor flows. This is currently where the greatest opportunities can be found for financing development initiatives, including initiatives for children's rights.

The challenges and opportunities presented by new working practices also apply in Sweden. This is clear from the disconnect between the welfare state's capability and the needs of groups of the most vulnerable and marginalised children and young people. While this chasm has deepened, the welfare sector has changed. Since the 1990s, the business community has become an increasingly strong player. At the same time Swedish civil society has not confronted this change.

Since the 1860s, civil society in Sweden has accounted for the development of key components of today's welfare system. Schools, pre-schools, home-help services and ambulance care are all social innovations created through civil society initiatives. But today the ideas-borne sector is losing ground in Sweden and in issues relating to the structure of welfare. Organisations in civil society account for 3% of the welfare operation. The government brings together agencies, local governments and the business community to renegotiate the welfare contract without involving civil society. This is where Save the Children Sweden and other ideas-borne players need to become active again – not to take over the role of the state, but to drive developments in a direction that makes welfare accessible to the most vulnerable and marginalised groups.



Significant risks

We manage risks on a daily basis

Save the Children Sweden wants to change life conditions for children so that their rights are respected. A great many of these children live in countries and situations where the risks are high. These may include security risks, the risk of abuse and exploitation, and the risk of corruption. This is where we have to continuously manage risks. We therefore have clear guidelines and procedures for security, for countering and handling corruption, and for ensuring that we are a safe organisation for children and employees alike. We also monitor this work on a regular basis.

We must reverse the trend in fundraising

The donations we received from the general public failed to increase at the expected rate in 2017. In recent years donations to voluntary organisations have increased to a greater extent than donations to Save the Children Sweden. This is something we have to change.

We took a range of measures in 2017 and are seeing a reversal in the trend in the first quarter of 2018. But further initiatives are required if we are to achieve our goals. This is essential in safeguarding all of our operation. Otherwise we run the risk of not having sufficient resources to develop our operation for and with children and knowledge-proof our initiatives.

New model creates greater transparency and more cost-consciousness

When we negotiate agreements with our financiers our so-called indirect costs, which are essential to being able to operate, are not always covered in full. Examples include security costs for staff or costs for countering corruption. As a result we supplement operations financed through agreements with income from donations to cover these costs. The trend of low cost coverage must therefore change.

In 2017 we produced a shared model for our entire global organisation, for calculating and distributing indirect costs in the international operation. The model is now used in 90% of the countries in which we operate. The new model means greater transparency. It also helps us to be more conscious of costs in our operation, which is crucial both in identifying potential efficiencies and in justifying essential indirect costs to financiers and increasing cost coverage.



INCOME STATEMENT		2017	2016
In SEK thousand			
Operating income			
Membership fees	Note 3	11,071	11,882
Donations	Note 4	399,034	398,322
Grants	Note 4	765,015	755,133
Net turnover		8,216	2,657
Other income		2,202	824
Total operating income		1,185,538	1,168,818
Operating costs			
<i>Costs for charitable activities</i>			
Programme costs	Notes 5, 6	-1,043,125	-1,028,284
Membership costs	Notes 5, 6	-22,886	-23,710
		-1,066,011	-1,051,994
<i>Fundraising and administrative costs</i>			
Fundraising costs	Notes 5, 6	-76,940	-75,881
Administrative costs	Notes 5, 6	-48,406	-46,293
		-125,346	-122,174
Total operating costs		-1,191,357	-1,174,168
Net operating result		-5,819	-5,350
Earnings from financial investments	Note 7	21,763	8,147
Result for the year		15,944	2,797
Appropriation of result for the year			
Result for the year according to the income statement		15,944	2,797
Utilisation of appropriated funds from previous years		29,024	55,478
Provision for appropriated funds that have not been used during the year and unrestricted provisions in accordance with Board of Trustees decisions		-43,877	-53,401
Remaining amount for year/change in capital brought forward		1,091	4,874

BALANCE SHEET		31 Dec 2017	31 Dec 2016
In SEK thousand			
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Software	Note 8	294	590
		294	590
<i>Property, plant and equipment</i>			
Equipment, fixtures and fittings	Note 9	607	798
		607	798
<i>Financial assets</i>			
Shares in Rädda Barnens Serviceaktiebolag	Note 10	908	908
Other securities held as non-current assets	Note 11	318,622	294,941
Other long-term receivables	Note 12	26,409	23,653
		345,939	319,502
Total non-current assets		346,840	320,890
Current assets			
<i>Current receivables</i>			
Accounts receivable		9,433	4,797
Receivables from Rädda Barnens Serviceaktiebolag		0	114
Other receivables	Note 13	110,192	162,173
Prepaid expenses and accrued income	Note 14	70,240	84,532
		189,865	251,616
Property etc. intended for sale		55	1,307
Investments in securities etc.	Note 15	1,773	1,549
Cash and bank balances		301,291	234,873
Total current assets		492,984	489,345
TOTAL ASSETS		839,824	810,235

contd. on next page

BALANCE SHEET (contd.)		31 Dec 2017	31 Dec 2016
In SEK thousand			
EQUITY AND LIABILITIES			
<i>Equity</i>			
Managed funds		16,735	15,734
Rädda Barnen fund		130,000	125,000
Value adjustment fund		25,000	25,000
Capital for charitable activities		152,596	143,744
Capital brought forward		161,488	160,397
		485,819	469,875
<i>Provisions</i>			
	Note 16		
Provisions for employees abroad		0	4,738
		0	4,738
<i>Current liabilities</i>			
Accounts payable		33,116	24,780
Liabilities, received unutilised grants	Note 17	280,813	264,653
Other liabilities		9,708	14,779
Accrued expenses and prepaid income	Note 18	30,368	31,410
		354,005	335,622
TOTAL EQUITY AND LIABILITIES		839,824	810,235

STATEMENT OF CHANGES IN EQUITY

In SEK thousand

Equity

	Managed funds	Rädda Barnen fund	Value adjustment fund	Capital for charitable activities	Capital brought forward	Total equity
Opening balance 1 Jan 2017	15,734	125,000	25,000	143,744	160,397	469,875
Charitable activities determined by the donor	1,001	-	-	17,681	-	18,682
Charitable activities determined by Board of Trustees	-	5,000	-	20,195	-	25,195
Utilised	-	-	-	-29,024	-	-29,024
Remaining amount	-	-	-	-	1,091	1,091
Closing balance 31 Dec 2017	16,735	130,000	25,000	152,596	161,488	485,819

Specification of capital for charitable activities	Opening balance 1 Jan 2017	Utilisation of previous year's reserve/provision	Reserves/provisions for the year	Closing balance 31 Dec 2017
<i>Charitable activities determined by the donor</i>				
Thematic	42,409	-5,779	517	37,147
Region and country	13,202	-1,287	3,754	15,669
Special projects	8,720	-5,745	13,410	16,385
Total charitable activities determined by the donor	64,331	-12,811	17,681	69,201
<i>Charitable activities determined by Board of Trustees</i>				
Costs for closing offices abroad	9,000	-4,695	0	4,305
Child refugees	19,419	-9,921	0	9,498
Strategic initiatives	15,000	-1,401	18,600	32,199
Currency hedge reserve	30,092	0	1,595	31,687
Other	5,902	-196	0	5,706
Total charitable activities determined by Board of Trustees	79,413	-16,213	20,195	83,395
Total capital for charitable activities	143,744	-29,024	37,876	152,596

CASH FLOW STATEMENT	2017	2016
In SEK thousand		
Operating activities		
Payments from donors and members etc.	1,261,984	1,031,793
Payments to partners, employees and suppliers etc.	-1,190,620	-1,178,337
Cash flow from operating activities before interest and income tax	71,364	-146,544
Interest received	3,077	3,284
Dividends received	3,174	3,610
Interest paid	-15	-20
Cash flow from operating activities	77,600	-139,670
Investing activities		
Investments in intangible assets	0	-588
Investments in property, plant and equipment	-316	-515
Investments in financial assets	-109,646	-60,297
Sale of financial assets	99,004	43,316
Increase/decrease in current financial investments	210	-5,199
Cash flow from investing activities	-10,748	-23,283
Financing activities		
Reduction in long-term liabilities	0	-46
Cash flow from financing activities	0	-46
Cash flow for the year	66,852	-162,999
Cash and cash equivalents at beginning of year	234,873	393,802
Exchange rate differences in cash and cash equivalents	-434	4,070
Cash and cash equivalents at year-end	301,291	234,873

Note 1 Accounting policies and valuation methods

Save the Children Sweden's accounting policies and valuation methods comply with the Swedish Annual Accounts Act, the Swedish Accounting Standards Board's general advice 2012:1 (K3) and the Swedish Fundraising Council's (FRII's) guidelines for annual reports. The policies and methods are unchanged compared with the previous year.

Operating income

Unless stated otherwise below, income is measured at the fair value of what has been received or is to be received.

Membership fees

Membership fees refer to receipts for membership of Save the Children Sweden. They are reported when they are received and recognised as income over the time period they refer to.

Donations

A transaction where Save the Children Sweden is given an asset or service that has a value without returning the equivalent value in exchange is a donation or grant received. If the asset or service is received because Save the Children Sweden has met or will meet certain conditions and has an obligation to repay the counterparty if the conditions are not met, it is a grant received. If not, it is a donation. Donations are generally recognised as income when they are received. As a general rule they are measured at fair value. Donations in the form of equipment and supplies that are forwarded on are not recognised as income but are reported in Note 4.

Grants

Grants are recognised as income when the conditions for their receipt have been met; until then grants received are recognised as a liability. They are valued at the fair value that Save the Children Sweden has received or is to receive.

Net turnover

Net turnover refers to the sale of goods and services. It is usually recognised at the time of the sale.

Other income

Other income primarily refers to rental income, which is recognised as income over the time period to which it refers.

Operating costs

Save the Children Sweden's operating costs are recognised in accordance with the Swedish

Fundraising Council's (FRII's) guidelines as costs for charitable activities, fundraising and administration. Costs for charitable activities are divided into programme and membership costs. Costs for the various operations not only consist of direct costs but also of joint costs for the Board and management, communication and HR, financial administration, IT, internal service and customer services. Joint costs are distributed in line with a distribution key and added to the direct costs for charitable activities, fundraising and administration.

Costs for charitable activities

Refers to Save the Children Sweden's costs for carrying out its remit in accordance with the statutes. A distinction is made between costs for programme activities in Sweden and abroad and for the membership operation. Advocacy is included under programme activities.

Fundraising costs

Refers to costs incurred when generating donations from private individuals and companies in the form of fundraising materials, printing costs, advertisements and staff costs for the people working on these fundraising activities.

Administrative costs

The costs required for Save the Children Sweden's administration such as costs for Board meetings, parts of the audit, rent, administrative systems and staff costs.

Assets, liabilities and provisions

Assets, liabilities and provisions are measured at cost unless otherwise stated below.

Receivables and liabilities in foreign currencies are measured at the closing day rate.

Intangible and tangible assets

Intangible and tangible assets are measured at cost less any amortisation/depreciation according to plan. Amortisation/depreciation is linear across the asset's estimated useful life. The following amortisation/depreciation periods are used: software and systems development costs: 3 years; computer equipment: 3 years; other equipment: 5 years.

Financial assets

Securities that are part of Save the Children Sweden's long-term asset management are classified as non-current assets, while those that are part of the short-term financial management are classified as current assets. Non-current assets are written down if the market value for the whole portfolio is less than its cost and the decrease in value is judged to be long

term. Securities that are classified as current assets are measured at the lowest of fair value and cost on the balance sheet date.

Donated assets

Property and tenant-owner housing donated to Save the Children Sweden are measured at their market value on the date they are received. They are recognised as current assets because the intention is to sell as soon as possible. Securities are recognised under Investments in securities etc. Listed securities are reported at their market value on the date they are registered for Save the Children Sweden.

Liabilities for received unutilised grants

Where Save the Children Sweden has received a grant but has not yet met the conditions, the grant is recognised as a liability.

Equity

Refers to the funds made available to Save the Children Sweden so that it can fulfil its aims and which have not been paid out on the balance sheet date. Funds appropriated by donors in permanent donation funds or for special purposes are reported separately. Donations that have not yet been utilised and other appropriated funds are recognised under Capital for charitable activities. See the equity report. The appropriated funds are normally used the following financial year. The Rädda Barnen (Save the Children) fund and value adjustment fund consist of underlying capital reserved by the Board of Trustees and a buffer for changes in value of investments respectively. Capital brought forward comprises funds transferred to Save the Children Sweden without restriction.

The result for the year according to the income statement is the difference between costs and funds taken up as income. The change in capital brought forward refers to the amount after utilisation or reservations from/to other parts of equity.

Contingent liabilities

Save the Children Sweden discloses a contingent liability when it has a potential obligation which, as a result of actual events and whose occurrence will only be confirmed by one or more uncertain events in the future that are not completely within Save the Children Sweden's control, will materialise or will fail to materialise, or when Save the Children Sweden has an existing obligation as a result of actual events, but which is not recognised as a liability or

provision because it is not probable that an outflow of resources will be necessary to settle the obligation or because the size of the obligation cannot be calculated with sufficient reliability.

Cash flow statement

The cash flow statement has been prepared using the direct method.

Regional offices abroad

At the end of 2017, Save the Children Sweden had no legal responsibility for any offices abroad.

The national association, districts and local associations

Districts and local associations produce their own accounts which are not consolidated into the national association's financial reporting as there is no parent company/subsidiary relationship.

Consolidated accounts

Save the Children Sweden owns 100% of the shares in Rädda Barnens Serviceaktiebolag. The company's turnover (incl. subsidiaries) amounts to MSEK 8.7 (7.8) compared with Save the Children Sweden's operating income of MSEK 1,185.5 (1,168.8), which is why no consolidated accounts are prepared.

Note 2 Accounting estimates

Save the Children Sweden makes estimates and assessments about the future. By definition the resulting accounting estimates rarely correspond to the actual outcome.

Note 3 Membership fees	2017	2016
	11,071	11,882
Membership fees range from SEK 75 for an individual to SEK 300 for a household. In line with a decision by the General Assembly, 25% of the membership fees are paid to Save the Children Sweden's local associations. SEK 2,760,000 of the membership income reported here was paid to local associations in line with the number of paying members on the voting list on 31 December 2017.		

Note 4 Fundraising	2017	2016
Donations recognised in the income statement		
<i>Funds raised</i>		
General public	269,353	263,021
Raised via Save the Children Sweden's local associations	2,388	3,033
Raised via Save the Children International	3,079	4,258
Legacies	31,064	50,180
Companies	34,248	32,516
Swedish Postcode Lottery	40,000	39,998
IKEA Foundation	14,630	0
Other	4,272	5,316
Total donations recognised in the income statement	399,034	398,322
Donations not recognised in the income statement		
<i>Funds raised – estimated amounts</i>		
Donations that are forwarded on	5,267	20,216
Total donations not recognised in the income statement	5,267	20,216

In addition to the above, donations have been received for which no value in SEK has been established. Examples include pro bono services, provision of conference premises and discounts on advertising.

Grants recognised in the income statement		
<i>Funds raised</i>		
IKEA Foundation	107,315	85,104
Radiohjälpen	23,185	23,295
Other foundations	8,523	12,946
Swedish Postcode Lottery	6,724	5,944
Other companies	656	1,403
Other	12,622	11,339
Total funds raised through grants	159,025	140,031

Note 4 Fundraising (continued)	2017	2016
<i>Public sector grants</i>		
Sida	355,712	327,362
Other Swedish agencies	41,205	30,882
EU	41,693	67,627
UN	152,011	149,383
Other foreign/international agencies	15,369	39,848
Total public sector grants	605,990	615,102
Total grants	765,015	755,133
Total funds raised		
Donations recognised in the income statement	399,034	398,322
Donations not recognised in the income statement	5,267	20,216
Grants recognised in the income statement (excl. public sector grants)	159,025	140,031
Total funds raised	563,326	558,569

Note 5 Average number of employees, staff costs and Board fees

	2017	2017	2016	2016
Average number of employees	Number of employees	Of whom men	Number of employees	Of whom men
Permanent employees, head office	182	47	192	46
Permanent employees, regional offices in Sweden	58	10	60	12
Employees on fixed-term contracts, head office	43	10	24	8
Employees on fixed-term contracts, regional offices in Sweden	34	10	36	9
Contract employees posted abroad	14	7	16	10
EU employees	4	2	5	2
	335	86	333	87

The number of local employees employed abroad at the year-end was 0 (171), of whom 0 (131) were men.

The average number of national employees stationed with Save the Children International or another national member was 4 (8), of whom 2 (3) were men.

Gender balance of Board members and senior officers

	2017	2017	2016	2016
	Number on balance sheet date	Of whom men	Number on balance sheet date	Of whom men
Board members	13	5	13	4
Senior management team	10	4	8	2

Salaries, remuneration and payroll overheads

	2017	2016
Board and Secretary General	1,573	1,386
Other employees	148,661	141,645
Total salaries and remuneration	150,234	143,031
Payroll overheads	66,968	64,981
(of which pension costs excl. payroll tax)	(15,230)	(16,278)
Total for Sweden	217,202	208,012
Contract employees posted abroad (incl. payroll overheads, accompanying family members and additional costs)	13,648	15,540
Local employees abroad	12,697	28,958

See section 7.1 of the Administration Report for information on Board fees and pension costs, as well as the Secretary General's employment terms and pension costs.

Note 6 Leases	2017	2016
Save the Children Sweden mainly leases office premises and office equipment. Lease fees entered as costs amount to SEK 16,072,000 (16,854,000).		
Future lease fees are due as follows:		
Within 1 year	12,452	16,915
1-5 years	10,230	16,121
Later than 5 years	3,650	0
Total	26,332	33,036

The rental agreement for the head office in Sundbyberg was terminated on 31 December 2017 and expires at the end of September 2018.

No new agreement had been signed for premises for the head office on 31 December 2017.

Note 7 Earnings from financial investments	2017	2016
<i>Earnings from securities and receivables that are non-current assets</i>		
Dividends	3,174	3,610
Interest	2,826	3,059
Capital gains from sales	15,795	1,571
	21,795	8,240
<i>Earnings from securities and receivables that are current assets</i>		
Interest	149	93
	149	93
Interest expenses and similar profit/loss items	-15	-20
Management costs	-166	-166
Total	21,763	8,147

Note 8 Software	31 Dec 2017	31 Dec 2016
Opening cost	14,695	14,239
Capitalised expenses for the year	0	588
Sales and disposals	-8,323	-132
Closing accumulated cost	6,372	14,695
Opening amortisation	-14,105	-13,494
Amortisation for the year	-296	-743
Sales and disposals	8,323	132
Closing accumulated amortisation	-6,078	-14,105
Closing residual value according to plan	294	590

Note 9 Equipment, fixtures and fittings	31 Dec 2017	31 Dec 2016
Opening cost	9,554	12,631
Purchases for the year	316	515
Sales and disposals	-2,544	-3,592
Closing accumulated cost	7,326	9,554
Opening depreciation	-8,756	-11,872
Depreciation for the year	-507	-476
Sales and disposals	2,544	3,592
Closing accumulated depreciation	-6,719	-8,756
Closing residual value according to plan	607	798

Note 10 Shares in Rädda Barnens Serviceaktiebolag	31 Dec 2017	31 Dec 2016
Opening cost	3,908	3,908
Closing cost	3,908	3,908
Opening accumulated write-downs	-3,000	-3,000
Closing accumulated depreciation	-3,000	-3,000
Closing book value	908	908

Rädda Barnens Serviceaktiebolag's (corp. ID no. 556559-9643) equity amounts to SEK 983,000 (842,000) and its profit/loss for the year to SEK 141,000 (SEK -17,000).

Note 11 Other securities held as non-current assets		31 Dec 2017	31 Dec 2016
Opening cost		294,941	279,729
Acquisitions		106,890	55,619
Sales		-83,209	-40,407
Closing cost		318,622	294,941
		31 Dec 2017	31 Dec 2016
		Book value	Book value
		Market value	Book value
Handelsbanken Sverige Index Criteria		14,840	31,203
Handelsbanken Global Index Criteria *)		56,867	96,246
SEB Etisk Global Indexfond		0	0
Nordea Institutionella Aktiefonden Stabil		30,808	34,626
Total unit trusts		102,515	162,075
SEB Räntor Sverige		133,550	133,679
SPP Företagsobligationsfond		43,035	46,305
Total fixed-income securities		176,585	179,984
Excalibur hedge fund		19,615	20,697
Thule Real Estate		10,000	10,800
UB Skog		9,907	9,907
Total alternative investments		39,522	41,404
Total **)		318,622	383,463

*) The fund includes a currency hedge in the form of a three-month rolling currency forward. The value of the forward amounted to SEK 144,000 (199,000) on 31 December 2017.

***) The total market value amounted to SEK 358,335,000 on 31 December 2016.

Note 12 Other long-term receivables		31 Dec 2017	31 Dec 2016
Opening cost		23,653	20,313
Change in receivables for the year		2,756	3,340
Closing carrying amount		26,409	23,653

Note 13 Other receivables	31 Dec 2017	31 Dec 2016
Partners, local associations and members of Save the Children International	17,306	57,546
Save the Children International	88,851	97,781
Staff	244	146
Other receivables	3,791	6,700
Total	110,192	162,173

Note 14 Prepaid expenses and accrued income	31 Dec 2017	31 Dec 2016
Accrued grants	53,676	63,847
Accrued interest income	1,254	1,356
Other accrued income	3,962	3,023
Prepaid expenses	11,348	16,306
Total	70,240	84,532

Note 15 Investments in securities etc.	31 Dec 2017	31 Dec 2017	31 Dec 2016
	Book value	Market value	Book value
Shares and funds	268	323	1,549
Fixed-income securities	1,505	1,503	0
Total	1,773	1,826	1,549

Note 16 Provisions	31 Dec 2017	31 Dec 2016
Provisions for employees abroad	0	4,738
Total	0	4,738

Note 17 Liabilities, received unutilised grants	31 Dec 2017	31 Dec 2016
Foundations, companies and organisations	100,246	133,350
Swedish government agencies	136,522	105,666
EU, UN and other foreign agencies	44,046	25,637
Total	280,813	264,653

The liability mainly comprises prepaid grants for multi-year operations where the donor usually pays in advance. The operations were implemented in 2017 or later in accordance with individual agreements. The amount includes SEK 97,000 (4,233,000) which will be repaid to the donor because the cost of a completed operation is less than the grant received.

Note 18 Accrued expenses and prepaid income	31 Dec 2017	31 Dec 2016
Membership fees for next year	8,298	8,784
Accrued salaries and social security contributions	20,182	18,314
Other	1,888	4,312
Total	30,368	31,410

Note 19 Contingent liabilities and contingent assets	31 Dec 2017	31 Dec 2016
Settlement guarantee, Save the Children International	10,356	12,642

Note 20 Important events after the financial year

Reporting on harassment in our global organisation

In late February there were reports, mainly in the British media, about two cases of sexual harassment. The incidents related to senior managers at Save the Children UK in the period 2012-2015. Save the Children UK has initiated an external independent inquiry into how both of these cases were handled. In addition the Charity Commission, the agency that oversees individual organisations in England and Wales, began a new investigation into how the events were handled in 2012 and 2015 following media reports.

At the same time there were reports about a former manager at Save the Children USA, whose employment was terminated in 2014. At the time the man was on loan from Save the Children USA to Save the Children International and worked in London. His employment was terminated with reference to a breach against the policy for ensuring children's security in the operation. Save the Children USA has appointed an independent commission to review its employment procedures, make recommendations on strengthening systems to prevent unsuitable people from being recruited and propose improvements to how suspected breaches of policies and guidelines are reported. Save the Children has zero tolerance of abuse, harassment and all forms of inappropriate behaviour in its organisation. In Sweden we are following the investigations that are taking place in our sister organisations and are actively working to strengthen systems and procedures, both to prevent harassment and abuse and to increase transparency and accountability, both within the national member organisations and within Save the Children International, our shared global organisation.

Support from the Swedish Postcode Lottery

In February Save the Children Sweden received its annual cheque from the Swedish Postcode Lottery in accordance with tradition. Save the Children Sweden is one of the founders of the Swedish Postcode Lottery and this year's cheque means that it has received over MSEK 560 since the lottery began in 2005. This money has been extremely valuable in securing long-term initiatives to improve children's life conditions, both in Sweden and around the world. The basic amount for 2018 is MSEK 30, which is a decrease of MSEK 10 compared with 2017. The decrease can be explained by the Swedish Postcode Lottery association accepting new members so as to continue to contribute to a varied, diverse civil society, and also by tougher competition on the lottery market.

Support for young people living on the streets

In March the Swedish government decided to earmark MSEK 120 for operations to support young people living on the streets in Sweden. The aim is to help people who have lost their right to housing due to deportation decisions, for example, or people who cannot be deported due to implementation obstacles. The support is intended to be provided over three years. Save the Children Sweden is one of the recipient organisations. The MSEK 25 we received for 2018 is being used to expand and develop our local operation for these children and young people who are very vulnerable.

Stockholm, 23 May 2018



Lise Bergh
Chair



Cecilia Abrahamsson



Lars Axelsson



Åsa Ekman



Oliwer Karlsson



Birgitta Lahti-Nordström



Petter Martinsson



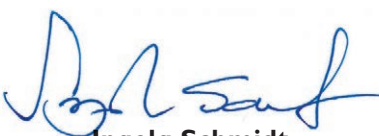
Veronica Palm



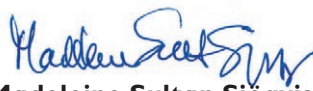
Fredrik Rosengren



Tomas Rydmo



Ingela Schmidt



Madeleine Sultan Sjöqvist



Sofia Zackrisson



Elisabeth Dahlin
Secretary General

Our auditor's report was submitted on May 30, 2018



Jonas Grahn
Authorised public accountant



Torbjörn Englund
Elected auditor

Auditor's report

To the General Assembly of Save the Children Sweden National Association, corporate identity number 802002-8638

Report on the annual accounts

Opinions

We have audited the annual accounts of Save the Children Sweden National Association for 2017.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the national association as of 31 December 2017 and of its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

Basis for Opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. The auditors' responsibility according to these standards are described in detail in the sections, Auditor's Responsibility and The elected representative auditor. We are independent of the association in accordance with professional ethics for accountants in Sweden. As authorised auditor, I have otherwise fulfilled my 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 opinions.

Responsibilities of the Board of Directors and the Secretary General

The Board of Directors and Secretary General are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Secretary General are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Secretary General are responsible for the assessment of the national association's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and the use of the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Secretary General intend to liquidate the national association, to cease operations, or have no realistic alternative but to do so.

The authorised public accountant's responsibility

I have executed the audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing practice in Sweden. My objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As a part of my audit according to ISA, I undertake professional judgments and have a professionally sceptical approach during the entire audit. In addition, I execute the following activities:

- I identify and assess the risk of material misstatement in the annual accounts, whether due to fraud or error, design and execute audit measures based, amongst other things, on these risks and obtain audit evidence which is sufficient and appropriate to comprise the basis of my opinion. The risk for failing to identify material misstatements arising due to fraud is greater as regards a material misstatement due to error, as fraud can include engagement in collusion, forgery, intentional omission, incorrect information or disregard of internal control.
- I obtain an understanding of that portion of the national association's internal control having significance to my audit to design audit measures which are appropriate with regard to the circumstances but I do not express an opinion on the effectiveness of the internal control.
- I evaluate the appropriateness of the accounting policies applied and the reasonability of the Board of Director's and Secretary General's estimations in the accounts and associated disclosures.
- I test the appropriateness of the Board and Directors' and General Secretary's application of the assumption of going concern in preparing the annual accounts. I test, based on the audit evidence obtained, whether there are significant factors of uncertainty referring to such events or circumstances that can lead to significant doubt as to the national association's capacity to continue its operations. If I come to the conclusion that there are significant factors of uncertainty, I am required to provide a statement in the Auditor's Report, noting that the disclosures in the annual accounts involve factors of uncertainty, provided that such information is insufficient, modifying my opinion regarding the annual accounts. My conclusions are based on the auditor's evidence obtained up until the date of the Auditor's Report. However, future events or circumstances can imply that an association can no longer continue its operations.
- I evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and if the annual and consolidated accounts reflect the underlying transactions and events in a manner providing a true and fair view.

I am required to inform the Board of Directors of, amongst other things, the planned scope of the audit and its focus, and the time schedule for the audit. I am also required to inform on any significant observations made during the audit, including identified significant deficiencies in the internal control.

The elected representative auditor's responsibility

My responsibility is to execute an audit according to the Swedish Auditing Act and generally accepted auditing practice in Sweden. My objection is to achieve a reasonable degree of assurance as to whether the annual accounts have been prepared in accordance with the Annual Accounts Act and if the annual accounts provide a fair view of the national association's results and financial position.

Report on other legal and regulatory requirements **Opinion**

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of Save the Children Sweden National Association for 2017.

We recommend that the meeting of the national association grant the members of the Board discharge from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the national association in accordance with professional ethics for accountants in Sweden. As an authorised public accountant, I have otherwise fulfilled my 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 opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the administration.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect has undertaken any action or been guilty of any omission which can give rise to liability to the national association.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the national association.

As part of an audit in accordance with generally accepted auditing standards in Sweden, the authorized public accountant exercises professional judgment and maintains professional skepticism throughout the audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on the authorized public accountant's professional judgement with the starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the national association's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion regarding discharge from liability.

Stockholm, 30 May 2018



Jonas Grahn
Authorised Public Accountant
PwC

Stockholm, 30 May 2018



Torbjörn Englund