



# *Annual Report*

2012

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# Contents

<b>I</b>	<b>Information on operations</b>	<b>6</b>
1.1	Save the Children Sweden	6
1.2	Save the Children Sweden – a membership movement	6
1.3	Governance, management and control	7
1.3.1	The Board of Trustees	8
1.3.2	Auditors	12
1.3.2	Secretariat	12
1.3.3	Employees	12
1.3.4	Internal control	13
1.4	Cooperation	15
1.5	Save the Children International	15
1.5.1	Joint activities with Save the Children International	16
<b>2</b>	<b>Financial instruments</b>	<b>18</b>
<b>3</b>	<b>Results and financial position</b>	<b>20</b>
3.1	Operational follow-up	20
3.1.1	Child rights governance	21
3.1.2	Child protection	23
3.1.3	Education	25
3.1.4	Humanitarian activities	26
3.2	Save the Children International	28
3.3	Membership	29
3.4	Save the Children Sweden cooperative projects	30
3.5	Communications and advocacy	31
3.6	Results - developments	32
3.6.1	Income	32
3.6.2	Costs	33
3.6.3	Outcome	35
3.7	Significant decisions and events in 2012	36
3.8	External factors affecting the organisation	37
3.9	Significant events after the end of the financial year	37
3.10	Future developments	37

<b>Income Statement.....</b>	<b>38</b>
<b>Balance Sheet.....</b>	<b>39</b>
<b>Cash Flow Analysis .....</b>	<b>41</b>
<b>Notes to Income Statement and Balance Sheet.....</b>	<b>42</b>
<b>Audit Report .....</b>	<b>55</b>

The Board of Trustees and the Secretary-General of the Save the Children Sweden National Association (802002-8638) hereby present the following account of the 2012 financial year. The Annual Report has been examined and approved by an authorised public auditors and an auditor elected by the General Assembly (elected auditors) in accordance with good auditing practice in Sweden<sup>1</sup>.

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<sup>1</sup> Good auditing practice implies that the audit has been carried out based on an internationally-recognised standard (ISA).

# *I Information on operations*

## **1.1 Save the Children Sweden**

Save the Children Sweden is a politically and religiously unaffiliated members' movement which conducts operations both within Sweden and internationally and whose work is based on the UN Convention on the Rights of the Child. Save the Children Sweden was founded on 19 November 1919, a few months after the first Save the Children organisation in the UK.

Save the Children Sweden is one of the leading member organisations in Save the Children International, the world's leading children's rights organisation, and has representatives on the Board of Trustees of Save the Children International, as well as on a number of steering and working committees. Save the Children International consists of 30 member organisations from the same number of countries. The headquarters of the international organisation are located in London and coordinate the joint efforts of the member organisations. Through Save the Children International, we operate in more than 120 countries and maintain lobbying offices in Geneva, Brussels, New York and Addis Ababa.

Internationally, Save the Children Sweden gives priority to programme activities within Child rights governance, Child protection, Education and Humanitarian activities. These operations include both long-term development and emergency humanitarian activities to alleviate children's situations in armed conflicts and natural disasters. Save the Children Sweden also works actively with children's rights associated with corporate social responsibility. Strong focus is placed on collaboration with local and national organisations, including the children's own organisations who are experts on the situation in their own countries. A strong civil society is essential for the achievement of long-term improvements in living conditions for children.

In Sweden, Save the Children Sweden works for children's rights in local associations, districts and Save the Children Sweden's Youth Council (RBUF). Operations are supported by four regional offices working to support, encourage and develop the voluntary work of the members in district and local associations. Regional offices work with organisational support (e.g. member training and leadership programmes) and with business development (i.e. support in mass media relations and political advocacy). The offices also develop methods for local voluntary activities, coordination and exchange of experience. Clinical activities by therapists who treat children and adolescents are also underway at regional offices.

## **1.2 Save the Children Sweden – a membership movement**

Save the Children Sweden has 79 363 members (2012) in 190 active local branches, in 25 districts operating in 212 municipalities.

The National Association, district and local branches are each legal entities with their own financial responsibility. The calendar year is used for operational and financial years. Local activities in Sweden are supported by 11 offices in four regions: Region South, Region West, Region East and Region North. Membership representatives meet annually to discuss how Save the Children Sweden's work can be developed and improved.

The highest decision-making body is the General Assembly which is held every two years. The General Assembly gathers together 118 delegates consisting of 100 representatives elected by membership, five representatives elected by Save the Children Sweden's Youth Council and the

Board of 13 members. The General Assembly appoints the Board, Secretary-General and Deputy Secretary-General. In the year between General Assemblies, an Operations Conference is arranged. In connection with this Conference, the previous year's Annual Report and Administration Report, plus a report on the status of implementation of the previous year's General Assembly decisions, are presented. This meeting also provides an opportunity to discuss and develop in-house issues and organisation.

On 14-16 September 2012, Save the Children Sweden held a General Assembly in Västerås in cooperation with Västmanland District. For three intensive days, 300 participants gathered at Aros Congress Center in Västerås. The General Assembly considered 58 motions, eight proposals from the Board of Trustees plus the Administration Report, Annual Accounts and Annual Report, Audit Report, Balance Sheet and Income Statement. A new Board was elected for the next two years, chaired by Inger Ashing. The General Assembly adopted a new operational focus, new statutes and several other updated governing documents. Debate and preparation for decisions took place on Advocacy Square. The Decision Forum introduced some innovations including voting by audience response and a new widescreen system to visualise the decision-making process. During the General Assembly a manifestation in Vasteras Town Square was arranged entitled One minute for Save the Children Sweden.

### **1.3 Governance, management and control**

Save the Children Sweden's operations are governed by its Articles of Association, the Guidelines for Save the Children Sweden 2008-2016 (Kompassen) and the decisions concerning operational focus adopted at the General Assembly, which is Save the Children Sweden's highest decision-making body.

Within this framework, the Board specifies operational priorities. The framework is expressed in the four-year Strategic Plan and the Annual Plan of Operations. 2012 marks the fourth and final year of the current strategic planning period.

International Save the Children's value platform is based on the UN Declaration of Human Rights and the Convention on the Rights of the Child. Save the Children Sweden, together with all its member organisations, has endorsed a Joint International Programme Strategy, a Vision, a Mission and Operational Focus.

- The Save the Children Sweden Vision is a world in which every child attains the right to survival, protection, development and participation.
- The Save the Children Sweden Mission is to encourage and inspire profound improvements in how children are treated, and to achieve immediate and lasting change in their lives. Save the Children Sweden fights for children's rights, it influences public opinion and supports children at risk - in Sweden and the world.
- The Save the Children Sweden Operational Focus is to fight for children's rights.

Save the Children Sweden operations will comply with its watchwords *Committed, Brave, Competent* and *Persistent*. These correspond well with the values that Save the Children Sweden share with all other members of Save the Children International: *Responsibility, Ambition, Cooperation, Creativity and Integrity*.

Save the Children Sweden applies four working methods:

- We actively seek out facts and listen to what children themselves have to say.
- We disseminate our knowledge to those with influence over children's living conditions.
- We provide direct support to children, in particular in case of disasters.
- We strive to create opinion and influence those in power to observe the best interests of the child.

### The Board of Trustees

The National Association Board of Trustees consists of a Chair, Deputy Chair and 10 other members, appointed by the General Assembly, one member and a personal replacement for him/her appointed by Save the Children Sweden's Youth Council and two additional members appointed by the unions. Co-opted members have rights of attendance and expression. The Board of Trustees is responsible for managing, developing, supporting and coordinating Save the Children Sweden operations and is the highest decision-making body in the period between annual membership meetings. The four main tasks of the Board are to:

- Work to ensure Save the Children Sweden development in accordance with its statutes, and the decisions of the membership meetings.
- Bear responsibility for the planning, implementation and evaluation of all Save the Children Sweden operations.
- Bear responsibility for cooperation with Save the Children International.
- Annually establish Plan of Operations and Budget for the National Association

In 2012, the Board of Trustees consisted of the following members:

<b>Name</b>	<b>Function</b>	<b>Profile</b>	<b>Attendance</b>
Inger Ashing Stockholm	Chair	Degrees in political science and economics. Deputy Director General and Head of the Unit for National and Municipal Youth Policies, the Swedish National Board for Youth Affairs.	9/9
Kojo Ansah-Pewudie Gothenburg	Deputy Chair	Degree in systems sciences, Process Manager	9/9
Linus Bengtsson Malmö	Member from Sept 2010, resigned Sept 2012	M.A. in Human Rights, Deacon of the Church	5/5
Staffan Jansson Karlstad	Member from Sept 2010, resigned Sept 2012	Professor in Paediatrics, Adolescent Medicine and Public Health Sciences	4/5



Åsa Jernberg Stockholm	Member	Master of Science in Engineering Political Party Group Leader	8/9
Kari Lotsberg Enebyberg	Member	M.Sc. in Business and Economics CEO of her own company	8/9
Annika Wärff Unionen	Staff representative, Co- opted Member		4/9
Monica Lindvall SACO	Staff representative, Co- opted Member		0/9
Gisela Dahlquist, Umeå	Member from Sept 2010, resigned Sept 2012	Professor Consultant, Paediatrics	4/5
Åsa Ekman Gothenburg	Member	Democracy Developer	7/9
Johan Sohlberg Västerås	Member	Cathedral Clerk	7/9
Martin Kvist Lund	Member	Social worker	8/9
Birgitta Lahti Nordström Luleå	Member	School Manager	8/9
Tomas Rydsmo Ljungskile	Member	Principal, Ljungskile Folk High School	8/9
Anna Sivlér	Member from Sept 2012	Company Legal Advisor, LKAB	3/4
Bengt Lagerkvist	Member from Sept 2012	Associate Professor of Paediatrics Retired medical doctor, author	4/4
Inga-Britt Ahlenius	Member from Sept 2012	M.Sc. in Business and Economics, previously Under-Secretary General of UN Audit Office etc.	0/4
Magdalena Nergården	Member from Sept 2010, resigned Sept 2012	Chair of Save the Children Sweden's Youth Council	3/5
Sara Thiringer	Member from Sept 2012	Chair of Save the Children Sweden's Youth Council	4/4
Niclas Persson	Personal replacement for Magdalena Nergården, from June 2011 and for Sara Thiringer, from Sept 2012	EU representative of LSU Member of Save the Children Sweden's Youth Council Board	2/9

The Board held nine meetings during the year.

Up until Save the Children Sweden's General Assembly on September 16, 2012, members of the Board were paid monthly remuneration as follows: SEK 20 000 to the Chair, SEK 5 000 to the Deputy Chair and SEK 1 700 to other members. The Board members who worked in the Executive Committee, in addition to the Chair and Deputy Chair, were remunerated with SEK 2 500 per month. These fees were adjusted after 16 September 2012, following an agreement with the Save the Children International. These agreements and adjustments of fees are a result of the harmonisation measures between members of SCI. The Chair continues to receive SEK 20 000 per month. The Deputy Chair receives a fee of SEK 7 500 per month. Board members who work on the Executive Committee, in addition to the Chair and Deputy Chair, will receive SEK 1 000 per month, this also applies to the Asset Management Committee and the Audit Committee Chairs. After the General Assembly of 2012, another role on the Board will also be remunerated: the member responsible for international cooperation who will receive SEK 10 000 per month.

Other members are not remunerated.

### The Executive Committee

In 2012, the Executive Committee held six meetings. Its primary task is to prepare the meetings of the Board. The committee consists of Chair Inger Ashing, Deputy Chair Kojo Ansah-Pewudie and Åsa Jernberg.

### The Remuneration Committee

In 2012, the Remuneration Committee held one meeting. The Remuneration Committee's primary task is to regularly review the Secretary-General's salary terms and employment contract and salary setting policies for senior positions. Until the General Assembly in 2012, this committee consisted of Chair Inger Ashing, Johan Sohlberg and Staffan Janson. After the General Assembly in 2012, it consisted of Chair Inger Ashing, Deputy Chair Kojo Ansah-Pewudie and Johan Sohlberg.

### The Audit Committee

In 2012, the Audit Committee held five meetings. The Committee's primary task is to ensure that Save the Children Sweden accounting policies follow generally-accepted accounting principles and are applied in a proper manner, to ensure that the internal control of financial management is conducted in a satisfactory manner and to monitor how the auditor's findings and recommendations are addressed in the organisation.

Until the General Assembly in 2012, this committee consisted of Deputy Chair Kojo Ansah-Pewudie (Committee Chair) and members Kari Lotsberg and Linus Bengtsson. After the General Assembly in 2012 it consisted of Deputy Chair Kojo Ansah-Pewudie (Committee Chair) and members Kari Lotsberg and Åsa Ekman.

### The Asset Management Committee

In 2012, the Asset Management Committee held five meetings. The Committee's purpose is to provide direct support to the organisation as concerns the management of funds, both long-term assets and short-term liquidity management. The Committee is to initiate reviews of management policy for funds management, evaluate management performance, conduct ethical reviews and assess whether financial management complies with management policy. The Asset Management Committee consisted, and still consists, of two representatives of the Board: Kari Lotsberg (Chair), and Åsa Jernberg. Other members this year were Hans de Geer and Hans Tholsby.

### Membership Committee

In 2012, the Membership Committee held four meetings. In addition, the Committee attended several meetings in which the members represented the Board. This Committee works to improve communications between the membership and Board of Trustees and to strengthen the democratic process and the sense of community within the organisation. Committee members participate as Board representatives at Regional Council and other similar regional meetings. The Membership Committee consisted, until the General Assembly in 2012, of Gisela Dahlquist (Chair), Linus Bengtsson, Birgitta Nordström Lahti and Åsa Ekman. After the General Assembly in 2012, its members were Birgitta Lahti Nordström (Chair), Martin Kvist, Bengt Lagerkvist and Åsa Ekman.

### Collaboration Group: Save the Children Sweden – Save the Children Sweden Youth Council

In 2012, the Collaboration Group held three meetings. Its primary task is to review and evaluate, to strengthen and to continuously improve the relationship between Save the Children Sweden and Save the Children Sweden Youth Council. The Committee consists of Martin Kvist, Åsa Ekman and Sara Thiringer and her personal deputy on the Board of Trustees Niclas Persson. Up until June 2012 Magdalena Nergården was also a member. In September 2012 she was replaced by Sara Thiringer.

### Committee on Strategic Collaboration with Save the Children International

The Committee on Strategic Collaboration with Save the Children International was established at the 2012 General Assembly. The Committee intends to hold two meetings a year. The Committee's primary task is to act as support for the SCS Board of Trustees by monitoring the work of the Save the Children International Board. The Committee consists of Chair Inger Ashing, Deputy Chair Kojo Ansah-Pewudie, Tomas Rydsmo and Johan Sohlberg

### The Nominations Committee

The Nominations Committee, until the General Assembly in 2012, consisted of Chair Birgitta Ahlqvist, Stina Linnarsson, Brita Isoz and Rolla Akkache. Simon Nummela was initially a member but left on 8 March 2012. The Nominations Committee elected at the General Assembly 2012 consisted of: Rolla Akkache, Uppsala (Chair); Linus Bengtsson, Malmö; Monica Ekström, Karlstad; Carin Johansson, Luleå; Jenny Malmsten, Malmö.

### 1.3.2 Auditors

Jonas Grahn, Authorised Public Accountant, PwC and Anders Öberg, elected auditor.

Substitute auditors are: Marie Welin, Authorised Public Accountant, PwC and Torbjörn Englund, elected substitute.

### 1.3.1 Secretariat

The Save the Children Sweden headquarters are located in Sundbyberg, Stockholm. The Secretariat has been led by Secretary-General Elisabeth Dahlin since September 2008.

In 2012, the Senior Management Team consists of the Secretary-General with Deputy Secretary-General Charlotta Sterky; Anniken Elisson Tydén, Head of the International Programme; Agneta Åhlund, Head of the Sweden Programme; Louise Gauffin, Head of Marketing & Fundraising and Per-Erik Åström, Acting Head of Communications and Advocacy. On 1 April a new organisation was introduced in which Marketing & Fundraising and Communications & Advocacy were merged into a single department: Communications & Fundraising. From 14 May Jesper Nilsson will head this department.

The Senior Management Team also includes Ulf Persson, Head of Administration and Lisa Tullgren, Human Resources (until 17 August) who was succeeded by Acting HR Head Gunnar Löfberg (from 28 August). Head of Planning Tove Strömberg was Secretary of the Senior Management Team during the year.

Save the Children Sweden has run a Centre for Children's Rights and Corporate Social Responsibility (CCR CSR) in China since 2010. This centre is registered as a company in China and is wholly owned by Rädda Barnen Service AB, which in turn is owned by Save the Children Sweden National Association. The Centre also received support via a project financed by Sida entitled Companies as actors for children's rights.

The purpose of the centre is to offer expertise, experience and knowledge to companies to enable them to improve and implement CSR strategies (Corporate Social Responsibility). The Centre is to act as a platform for dialogue and a meeting place for companies seeking to develop and improve their business using the child's best interests as a guide. The work is based on close cooperation with universities and colleges.

### 1.3.2 Employees

The average number of permanent employees in Sweden in 2012 was 191, of whom 47 were men. See Notes 21 and 22 for more facts about salaries, benefits, social insurance costs, and average number of employees. Average number of project employees was 35, of which 5 were men. Note 22 distributes these figures between HQ and regional offices in Sweden. Of the 191 permanent employees, 148 people worked at HQ and 43 in regional offices. Of the 35 project employees, 10 worked at HQ and 25 in regional offices.

Save the Children Sweden staff consists of administrative assistants, administrators and managers. The Assistant category consists of administrators, office assistants, receptionists and caretakers. The Administrator category includes advisors, therapists, programme officers, grants managers, key account managers, regional managers (until 1 June), business developers, communicators, marketers, editors, project managers, IT professionals, financial administrators, HR officers etc. The Manager category consists of heads of department, assistant heads of departments, section managers and group leaders.

Save the Children Sweden applies a clear salary policy including criteria for individual assessment and guidelines for salary reviews. The Save the Children Sweden salary structure is in line with similar organisations in Sweden. The salary structure for permanent employees at the Save the Children Sweden HQ and regional offices and substitute employees (but not project employees) is as follows:

Salary SEK	Women	Men	Total
20 000 – 29 999	34	10	44
30 000 – 39 999	112	33	145
40 000 – 49 999	19	9	28
50 000 – 64 999	4	6	10
83 000 (SG)	1	-	1
<b>Total</b>	<b>170</b>	<b>58</b>	<b>228</b>

The Secretary-General's monthly salary is SEK 83 000. The appointment period is five years with a notice period of 12 months. Upon notice of termination of employment without obligation to work, deductions are made to the severance package if other employment is gained during the period of notice. Costs for occupational pension provision through collective agreements amounted to SEK 298 719 in 2012. There are no other benefits or retirement benefits in addition to the collective agreement.

Save the Children Sweden works actively with working environment issues in different arenas. The Working Environment Committee held five meetings during the year. The Committee consists of employers' representatives and representatives of Save the Children Sweden unions (Unionen and SACO). Health and safety issues have been regularly discussed. Save the Children Sweden offers its employees participation in step counting competitions, the opportunity to use one working hour a week for fitness activities, outdoor fitness classes at lunchtime once a week and free access to the Save the Children Sweden gym.

### 1.3.3 Internal control

The Board bears overall responsibility for internal control. The task of organising internal control has been delegated to the Secretary-General, however the Board retains its internal control monitoring responsibilities.

Save the Children Sweden's internal audit is carried out by the consulting firm Lind Andersson Consulting AB. The Board has established an Audit Committee which meets four to five times per year. The Audit Committee works according to instructions adopted by the Board. Save the Children Sweden operations are examined by an Authorised Public Accountant and an elected auditor.

Save the Children Sweden commissions external audit firms to carry out audits of their operations overseas. Each country and regional office issues an audit report in accordance with a defined mission statement. The most important principle is that follow-up and audits are to be carried out at all subsequent stages.

Efforts to develop and improve Save the Children Swedens internal control are the responsibility of the Planning Manager in the Secretary-General's staff and a controller function in the Administration Department. The Planning Manager is responsible for ensuring that there are systems, structures and processes in place to enable relevant internal control activities. The controller function is responsible for both ensuring the quality of work, and providing reliable information to support Save the Children Sweden's management as they govern, control and lead activities towards established narrative and financial goals. Operations must be carried out in accordance with current guidelines, agreements and regulations.

The Board has adopted a policy for managing critical risks. Based on the Board's decision, Save the Children Sweden continuously follows up operations. Every year an in-house Control Plan is established in conjunction with the operational planning and monitored within quarterly and annual reporting

Save the Children Sweden has a post giro account that begins with the figure 90 which means that the organisation meets the requirements that the Swedish Fundraising Control has stipulated for fundraising organisations. Save the Children Sweden also applies the quality code developed by SFC (NGO Fundraising) and reports in accordance with SFC governance guidelines for code reporting. This report is available on the website [www.raddabarnen.se](http://www.raddabarnen.se).

Save the Children Sweden reports regularly to members and donors on how operations are conducted and how their contributions are used. This is accomplished via annual reports, the membership magazine Barn, the website [www.raddabarnen.se](http://www.raddabarnen.se) and the membership portal.

In 2008, Sida completed an evaluation, system audit and review of Save the Children Sweden's international activities. Jointly with Sida, Save the Children Sweden prepared an Action Plan which has been followed up annually. In 2012, the organisation has primarily worked to improve grant, partner and risk management. For example, a new programme and project structure for international operations has been developed.

Save the Children Sweden carries out periodic evaluations. In 2012, the following major evaluations were undertaken:

- Evaluation commissioned by Sida to assess Save the Children Sweden support to partner organisations in international programme activities. The evaluation highlighted the real and comprehensive positive results for the children that partner organisations achieve jointly with Save the Children Sweden.
- A review of Save the Children Sweden as an umbrella organisation commissioned by Sida. The evaluation was completed in early 2013, but indicates that the work that Save the Children Sweden, together with Save the Children International, has undertaken to develop and improve systems of monitoring and evaluation of projects and grants has increased quality assurance for all the members of Save the Children International.

All evaluations have proposed improvements. Save the Children Sweden is currently working on these.

Save the Children Sweden is an NGO member of the UN Global Compact and the INGO Accountability Charters, and is therefore required to produce an Annual Sustainability Report in accordance with the GRI (Global Reporting Initiative) reporting framework. In 2013, Save the Children Sweden will publish a Sustainability Report for 2012 as an annex to its Annual Report.

## **1.4 Cooperation**

### Save the Children Sweden's Youth Council

Save the Children Sweden's Youth Council (RBUF) is an independent organisation supported by Save the Children Sweden. RBUF issues its own Annual Report and its relationship with Save the Children Sweden is regulated by agreement. In 2010, Save the Children Sweden and RBUF worked out a new agreement that specifies the services and procedures Save the Children Sweden will supply to RBUF as support. The agreement is valid for 2012.

Save the Children Sweden works to support RBUF in discussions with future partners and donors such as the Swedish National Board for Youth Affairs.

### International cooperating partners

Save the Children Sweden operates internationally in cooperation with international, national, regional and local organisations. These include organisations formed and run by children and adolescents. Cooperation is undertaken with networks, government agencies, parliamentarians, UN agencies, universities, journalists, media and private companies.

### Business collaboration

Many companies have shown interest in long-term, in-depth cooperation with Save the Children Sweden. An increasing number of companies and organisations wish to take greater responsibility for the communities they operate in, both socially and environmentally. For more information about Save the Children Sweden corporate partnerships see Section 3.4.

### National Cooperation

In order to ensure that children will have better lives and their rights fulfilled, Save the Children Sweden staff members participate in a large number of networks and partnerships locally, regionally, nationally and internationally. Networks facilitate cooperation and exchange of experience. In 2012, there were 93 networks and local groups scattered over all the regions. These groups worked with themes such as child poverty, refugees, trustees, honour, Children's Houses, mental health and school issues. Examples of actors that Save the Children Sweden collaborated with this year include Studieförbundet (an adult study organisation), county administration boards, the police, social services and other non-profit organisations in Sweden and Europe. As part of efforts to combat discrimination and insulting behaviour in sport, Save the Children Sweden collaborated with seven district branches/special sports federations and 16 municipalities. In conjunction with the Centre for Business and Policy Studies (SNS), Save the Children Sweden participated in steering committees for a number of research projects and publications in fields such as unemployment and health.

## **1.5 Save the Children International**

In November 2009, the members of Save the Children International took a decision on a new global strategy for 2010-2015. The objective of the new strategy was to work more effectively and efficiently for children's rights and to reach more children. In recent years, the member organisations have worked to coordinate all their international programming. In 2011, Save the Children Sweden, together with other Save the Children members, initiated the work of transferring international programme operations to a new joint programme unit called Save the Children International. This has continued in 2012 and completion is expected in 2013. In 2012 the following changes to the Save the Children Sweden foreign organisation occurred.

**Asia:** In 2011, Save the Children International established a combined office in Singapore for the two previous regions of South & Central Asia, and East & Southeast Asia. In 2012 Save the Children

Sweden country operations in Afghanistan and the Philippines were transferred to Save the Children International. Bangladesh was transferred in 2011. Operations in Pakistan continues to be run according to the Unified Presence model.

**Latin America:** In 2012, the Save the Children Sweden Regional Office in Lima was closed down. Save the Children International has established its regional office in Panama. In 2012 Save the Children Sweden country operations in Peru were transferred to Save the Children Sweden. The regional programmes are managed by the Save the Children International country office in Peru, which reports to the regional office in Panama.

**Middle East and North Africa:** The Save the Children Sweden Regional Office in the Lebanon was closed in 2012. Save the Children International is building a regional office in Istanbul, but has experienced problems with registration. Save the Children Sweden country operations in Lebanon, the Occupied Palestinian Territories and the Yemen have been transferred to the Save the Children International. Regional programmes are currently managed today by Save the Children International's country office in Lebanon.

**West Africa:** The Save the Children Sweden Regional Office in Senegal was transformed into a country office for Save the Children International in 2012. Save the Children International has now established a regional office in Senegal. This year Save the Children Sweden has also transferred its activities in Côte d'Ivoire to the Save the Children International. Regional programmes are currently managed by the Save the Children International country office in Senegal.

**East and Central Africa:** The Save the Children Sweden Regional Office in Kenya has been closed down and Save the Children International has established a regional office in the country in 2012. Regional programmes are now managed by the Save the Children International Regional Office in Kenya. Save the Children Sweden country operations in Ethiopia have been transferred to Save the Children International. In Sudan, Save the Children International is not licensed to conduct business, consequently Save the Children Sweden has retained its country office and is now the largest international NGO in Sudan, with operations in 7 of the 16 states. At the beginning of 2013, around 430 people were employed there. Operational priority areas are Children's rights to safety and protection, and Children's rights to good governance.

**Europe:** The Save the Children Sweden country office in Kosovo closed in April 2012, and country operations were transferred to Save the Children International. In the autumn (September 2012) parts of the regional programme were also transferred to Save the Children International in Kosovo. These parts related to activities in Serbia, Moldova and Ukraine. Other parts of the regional programmes related to operations in the Baltic States, Romania and Russia continued to be managed from Save the Children Sweden headquarters in Sundbyberg.

**Southern Africa:** Due to delays in registration, all operations in South Africa will be transferred in 2013.

### 1.5.1 Joint activities with Save the Children International

Save the Children International focuses on six priority areas for their international programme activities: health/nutrition, education, safety and protection, Child rights governance, HIV/AIDS and humanitarian activities. Save the Children Sweden, and other member organisations of Save the Children International, contribute financially and through their efforts on steering committees, working groups, secondments etc. to develop and strengthen priority areas. Save the Children Sweden leads two of these priority areas: the Child Protection Initiative and, together with Save the Children Denmark and Save the Children Norway, the Child Rights Governance Initiative. In



addition, Save the Children Sweden has been one of the leaders of the Save the Children International commitment to Children's Rights and Business Principles.

The Child Protection Initiative is run by a global team consisting of approximately ten people whose manager is located at Save the Children Sweden in Stockholm. The team works as internal, and to some extent external, experts to assist Save the Children International and programme countries to improve and reinforce children's rights to safety and protection. The team also conducts advocacy work with international actors such as the UN system.

A global team of six promoting child rights governance is headquartered in Copenhagen. The team is responsible for supporting Save the Children International members with planning and implementing programmes for good governance for children, for increasing such activities among members and lobbying stakeholders with strategic responsibility for children's rights to good governance globally, regionally and nationally. These programmes also stress the importance of independent child rights civil society actors who can act to detect problems in CRC compliance and propose specific improvements based on children's own experiences.

Save the Children Sweden has, as mandated by Save the Children International, along with the Global Compact and UNICEF, developed child rights principles for companies - Children's Rights and Business Principles (CRBP). The UN Global Compact was launched in July 2000. Today, thousands of companies from all over the world, together with civil society, promote the UN universal principles concerning human rights, labour, environment and anti-corruption.

Save the Children Sweden also plays an active role in the planning, execution and implementation of Save the Children International communications and marketing efforts. Save the Children Sweden is the Scandinavian representative (representing Swedish, Danish and Norwegian Save the Children) within the framework of Save the Children International disaster relief activities.

Save the Children Sweden leads, together with Save the Children Norway, a working group that drew up common principles for cooperation with partners, a manual for practical cooperation with partners and templates for how to work with partner organisations in order to establish joint assessments of the strengths and challenges of cooperation.

## 2 *Financial instruments*

Save the Children Sweden has built up a capital buffer for unforeseen events and in order to secure operations for children. Since 2006, the management of these resources has been controlled by a policy which imposes strict standards of conduct, low risk and cost effective management. Management policy is developed in accordance with the guidelines for the design of investment policy SFC (NGO Fundraising) prepared for fundraising organisations and reviewed by Charity Rating.

This policy is established by the Board of Trustees and is subject to ongoing evaluation and revision. Results are followed up by the Board together with the rest of the financial reports on a quarterly basis. The policy is public and full transparency is applied as concerns its revisions.

The Save the Children Sweden Board is responsible for decisions on changes in management policy. A special sub-committee of the Board, the Asset Management Committee, is mandated to ensure policy compliance, and prepare proposals for the Board concerning updates to the policy as and when necessary.

Board policy states that long-term assets must have an expected return of 3% in real terms per year i.e. after inflation, over a rolling five year period. Meanwhile, the overall level of risk, for example, currency and credit risk must be low which is primarily to be achieved by global diversification, a relatively low proportion of equities, low currency risk and strict limits for operative management. The policy sets the framework for the proportion of capital that may be invested in equities and interest-bearing securities. The share portfolio is largely to be managed close to index.

Save the Children Sweden follows the SFC Guidelines on ethical aspects of financial management linked to the goals and objectives of Save the Children Sweden operations. They must be measurable and possible to monitor and investment policy is fully transparent. Save the Children Sweden emphasises that investments should be made in companies that follow the international conventions to which Sweden is a signatory, including the UN's Universal Declaration of Human Rights, the UN Convention on the Rights of the Child and the UN Convention on Climate Change.

Since 2010, Save the Children Sweden has developed a value platform for the management of its funds, consequently production and production processes that improve children's rights, conditions and opportunities will be promoted. Save the Children Sweden aims to actively influence Swedish companies that may be at risk of violating international conventions regarding the rights of children. Investments may only be made in companies that earn less than 5% of their revenue from operations that involve alcohol, pornography, tobacco or weapons. The aim is to achieve zero percent.

Assets are managed by external managers. A special report on long-term asset management performance and any deviations from the established mandate and limits is used for monitoring by the Committee on a monthly basis, and is then presented to the Board with the quarterly financial reports.

During the spring and early summer of 2012 the remaining changes in the portfolio that were adopted in 2011 after a major review and evaluation of Save the Children Sweden's capital management policy and results for the period 2006-2010 were completed. The result of these changes is that the portfolio today as a whole uses passive index management and also has an exposure to emerging markets. In addition, exposure concerning shares has gradually been reduced in line with the Board's decision from the autumn of 2011 regarding the normal allocation for the portfolio of 50% interest, 40% equities and 10% alternative investments, in order to cut down on risk.

In the autumn of 2012, an evaluation was undertaken of the fixed interest portfolio in light of the low interest rate situation and the future risk and earnings perspective. The evaluation findings led to the Board's decision to reduce interest rate risk in the portfolio and improve risk adjusted earnings. In accordance with this decision, the fixed interest portfolio will have an exposure to corporate bonds with a normal allocation of 30%, including a normal allocation of 5% in corporate bonds in the high yield segment. These policy changes gave rise to the purchase of interests in corporate obligation funds which is expected to be implemented during the first quarter of 2013.

The average management charges for the entire portfolio were the equivalent of 0.29% at the end of 2012.

## 3 Results and financial position

### 3.1 Operational follow-up

Save the Children Sweden plans its operations in a four-year planning cycle which is operationalised into one-year Plans of Operations. In 2012, Save the Children Sweden completed the 2009-2012 strategic planning period. A new focus has been determined by the Save the Children Sweden General Assembly for the period 2013-2016.

Save the Children Sweden regularly follows up its activities through a variety of reports such as its Administration Report, Annual Report, quarterly reports, Human Resources Audit, internal control, Sustainability Report and the Quality Code.

In addition to the above, Save the Children Sweden annually identifies a number of thematic areas or some of the success factors identified in *Kompassen - Guidance for Save the Children Sweden 2008-2016*, for a more in-depth report. The purpose of these in-depth reports is to provide a clear and systematic picture of performance and of the long-term effects of Save the Children Sweden operations. In 2012, the following detailed report was completed:

- Evaluation of the impact of the reorganisation of national programme activities (2009), which involved the decentralisation of operations to the four major regions. The evaluation shows that many positive results have been achieved and that the reorganisation has provided Save the Children Sweden with the preconditions to achieve more for children locally in Sweden.

Save the Children Sweden work focuses, in accordance with its four-year Strategic Plan (2009-2012), on four thematic areas: Child rights governance, Child protection, Education and Humanitarian activities. Each theme contains several strategic, long-term goals. In the tables presented in the following pages, a column entitled Result Goals 2012 is included. This is a general assessment of Save the Children Sweden effectiveness at the completion of the strategy period, i.e. in 2012. Assessments are made per theme and are based on a cumulative assessment of the status of goal implementation 2009-2012. Goal attainment is shown as follows:

**Green** - Indicates that the goals have been reached or exceeded. On-track (OT)

**Yellow** - Indicates that there are certain problems, delays or obstacles in implementation, but the goal is expected to be partially fulfilled. Almost-on-track (AOT)

**Red** - Indicates that the goal has not been reached. Not-on-track (NOT)

The following tables set out the financial outcome per theme for the strategic four-year period, as well as a percentage comparison with the budget for 2012.

Save the Children Sweden costs are financed by funding from various donors. Amounts and conditions attached to funds will determine how Save the Children Sweden may spend them. It is extremely challenging to assess the budgetary picture for the year ahead and Save the Children Sweden therefore produces regular forecasts in order to be able to follow funding trends during the year. The tables below show outcomes in comparison to the original budget established in the autumn of 2011.

During this strategy period, Save the Children Sweden utilised different principles for presenting the thematic outcome by country/regional office. In the tables below, Save the Children Sweden has chosen to follow the same principle as used in Note 5. The reference figures for 2009 to 2011 follow the same principle as the previous year's Annual Report.

*According to Save the Children Sweden's operational focus 2009-2012, all programme activities must contribute to children's participation and to combating discrimination against children. Save the Children*

Sweden will particularly contribute to strengthening child protection by countering violence, exploitation and abuse, and work to ensure that all children receive a good basic education according to their abilities and needs

### 3.1.1 Child rights governance

*Outcome in thousand SEK of Thematic Area Child rights governance, distributed by country/region*

<i>Country/Regional Office</i>	<i>Outcome 2009</i>	<i>Outcome 2010</i>	<i>Outcome 2011</i>	<i>Outcome 2012</i>	<i>Outcome 2012 in % of budget</i>	<i>Outcome Goal</i>
Sweden	21 476	15 203	16 503	17 232	98%	
Europe	3 509	4 903	7 988	8 272	141%	
East and Central Africa	7 849	19 015	9 523	9 676	71%	
West Africa	5 745	4 467	7 242	8 247	78%	
Southern Africa	4 991	8 589	8 227	12 892	95%	
Middle East and North Africa	11 632	17 497	30 470	14 067	95%	
Asia	6 964	11 107	15 197	12 419	71%	
Latin America	9 914	8 552	9 159	8 613	72%	
Regional	17 535	12 400	16 816	24 255	142%	
<b>Total</b>	<b>89 615</b>	<b>101 733</b>	<b>121 125</b>	<b>115 673</b>	<b>95%</b>	

The goals for 2012 for national activities in the thematic area Child rights governance focus on strengthening the Save the Children Sweden membership movement (this work is reported in the section entitled Membership), influencing the rights of children locally and regionally and securing their influence, as well as working to monitor and evaluate compliance with the UN Convention on the rights of the Child nationally, regionally and locally. Here are some examples of results that Save the Children Sweden helped to achieve;

- Political decisions have been taken at local and national level; municipal action plans against child poverty, in-depth studies on child poverty, childcare for non standard working hours, increased child perspective in income support, increased number of Barnahus (Children's Houses), increased housing allowance for families with children, increase in the basic level of parental benefit, increased additional children's allowance for larger families and a clear family perspective within labour market policy as concerns families in socially and economically disadvantaged situations.
- The suburban initiative *On Equal Terms* has established itself as a permanent, high priority activity within the organisation. 1 500 children, young people and parents have participated in activities. Collaboration has occurred with some 40 local actors, including district councils, at both political and administration levels, and with companies.
- In October 2012, the Swedish Government announced that it had taken a decision to study the advantages and disadvantages of incorporating the Children's Convention and the Additional Protocols to which Sweden has acceded into Swedish legislation.

The targets 2012 for international operations in the thematic area of Child rights governance focus on convincing governments to legislate on, and authorities to live up to, the principles of the UN Convention on the Rights of the Child. Work is also underway to strengthen the role of civil society (especially child-led organisations) in partner countries and their ability to work based on CRC principles. Here are some examples of the results that Save the Children Sweden helped to achieve;

- Save the Children Sweden conducted programmes in 19 countries in order to influence governments to introduce laws to harmonise with the UN Convention on the Rights of the Child. At the end of the year, 16 of these countries had implemented legislative changes that contribute to improved harmonisation with the UN Convention. Below are examples of successful results;
  - 32 child rights organisations, including Save the Children Sweden, have been involved in and contributed to the report submitted to the Human Rights Council for the Universal Period Review (UPR). The Zambian Government accepted most of the recommendations highlighted in the report.
  - In Yemen, the government approved the Third Protocol to the UN Convention on the Rights of the Child and as a result of this, the country undertook to create systems to process individual children's complaints regarding violations of their rights.
  - Save the Children Sweden contributed to the development of the Ethiopian legal system which has resulted in improved legislation, improved coordination between different actors, fewer children being prosecuted and better access to legal assistance.
- Save the Children Sweden, together with UNICEF and the UN Global Compact, provided companies with the opportunity to implement and report on child rights principles. The launch of the child rights principles has created a good platform for companies to implement the UN Convention on the Rights of the Child in their operations and networks.
- Save the Children Sweden and its partners, have contributed to children's voices being heard. In Lebanon, Save the Children Sweden, together with local civil society, examined how the government implements its commitments under the UN Convention on the Rights of the Child. This has been accomplished by more than 1,000 children participating in gathering data and statistics as part of this review.
- In Senegal, Save the Children Sweden worked to ensure that children are made aware of their rights and opportunities, and this has contributed to the establishment of systems and structures for reporting violence and exploitation of children at local and national level. Children have been educated about their rights and how they can use the new systems and structures. 70,000 children are currently able to use this tool.
- In the Occupied Palestinian Territories, Save the Children Sweden has trained young people in the electoral process and democratisation which has led to over 200 young people registering as members of the Youth Council.
- Refugee children and other marginalised groups in Yemen have participated in the Children's Parliament and the number of children participating has increased.

In 2012, Save the Children Sweden efforts in their international programme activities within the Child rights governance thematic area have directly reached more than 260 951 children and 401 362 adults.

### 3.1.2 Child protection

*Outcome in thousand SEK of Thematic Area Child Protection, distributed by country/region*

<i>Country/Regional Office</i>	<i>Outcome 2009</i>	<i>Outcome 2010</i>	<i>Outcome 2011</i>	<i>Outcome 2012</i>	<i>Outcome 2012 in % of budget</i>	<i>Outcome Goal</i>
Sweden	14 919	8 389	20 339	22 150	95%	
Europe	6 119	7 172	3 896	7 428	78%	
East and Central Africa	27 650	23 793	29 028	43 675	132%	
West Africa	16 150	16 263	32 754	41 134	149%	
Southern Africa	13 423	6 901	7 926	6 376	74%	
Middle East and North Africa	21 518	41 769	32 630	42 737	123%	
Asia	25 551	22 103	27 584	49 944	82%	
Latin America	15 849	13 782	50 294	31 799	153%	
Regional	20 283	25 526	43 887	24 726	92%	
<b>Total</b>	<b>161 461</b>	<b>165 698</b>	<b>248 338</b>	<b>269 969</b>	<b>110%</b>	

The 2012 goals for national activities in the Child protection thematic area are to strengthen safety and protection for unaccompanied refugee children, undocumented and refugee children in the family, and children in need of community support. Below are some examples of the results that Save the Children Sweden has helped to achieve;

- From July 2013 a change in legislation will enter into force that gives undocumented children entitlement to health and medical care.
- Save the Children Sweden has developed its parental support, the project *Us parents together* has been launched and is now available in 10 locations. The parents' helpline is open six days a week and received 754 phone contacts and 297 e-mail contacts. The Centre for Children and Young People in Vulnerable Situations has carried out 404 telephone counselling sessions with parents.
- The government has promised financial resources until 2014 to improve the competence of social services on children's issues. Save the Children Sweden has worked intensively with the project entitled *It's about love* and reached at least 60 000 children in 41 cities with direct information activities. The project brings together Save the Children Sweden and county administrative boards, police, social services and voluntary organisations.
- The Centre for Children and Young People in Crisis has treated 128 children in Stockholm, Gothenburg, Malmö and Umeå. Primarily support has been provided for three groups of children: children in difficult custody disputes between parents, children with experience of domestic violence and children with experience of bullying.

The 2012 goals for international operations in the thematic area Child protection focused on strengthening national and local safety and protection systems and ensuring well-coordinated preventive measures and support for children who have been exposed to violence. The work carried out internationally in the Children's right to education area largely concerns safety and protection issues such as safe and secure environment, free from violence including corporal punishment. Consequently, Save the Children Sweden has chosen to report operations in schools together with

other activities for Child protection. Here are some examples of the results that Save the Children Sweden has helped to achieve:

- Save the Children Sweden has worked to ensure that children at risk enjoy better access to quality education in the first year of primary school, a school that supports every child's right to development in a child-friendly environment. Below are examples of successful results;
  - In Ethiopia, more than 20 000 (21 271) children from Somalia, who live in extremely vulnerable situations, have been educated in 125 schools supported by Save the Children Sweden.
  - In Cambodia, 74 schools have expanded their support to the 2 200 most vulnerable children (girls, socially vulnerable children, children with disabilities and from minority groups).
- Save the Children Sweden has contributed to the establishment of national and local safety and protection systems which operate preventatively and simultaneously support children who are victims of violence and exploitation. Below are examples of successful results;
  - In all the countries where Save the Children Sweden is active, the organisation supports the establishment of national action plans and strategies aimed at introducing or strengthening these systems. In 2012 Kenya, Ethiopia and South Sudan adopted such strategies. Now a total of 29 countries where Save the Children Sweden is active that have adopted such strategies and action plans.  
Children affected by conflict or other disasters have, through Save the Children Sweden activities, enjoyed increased protection against violence and exploitation, and increased psychosocial support after exposure to violence. Below are some examples of successful results;
  - In Mali, committees and networks working with children's rights to protection have been established in 18 villages.
  - The Philippines has involved all the relevant actors, local authorities, teachers, students, etc. in training for mitigation of disasters. More than 100 training groups have been established.
  - In Sudan, comprehensive professional competence development of Save the Children Sweden partners and professional groups has led to more children being reunited with their families. This has resulted in a new database and updated communications materials to support these efforts.
- School should provide children with a safe and secure environment free from all forms of physical punishment and/or humiliating treatment. Below are some examples of results;
  - In Gambia and Senegal, Save the Children Sweden supported the process of introducing a law banning corporal punishment in schools.
  - In the Philippines, the staff at the Ministry of Education and teachers have been trained in positive learning methods in order to avoid corporal punishment.
- Children are increasingly participating in decisions affecting their school environment.
  - In the Philippines, at least 15 000 children and young people participated in training regarding corporal punishment, positive discipline and children's right to protection.



In 2012, Save the Children Sweden efforts in international programme operations within the thematic area Child protection have reached more than 794 795 children and 420 382 adults directly.

### 3.1.3 Education

*Outcome in thousand SEK of Thematic Area Education, distributed by country/region*

<i>Country/Regional Office</i>	<i>Outcome 2009</i>	<i>Outcome 2010</i>	<i>Outcome 2011</i>	<i>Outcome 2012</i>	<i>Outcome 2012 in % of budget</i>	<i>Outcome Goal</i>
Sweden	989	1 773	7 299	8 664	161%	
Europe	3 269	4 023	2 839	1 727	38%	
East and Central Africa	27 156	30 557	45 700	35 935	96%	
West Africa	34 490	21 743	26 445	28 285	138%	
Southern Africa	2 971	569	319	3 872	106%	
Middle East and North Africa	28 084	29 354	32 160	30 652	177%	
Asia	24 160	33 014	9 929	25 975	79%	
Latin America	10 018	8 176	8 517	3 390	91%	
Regional	4 270	2 374	15 341	2 832	420%	
<b>Total</b>	<b>135 407</b>	<b>131 583</b>	<b>148 549</b>	<b>141 332</b>	<b>112%</b>	

The 2012 goals for national activities in the thematic area Education focus on democracy and equality. Here are some examples of the results that Save the Children Sweden has helped to achieve;

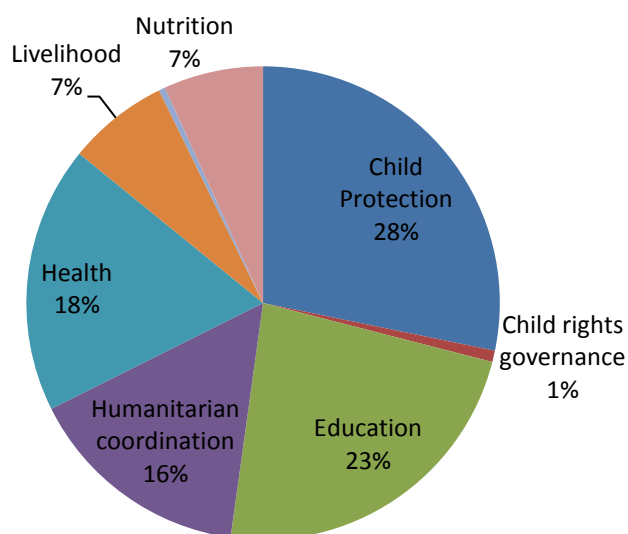
- The *Safe School* Project was launched in January 2012 and several local branches, in all regions, now conduct advocacy work based on the results contributed by the project.
- The *High Five* Project was launched in 2012, this included methodological materials aimed at reducing discrimination. During the year, lectures were conducted in 66 sports clubs, 50 process managers were trained on the material and collaboration was initiated with seven specialised associations and SISU districts within sports. Cooperative projects were launched with 16 municipalities.
- In 2012, Save the Children Sweden efforts within international programme activities in the thematic area Children's right to education reached more than 641 412 children and 102 584 adults directly.

### 3.1.4 Humanitarian activities

*Outcome in thousand SEK of Thematic Area Humanitarian Activities distributed by country/region*

Country/Regional Office	Outcome 2009	Outcome 2010	Outcome 2011	Outcome 2012	Outcome 2012 in % of budget	Outcome Goal
Sweden	-	0	0	0	0%	
Europe	-	100	0	0	0%	
East and Central Africa	-	2 367	6 352	2 514	0%	
West Africa	-	0	45 880	8 433	138%	
Southern Africa	-	0	0	0	0%	
Middle East and North Africa	-	276	115	5 488	0%	
Asia	-	6 085	1 049	1 751	19%	
Latin America	-	0	0	0	0%	
Regional	-	8 588	13 127	30 564	122%	
<b>Total</b>	-	<b>17 416</b>	<b>66 523</b>	<b>48 750</b>	<b>120%</b>	

During the year, SEK 255 million has been used in the Humanitarian activities context distributed among the thematic areas as follows:



Save the Children Sweden works, jointly with other member organisations of Save the Children International, with preventive, emergency and long-term humanitarian activities. Save the Children Sweden works with Children's rights to safety and protection and to education in conflict and disaster areas.

The goals for 2012 for international operations in the thematic area of Humanitarian activities were to strengthen government and civil society as concerns preventative measures. Save the Children Sweden has established itself as a strong humanitarian actor, which imposes different demands on the organisation. Below are some successful examples of results:

- Save the Children Sweden has contributed personnel and financial resources to supporting refugees from Syria in Lebanon, Jordan and Iraq. In Lebanon, Save the Children Sweden has played an important role in the development of children's right to secure areas.
- In Darfur, Save the Children Sweden has ensured the vaccination of 100,000 people, which prevented an outbreak of yellow fever in an already complex humanitarian context.
- A food crisis has occurred in the Sahel and Save the Children Sweden is on site with support, which has reached approximately 150 000 people.

In 2012, Save the Children Sweden has been on site with active programmes and needs assessments for humanitarian activities in the following countries:

<b><u>Africa</u></b>	<b><u>Middle East and North Africa</u></b>	<b><u>Latin America</u></b>	<b><u>Asia</u></b>
Côte d'Ivoire	Syria conflict that includes;	Peru	China
Malawi	Jordan	Haiti	Bangladesh
Horn of Africa (Kenya, Somalia and Ethiopia)	Iraq		India
South Sudan	oPt		Japan
Sudan	Yemen		Pakistan
Niger	Lebanon		Philippines
DRC			Sri Lanka
Mali			Vietnam
Mauritania			Myanmar

In 2012, Save the Children Sweden efforts in international programme operations within Humanitarian activities reached more than 537 371 children and 314 052 adults directly.

In 2012, Save the Children Sweden's efforts in the international programme activities in other thematic areas reached more than 498 099 children and 404 921 adults directly.

## 3.2 Save the Children International

According to Save the Children Sweden's operational focus 2009-2012, the organisation is to increase the impact of operations, by developing:

- Save the Children Sweden contributions to the joint organisation of international programme activities of Save the Children International and by strengthening cooperation with other members.
- a strategy to convey the unique Save the Children Sweden child rights perspective to other parts of the Save the Children International.

At the General Assembly in 2010, Save the Children Sweden's membership took a decision to endorse the Save the Children International's vision and values, but to retain the Save the Children Sweden operational focus. The Save the Children Sweden Board has determined that six priority areas should guide all the work the organisation undertakes through Save the Children International. These six areas are: a child rights perspective throughout; strengthen and cooperate with civil society and NGOs; children's influence and participation; effective advocacy; a regional approach to programme operations, and democratic and transparent working methods. With the new vision, mission statement, value platform and the Board's six priorities as guiding principles, Save the Children Sweden has undertaken its work in Save the Children International during the period 2010 - 2012.

Save the Children Sweden, together with other member organisations, has achieved the following results during this period:

- Ensured that the child rights perspective is included in Save the Children International policies, statutes and agreements.
- More member organisations have begun to collaborate with Save the Children Sweden concerning children's rights.
- Five global initiatives within the priority programme areas were established under the auspices of the Save the Children International and its member organisations.
- The majority of members' regional and country offices have been closed and operations transferred to a common organisation for the implementation of international programming.
- Joint humanitarian strategy with a clear child rights perspective.
- The Save the Children International strategy for 2010 - 2015 states that advocacy will be a central element in operations.
- In late 2011, the Save the Children International Board approved the Statutes of the South African organisation and work has begun to develop this into a strong member organisation. SCS has also contributed to Save the Children India and Save the Children Brazil strengthening their positions in Save the Children International.

### 3.3 Membership

*According to Save the Children Sweden's operational focus 2009-2012 the organisation will be strengthened by increasing membership and the number of active members. Save the Children Sweden will also enhance the impact of operations by developing local branches which will contribute to the realisation of children's rights in their own towns and cities.*

One of the objectives of the Save the Children Sweden Strategic Plan, which is based on the operational focus for 2009-2012, is to strengthen work with membership. Results achieved during the strategic period include:

Nineteen of the twenty measures that the General Assembly formulated regarding the strengthening of membership operations have been completed. Examples include the development of local annual general meetings, increased child rights focus and more methods for children's participation. Geographically and socio-economically, Save the Children Sweden has expanded its operations to areas where there was no previous presence, working extensively with thematic working groups and partner organisations. Part of these operations is based on the fact that Save the Children Sweden has secured substantial resources for the development of parental support activities in socio-economically disadvantaged areas.

The Save the Children Sweden goal for 2012 was to increase the number of its members in order to reach the same level as in 2008 (88 000 members). Although the number of members in 2012 increased to 79 363 SCS failed to achieve goal levels.

In 2012, 7 358 new members were recruited, thereof 3061 new household members. Cancelled membership is first registered after 36 months. In 2012, 7 110 cancelled memberships were registered, the equivalent figure for 2011 was 5 755 members.

Save the Children Sweden has observed increased interest in making an active contribution among members. In 2012 there were 7 300 active members as compared with 6 400 in 2011. Opportunities are currently available to become involved in clearly-defined, concrete operations and be part of thematic working groups and regional networks. One contributing factor to the increased number of active members is the fact that Save the Children Sweden is operating in more municipalities, actually more than 73% of the country's municipalities. The goal is to establish operations in most of the remaining municipalities.

In 2012, membership costs have increased by about 4% to around SEK 22.3 million. The primary reason is establishment efforts in municipalities where there was no previous Save the Children Sweden presence, and recruiting more active members. In 2012, membership fees covered over half of the costs of the membership and were responsible for 1.2% of total operating income (2011: 1.3%).

<b>Key ratios members</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Fundraising by local branches	MSEK 5.5	MSEK 4.8	MSEK 7.3	MSEK 5.4	MSEK 3.8
Membership costs/Membership fees	138,3%	150,0%	145,6%	172,9%	178,2%
Number of members	88 086	86 305	80 143	75 477	79 363
New members	9 273	4 205	2 447	2 695	7 358
Members leaving	4 017	5 775	5 429	5 755	7 110

In 2012, total membership raised SEK 3.8 million, a decrease of SEK 1.6 million compared to 2011.

### **3.4 Save the Children Sweden cooperative projects**

According to Save the Children Sweden's operational focus 2009-2012, Save the Children Sweden will influence and/or interact with key players in the child rights field. During this period special efforts will be made to:

- involve parents and other adults around the children in the everyday realisation of children's rights.
- ensure that decision-makers and public institutions at all levels respect and guarantee the rights of children, especially at the municipal level in Sweden.
- strengthen Save the Children Sweden and Save the Children International partner organisations abroad so they can become stronger advocates for children's rights and their cooperation with organisations and networks will be strengthened.

The operational focus also states that Save the Children Sweden will make special efforts to develop strategic collaboration with other organisations and enhance the impact of operations, in particular by developing collaboration with Save the Children Sweden's Youth Council.

The results reported in the Children's right to good governance, Children's rights to safety and protection, Children's right to education and Humanitarian activities thematic areas have been accomplished in close collaboration with various stakeholders. For Save the Children Sweden, it is important that advocacy work at national and international levels is based on concrete, practical experience from local activities. Below are other examples of results achieved in successful collaboration internationally, regionally, locally and with companies:

- Within the framework of the Save the Children International joint campaign entitled *Everyone* which concerned children's rights to survival, Save the Children Sweden supported a successful project, *From Local to Global*, in a number of countries. The project mobilised children, young people and adults on health issues that affect them in their local environment. In Zambia, this has led to an increased health budget and a better living environment for children.
- Save the Children Sweden is working with UNICEF and Plan International to support the *South Asia Initiative to End Violence Against Children (SAIEVAC)* in South Asia. The project collaborates with civil society and governments to strengthen rights-based protection systems in eight countries, and to work against the use of corporal punishment.
- Since 1994, IKEA and Save the Children Sweden have worked on issues concerning children's rights. Today, this cooperation encompasses Save the Children International while Save the Children Sweden in Sweden manages the cooperation. With the help of the IKEA Foundation, efforts will be focused on children's rights in India and Pakistan, mainly in cotton cultivation, and on the annual Soft Toy campaign in IKEA stores worldwide. Totally, cooperation with the IKEA Foundation encompasses some 50 projects worldwide.
- Save the Children Sweden is one beneficiary of the Swedish Postcode Lottery and altogether (since 2005) has received SEK 284 million from this source. In 2012, SEK 53 million in core assistance was granted. In Sweden, these grants have been used, among other things, for the *Safe School Project* and internationally for projects involving work against the use of corporal punishment. In 2012, SEK 10 million was also granted for the fight for children's rights in the Middle East, a cooperation project with Diakonia, which aims to give children and young

people media tools so they can become Child Rights Fighters and influence decision makers in order to make a difference in their lives.

- In 2012 Save the Children Sweden received nearly SEK 9 million from Radiohjälpen (Swedish Broadcasters' Aid Foundation) of which more than SEK 8 million came from fundraising by Children of the World and the rest from Musikhjälpen. Save the Children Sweden has used these grants in six different projects in West Africa. Children of the World funds were used to fund disaster relief in Senegal/Togo, and Children's rights to safety and protection in West Africa. The contributions from Musikhjälpen have been used for Children's right to safety and protection in Senegal.

Save the Children Sweden cooperates with a number of key partners: Accenture, Axfood, Clas Ohlson, God El / God fond, Santa Maria, SAS, Swedbank Robur and Vinge advokatbyrå. In addition to its main partners, SCS also works closely with some 20 other companies. In 2012, Save the Children Sweden received pro bono support from:

- Vinge law firm, who through legal support improved the quality of Save the Children Sweden negotiations and external contracts.
- Accenture, who has supported Save the Children Sweden with the development of tools to assist companies in implementing child rights principles.

### **3.5 Communications and advocacy**

*According to Save the Children Sweden's operational focus 2011-2012, the organisation will enhance the impact of its operations, in particular by developing skills, identity, commitment and profile as a child rights organisation, contributing to visible and lasting improvements for children.*

Save the Children Sweden communications and advocacy work is carried out in close collaboration with members, local organisations and international bodies. Dialogue is maintained with those in power and public opinion is mobilised to help. The media is one of the most important tools for forming public opinion, influencing, changing attitudes and enhancing the Save the Children Sweden brand. During this strategic planning period, the organisation has also received a number of awards for its market communications, including the Swedish Design Prize 2012 for the *Light a Star* Campaign and the United Nations Award 2011 for the *Life Lottery* Campaign.

Based on the annual media analysis, the following conclusions can be drawn:

- Save the Children Sweden has maintained the high publicity level that the organisation has enjoyed over the past five years - on a par with that of the major unions and large-scale Swedish companies.
- Save the Children Sweden is the self-evident expert and discussion partner within child rights issues for journalists, politicians and opinion shapers.
- Save the Children Sweden possesses a platform consisting of a very well-known brand and recurrent activities and surveys.
- Local activities create presence and quality in the Save the Children Sweden media image. Local radio and TV provide high quality and visibility that generates good results for local and regional advocacy.
- A domestic political focus in the general media image benefits Save the Children Sweden.

## 3.6 Results - developments

### 3.6.1 Income

Save the Children Sweden has, during the 2009-2012 strategy period, experienced a significant increase in operating income. This income increase is largely explained by higher levels of contributions from Sida (Swedish international development cooperation agency), the UN and the EU. In 2012, the SCS income was SEK 994.8 million, representing an increase of 2% over the previous year (2011: SEK 976.0 million). Income from financial investments amounted to SEK 12.7 million (2011: SEK 10.7 million). Operating income along with income from financial investments form total revenues. The outcome of total revenues for 2012 amounted to SEK 1 007.5 million (2011: SEK 986.7 million), which includes income from financial investments. Budget total stood at SEK 1 020.6 million.

#### Funds raised

Total funds raised in 2012 amounted to SEK 415.7 million (2011: SEK 391.9) (Note 2).

The increase compared to 2011 is largely explained by postponed Postcode Lottery payments from 2011. Total funds raised were SEK 10 million higher than budgeted level. Income from companies and fundraising from individual donors are the two largest revenue categories in total funds raised.

Income from companies including payments from non-profit funds that contributed a total of SEK 96.1 million in 2012 (2011: SEK 93.9 million). Of this SEK 60.0 million (2011: SEK 59.0 million) came from global cooperation with IKEA.

Funds raised from individual donors, including the Children of the World campaign and bequests in 2012 amounted to SEK 251.7 million (2011: SEK 290.5), a marked decrease on the previous year. A number of measures have been taken to achieve income targets for 2013.

<b>Key ratios, fundraising</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Funds raised/Number of employees (Sweden and internationally)	SEK 486 000	SEK 561 000	SEK 321 000	SEK 277 000	SEK 521 000
Fundraising costs/funds raised	13,3%	15,6%	14,5%	16,1%	14,9%
Funds raised/operating income	56,8%	55,0%	48,6%	40,1%	41,8%

The number of employees has decreased by 630 since 2011 which explains the increase in the Key Ratio entitled Funds raised/Number of employees above.

#### Grants

Total grants in 2012 amounted to SEK 554.6 million (2011: SEK 561.3 million). The grant from Sida, the largest donor, was in excess of SEK 300 million, corresponding to an increase of over SEK 80 million as compared with 2011. As in 2011, a marked increase in humanitarian grants from the EU and the UN could also be noted. In total, grants from the EU and the UN increased by 40% in 2012.

<b>Key ratios, grants received</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Grants received/operating income	39,9%	41,9%	48,6%	57,5%	55,7%



## Results long-term capital management

Earnings from financial investments in the Save the Children Sweden Income Statement (Note 7) are established under the recognition and valuation principles that comply with the Annual Accounts Act, Accounting Standards Board's general advice for non-profit associations and the SFC governance guidelines for annual accounts (see accounting and valuation principles). In the paragraph that follows, trends within the long-term equity portfolio and their relationship to the portfolio's comparative index are presented.

At the end of 2012, the market value of long-term funds was SEK 292.7 million. Development for long-term capital management in 2012 was 9.4% after expenses, which represents an excess return of 2.5% against the weighted comparative index applied for the total portfolio. All sub-portfolios outperformed their comparative indices in 2012.

The development of the total equity portfolio amounted to 14.4%, which was 1.9 percentage point better than index, which rose by 12.5%. Both the global and Swedish equity portfolio exceeded their comparative indices; the global portfolio rose by 12.5% against index, which rose 11.4%, the Swedish portfolio rose 20.1% as against the 16.5% of the index.

The development of the fixed interest portfolio was 4.7% which was above the comparative rate of 3.3%.

The alternative investments entered into in late 2011 gave a strong overall performance for the year of 8.2%, which was significantly better than the comparative index which rose by 3.6%.

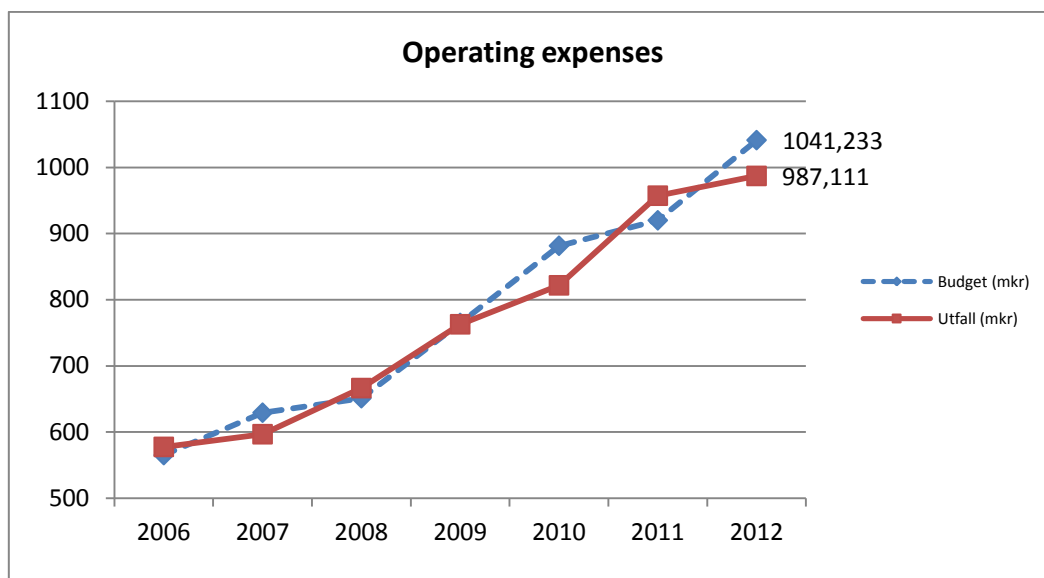
As per 31 December 2012, shareholdings accounted for 46.0% of total portfolio market value, the fixed interest portfolio for 43.4% and alternative investments for 10.7%. This places all the asset classes within their limits.

At the end of 2012 the equivalent size of the long-term equity portfolio, in terms of market value, amounted to 29.4% of Save the Children Sweden turnover and 62.4% of equity. It is assessed that the level of long-term capital is reasonable.

In addition to the long-term assets portfolio Save the Children Sweden, as part of efforts to manage liquidity risk and maintain adequate payment capability, also maintains short-term liquidity management. These funds consist mainly of short-term debt securities or money market funds in addition to bank deposits. There is also a portfolio of inherited shares and mutual funds, which are phased out as they are received. The size of the short-term portfolio at the end of 2012 was SEK 27.0 million.

### 3.6.2 Costs

Programme costs have followed income development over the strategic period. Fundraising and administration costs, in relation to total costs, have decreased during the period and for the last two years have remained at 10%. In 2012, the Save the Children Sweden operations cost SEK 987.1 million (2011: SEK 957.2 million), the equivalent to 95% of the budget.



### Project costs

Cost of programme operations and support to membership are known as project costs. In 2012 these costs amounted to SEK 888.2 million (2011: SEK 861.2 million).

Key ratios expenses	2008	2009	2010	2011	2012
Cost of programme/Operation revenues	84.1%	90.8%	79.7%	88.2%	89.3%
Number of days equity cover cost of programme	211	180	212	190	197

Due to changes in accounting principles concerning partner reporting, key ratios declined temporarily in 2010, in other respects key ratios have remained at a relatively constant level during the last five-year period.

In 2012, programme costs were distributed between the thematic areas as follows:

- 39% Children's rights to safety and protection
- 17% Children's rights in society
- 20% Children's rights to education
- 7% Humanitarian activities
- 17% other thematic areas.

In 2012, SEK 255 million were spent in the humanitarian context and SEK 384 million on long-term development. Only 7% of programme costs were within the Humanitarian activities thematic area because the vast majority of costs in this area lie within the other thematic areas, see Section 3.1.4 Humanitarian activities.

According to Save the Children Sweden operational focus 2011-2012, emphasis should be placed on activities in sub-Saharan Africa. In 2012, just over 42% of Save the Children Sweden total programme costs (Sweden and International) related to programme activities in Africa.

Fundraising and administration costs

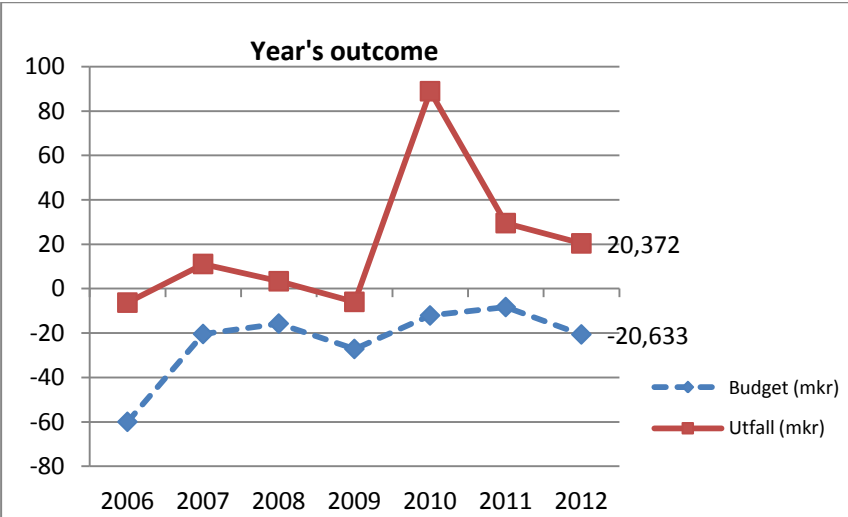
In 2012, costs for fundraising and administration amounted SEK 98.9 million (2011: SEK 96.0 million), an increase of 3.0%. In comparison with total costs, fundraising and administration amount to 10.0%, the same level as in 2011.

MSEK	2008	2009	2010	2011	2012
Project costs; Programmes	561,3	647,4	702,6	839,7	865,9
Project costs; Membership	19,3	22,4	19,9	21,5	22,3
Fundraising costs	52,3	63,3	63,9	62,9	62,1
Administration costs	33,4	29,7	35,3	33,1	36,8
Total costs	666,3	762,8	821,7	957,2	987,1
Fundraising + Administration (%)	13%	12%	12%	10%	10%

3.6.3 Outcome

According to Save the Children Sweden's operational focus 2011-2012, Save the Children Sweden must strengthen its organisation by expanding operations with stable funding and a balanced economy.

Net income has fluctuated over the four-year period. These variations are largely explained by the accounting principle that funds raised for a specific, pre-determined activity are recognised as income when they arrive at Save the Children Sweden, but are expensed only when the activity is carried out and reported. For 2012, net income amounted to SEK 20.4 million (2011: SEK 29.5 million) including net financial income/expenses.



Reported provision for project funds, as a result of funds received that have not yet been utilised, is SEK 73.6 million. A large part of this provision refers to funds from IKEA and the Postcode Lottery.

The utilisation of project funds from the previous year was MSEK 39.2 million. The effect on the reserves for project funds was SEK -34 million. Net change in non-restricted equity amounted to SEK -14.0 million (2011: SEK 30.3 million). In connection with the close down of Save the Children Sweden foreign offices, a number of careful assessments have been made as concerns receivables from donors, which resulted in depreciations of approximately SEK 14 million. It is likely that some of the depreciation can be reversed in 2013, which will have a positive impact on earnings in 2013 financial statements (Note 17). An additional item that affects income and is connected to the reorganisation is higher pension costs in the form of contractual pensions (Note 22).

The transfer of international programmes to Save the Children International has also brought changes in a number of items in the Balance Sheet for 2012 as compared to 2011. For example, Save the Children Sweden disposed of parts of its inventory and delivered these items as gifts to Save the Children International (Note 10). Another impact of the programme transfer appears under the item additional receivables (Note 13) which is explained by Save the Children Sweden undertaking to advance funds to the equivalent of two months of operation for all newly-established programmes implemented by Save the Children International on behalf of the Swedish organisation. Save the Children International's liquidity reserve was partially funded by Save the Children Sweden, together with other Save the Children International members, which is the other reason for the increase in the additional receivables item.

### **3.7 Significant decisions and events in 2012**

In 2012, a new operational focus for the Save the Children Sweden was adopted. This focus is on children's rights to good governance, children's rights to safety and protection, and children's rights to education. This was adopted by the General Assembly in September. A new four-year Strategic Plan 2013-2016 was also established by the Board in October.

2012 marked a historic year for Save the Children Sweden international operations. During the year organisational changes determined by Save the Children International in 2009 were completed which meant that all national member organisations' international programme activities are now implemented by a joint organisation. At year end there was only the regional office in South Africa remaining under the auspices of Save the Children Sweden and this office will be transferred in 2013.

The Save the Children Sweden Chairperson is a member of the Save the Children International Board where activities have been dominated by the takeover of programme operations and staff. Now that all international programme operations have been transferred, focus is shifted to developing content and quality of programme activities and effectively measuring and monitoring their impact on children's rights.

During the year, Save the Children Sweden has been actively working with a new, in-house organisational structure and process-oriented approach in order to respond to its new roles and responsibilities. The new approach is expected to contribute to more efficient operations.

In the summer of 2012, Save the Children Sweden signed an agreement with Sida concerning the Companies as actors for children's rights project which encompasses around SEK 35 million over a period of three years. One of the long-term goals is to integrate Children's Rights and Business Principles into existing global reporting mechanisms for companies, such as the Global Compact, the Global Reporting Initiative, ISO, etc. Another long-term goal is to influence key stakeholders such as financial institutions and professional organisations to develop capacity to support companies in the implementation of Children's Rights and Business Principles (which is now being tested in a pilot project supported by Accenture). Efforts are also aimed at the long-term, broad dissemination of knowledge and capacity within Save the Children International.

### **3.8 External factors affecting the organisation**

In 2012, several humanitarian crises underlined the difficulties and challenges in providing help and support to groups of people in need. Examples of this were found in Sudan/South Sudan, Syria and Mali.

The level of commitment to helping children is high and Save the Children Sweden is supported by many different donors who require improved performance and increased efficiency. In order to respond to these stringent internal and external demands for cost efficiency and transparency in use of donor funding, transparent grant management is applied. This has led to improvements that will provide greater clarity concerning how resource management is presented. This work has been combined with new processes, systems and structures established for planning and monitoring. The intention is that these combined efforts will meet all requirements for clearly-stated cost efficiency and results.

### **3.9 Significant events after the end of the financial year**

In 2013, the SFC Code will be updated. Depending on its design, new reporting requirements will be imposed on Save the Children Sweden. It is our view that Save the Children Sweden systems and structures largely already meet these requirements.

In 2013, a mid-term evaluation of the Save the Children International Global Strategy 2010-2015 will be undertaken. Recommendations may lead to the necessity of Save the Children Sweden discussing and examining new strategic issues in terms of collaboration with other members of Save the Children International.

Sida has completed its assessment of how Save the Children Sweden meets Sida criteria for umbrella organisations and strategic humanitarian partners. In early 2013, Save the Children Sweden was awarded a framework agreement with Sida for the period 2013 - 2016. In 2013 Save the Children Sweden also submitted an application to Sida concerning a humanitarian partnership. The results of these decisions will affect the direction and scope of Save the Children Sweden international operations.

### **3.10 Future developments**

As international programme activities were transferred to the Save the Children International in 2012, 2013 will be the first year the new organisation will be fully operational and ready to be monitored as concerns its primary purpose - to reach more children, to work more effectively and efficiently for children's rights and to build on the strengths of the various national member organisations. This will also require further adjustment of Save the Children Sweden's working methods, systems and procedures as concerns the new international organisation. The Save the Children Sweden role as a client and programme designer means increased HQ responsibility for management and quality assurance of programmes, as well as concepts and methods in the context of the global initiatives by Save the Children International. The new internal organisation established at Save the Children Sweden HQ will be completed in 2013. Although the new organisation is in place, work will continue on the development and improvement of internal processes, systems and procedures.

Parallel with the transfer of international programmes to Save the Children International, Save the Children Sweden must, for the foreseeable future, maintain the capacity to continue in a direct operational role in Sudan. This requires a separate, in-house support organisation.

## INCOME STATEMENT 2012

Amounts in thousand SEK		2012	2011
<b>Operating income</b>			
Membership fees	Note 1	12 511	12 435
Funds raised	Note 2	415 749	391 861
Diverse revenues	Note 3	11 973	10 444
Grants from organisations and government agencies	Note 4	554 559	561 302
		<b>994 792</b>	<b>976 042</b>
<b>Project costs</b>			
Programme	Notes 5,6,22,23	-865 900	-839 733
Membership	Notes 6,22,23	-22 295	-21 500
		<b>-888 195</b>	<b>-861 233</b>
<b>Fundraising and administration costs</b>			
Fundraising	Notes 6,22,23	-62 131	-62 872
Administration	Notes 6,22,23	-36 785	-33 099
		<b>-98 916</b>	<b>-95 971</b>
<b>Operating expenses</b>		<b>-987 111</b>	<b>-957 204</b>
<b>Outcome from operations</b>		<b>7 681</b>	<b>18 838</b>
Outcome of financial investments	Note 7	12 691	10 663
<b>Year's outcome</b>		<b>20 372</b>	<b>29 501</b>
<b>Appropriation of year's outcome</b>			
		Note 17	
Year's outcome according to Income Statement		20 372	29 501
Utilisation of project allocations from previous years		39 244	69 188
Reservation of project allocations not utilised during the year			
Provisions according to Board decision		-73 626	-68 342
<b>Remaining amount for year/non restricted capital</b>		<b>-14 010</b>	<b>30 347</b>

## BALANCE SHEET

Amount in thousand SEK		2012-12-31	2011-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Software	Note 8	0	28
		<b>0</b>	<b>28</b>
<i>Tangible fixed assets</i>			
Buildings	Note 9	0	0
Inventory and installations	Note 10	1 055	3 903
		<b>1 055</b>	<b>3 903</b>
<i>Financial fixed assets</i>			
Interest in Rädga Barnens Service AB	Note 11	908	1 100
Long term securities	Note 12	279 022	242 680
Long term receivables	Note 13	51 255	1 651
		<b>331 185</b>	<b>245 431</b>
<b>Total fixed assets</b>		<b>332 240</b>	<b>249 362</b>
<b>Current assets</b>			
Property etc. intended for sale		1 421	245
<i>Current receivables</i>			
Accounts receivable		7 680	3 452
Other receivables	Note 14	210 975	168 328
Prepaid expenses and accrued income	Note 15	56 205	55 075
		<b>274 860</b>	<b>226 855</b>
Short-term investments	Note 16	27 041	25 762
Cash and bank balances		188 620	309 091
<b>Total current assets</b>		<b>491 942</b>	<b>561 953</b>
<b>Total assets</b>		<b>824 182</b>	<b>811 315</b>

## Equity and liabilities

Amount in thousand SEK		2012-12-31	2011-12-31
<b>Equity</b>	Note 17		
<b>Equity at year start</b>		448 673	419 172
Year's increase		20 372	29 501
		<b>469 045</b>	<b>448 673</b>
<i>Provisions</i>	Note 18		
Provisions for employees abroad		14 719	20 081
		<b>14 719</b>	<b>20 081</b>
<i>Long-term liabilities</i>			
Debt to Rädda Barnens Service AB		100	100
		<b>100</b>	<b>100</b>
<i>Current liabilities</i>			
Accounts payable		24 816	27 042
Other liabilities	Note 19	65 478	30 337
Accrued expenses and prepaid income	Note 20	250 024	285 082
		340 318	342 461
<b>Equity and liabilities</b>		<b>824 182</b>	<b>811 315</b>
<i>Pledges assets</i>		None	None
<i>Contingencies</i>	Note 21	10 743	11 412



## CASH FLOW ANALYSIS

Amount in thousand SEK	2012	2011
<b>DAY-TO-DAY OPERATIONS</b>		
Payments from donors and members etc.	918 453	1 040 050
Payments to cooperating partners, employees and suppliers etc.	-965 215	-952 966
<b>Cash flow from day-to-day operations before interest and income tax</b>	<b>-46 762</b>	<b>87 084</b>
Interest received	4 655	5 831
Dividends received	4 950	3 556
Interest paid	-12	-15
<b>Cash flow from day-to-day operations</b>	<b>-37 169</b>	<b>96 456</b>
<b>INVESTMENT OPERATIONS</b>		
Investment in intangible fixed assets	0	-40
Sales intangible fixed assets	21	0
Investment in tangible fixed assets	-2 254	-5 025
Sales tangible fixed assets	3 072	1 401
Investments in financial fixed assets	-239 475	-181 970
Divested financial fixed assets	156 134	186 820
Decrease/increase in short-term financial investments	2 004	25 616
<b>Cash flow from investment operations</b>	<b>-80 498</b>	<b>26 802</b>
<b>Year's cash flow</b>	<b>-117 667</b>	<b>123 258</b>
Cash equivalents at year start	309 091	173 671
Exchange differences for cash equivalents	-2 804	12 162
Cash equivalents at year end	188 620	309 091

## **NOTES ON INCOME STATEMENT AND BALANCE SHEET**

### **Accounting and valuation principles**

The accounting and valuation principles follow the Swedish Annual Accounts Act, the Swedish Accounting Standards Board's general advice for non-profit organisations and the Swedish Fundraising Council's (FRIL) governing guidelines for annual accounting.

### **Income recognition**

Income is recognised at the fair value of what has, or will be received.

Income in the form of gifts and donations is generally recognised as income when the gift has been effectuated in terms of property law. Gifts, primarily from private individuals, are normally recognised on a cash basis. Gifts from companies and organisations are also normally recognised in the period in which the donation is made. To the extent any gifts or donations from companies and organisations have been agreed but not received as per the balance sheet date, they are recognised as income following individual assessment.

### **Membership fees**

Membership fees consist of payments received for membership of Save the Children Sweden.

### **Funds raised**

Funds raised include gifts received from the public, companies, organisations, foundations and funds. Funds raised also include bequests and donations, as well as funds from Radiohjälpen (Swedish Broadcasters' Aid Foundation) generated through joint fundraising activities.

### **Grants from organisations and authorities**

Cash and equivalents received from donors who are considered to be collective or legal entities under public law are viewed as grants. This includes contributions applied for and received from Radiohjälpen, as well as contributions from affiliated organisations within Save the Children International. The grant is recognised as income in the period in which it is paid in. Conditional grants are recognised as liabilities until the expenses that the grants are intended to cover are incurred. If a grant pertains to a specific period, the contribution is distributed over that period.

### **Cost accounting**

Save the Children Sweden's costs are reported in accordance with the Swedish Fundraising Council's guidelines as costs for projects, fundraising and administration. Additional to the direct costs for these operations are the indirect and supporting costs, of which some are general overheads. These are distributed so that each part bears its own costs. The distribution is based on the proportion of personnel and office resources that each part makes use of. During the year a certain amount of reclassification has occurred between direct and indirect costs. Comparable amounts for 2011 have been adjusted.

### **Project costs**

Project costs are those incurred by Save the Children Sweden in performing its assignments in accordance with its Articles of Association. A division is made between the costs for programme operations in Sweden and abroad, and membership activities in areas involving workshops, courses and conferences that support and develop programme operations. Advocacy work forms part of programme operations.

## **Fundraising costs**

Fundraising costs are those incurred in generating donations from private individuals and companies and include costs for fundraising materials, printed materials, advertising and payroll costs for employees who work with these fundraising activities.

## **Administration costs**

Administration costs are those necessary for the administration of Save the Children Sweden and include costs for Board meetings, auditing, certain rental costs, administrative systems and payroll costs.

## **Assets and liabilities**

### **Donated assets**

Property and tenant-owned association housing donated to Save the Children Sweden is recognised at their market value, calculated at the point in time when Save the Children Sweden receives the donation. They are reported as current assets, since the intention is for them to be divested as quickly as possible. Securities are reported as current investments. Listed securities are recognised at their market price at the point in time at which they are registered in Save the Children Sweden's name.

### **Fixed assets**

Intangible and tangible fixed assets are recognised at cost and depreciated systematically over the period of use. The following depreciation periods are applied for equipment both in Sweden and abroad: Software and systems development costs: 3 years; Computer equipment: 3 years; Other equipment: 5 years.

### **Securities**

The securities included in Save the Children Sweden's long-term capital management activities are classified as fixed assets while those included the short-term capital management activities are classified as current assets. Impairment losses are recognised on fixed assets if the market value falls below the cost of the asset and the decline is assessed as permanent. Securities classified as current assets are recognised at fair value or cost as per the balance sheet date, whichever is lower.

### **Current receivables**

Receivables and liabilities in foreign currencies are recognised at their quoted price as per the balance sheet date. Receivables have been reported at the amounts expected to be received.

### **Provisions for personnel abroad**

For locally-employed personnel, Save the Children Sweden makes provisions for pensions and the like in accordance with established terms and the law in each country

### **Result for the year and equity**

Equity refers to the funds placed at Save the Children Sweden's disposal for the performance of its remit but that has not been paid out as per the balance sheet date. Funds that have been restricted by their donors as permanent endowments or for particular purposes are reported separately. Restricted funds are normally used during subsequent year of operations. The SCS Fund (Save the Children Sweden Fund) and the contingency fund consist of basic capital set aside by the Board of Trustees and a buffer for changes in the value of invested assets. Unrestricted capital consists of funds placed at Save the Children Sweden's disposal without restrictions. The result for the year, as presented in the income statement, represents the difference between costs and the funds received

during the year. The change in unrestricted capital refers to amounts following use or provision from/to other parts of equity

### **Cash flow analysis**

The cash flow statement has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation regarding cash flows (direct method).

### **Regional offices abroad**

In 2012, most of the Save the Children Sweden offices abroad have been transferred to Save the Children International. As before the remaining regional offices are responsible for their own financial accounting in accordance with directives from headquarters in Stockholm. Monthly reports are submitted for consolidation in the reporting of the national association.

### **The national association and the local arena**

District associations and local branches prepare their own accounts that are not consolidated in those of the national association since there is no parent/subsidiary relationship between the national association and the district associations and local branches.

### **Consolidated accounts**

Save the Children Sweden owns 100 percent of the shares in Rädde Barnens Service AB. The company's sales amount to only SEK 2.5 (2.9) million and consequently no consolidated accounts have been prepared.

## NOTES ON INCOME STATEMENT AND BALANCE SHEET

### Note 1

<b>Membership fees</b>	2012	2011
<i>Amounts in thousand SEK</i>	12 511	12 435

Membership fees are from SEK 75 per member to SEK 300 per household. According to General Assembly decision, 25% of membership fees are paid to Save the Children Sweden local branches. Of the membership income reported here, SEK 3 320 thousand is paid in accordance with the voters' list stating number of paying members on 31 Dec 2012.

### Note 2

#### Funds raised

<i>Amounts in thousand SEK</i>	2012	2011
General public	201 058	208 834
Collected via Save the Children Sweden local branches	3 758	5 367
Collected via Save the Children International	17 425	26 021
Bequests	22 600	40 271
Post Code Lottery	63 000	3 745
Radiohjälpen/Children of the World	6 607	10 025
Corporate cooperation/donations	96 137	93 852
Other	5 164	3 746
<b>Total</b>	<b>415 749</b>	<b>391 861</b>

### Note 3

#### Diverse income

<i>Amounts in thousand SEK</i>	2012	2011
Sale of goods	3 613	4 186
Sale of services	3 960	4 050
Other income	4 400	2 208
<b>Total</b>	<b>11 973</b>	<b>10 444</b>

### Note 4

#### Grants from organisations and government agencies

<i>Amounts in thousand SEK</i>	2012	2011
Sida	300 938	221 147
Other organisations and government agencies	253 621	340 155
<b>Total</b>	<b>554 559</b>	<b>561 302</b>

**Note 5****Programme costs per region and thematic area***Amounts in thousand SEK*

<b>Per region</b>	<b>2012</b>	<b>2011</b>	<b>Per thematic area*</b>	<b>2012</b>	<b>2011</b>
Sweden	61 026	57 069	Child Protection	269 969	248 783
Europe	18 131	19 263	Education	141 181	148 753
East and Central Africa	166 430	164 870	Child Rights governance	115 673	121 997
West Africa	128 837	153 831	Other programmes/themes	116 617	90 025
Southern Africa	49 155	34 851	Disaster relief; inputs and coordination	48 751	66 522
Middle East and North Africa	109 677	102 074	Programme support activities; abroad, local/regional	61 226	62 319
South and Central Asia	79 421	44 526	Programme support activities; International Programme in Sweden	29 822	26 758
Southeast Asia	32 569	26 823	Programme support activities; Sweden Programme	13 051	11 606
Latin America	46 235	73 807	Programme support activities; central	22 539	19 280
Regional	127 348	118 929			
<b>Sub-total direct programme operations</b>	<b>818 829</b>	<b>796 043</b>	<b>Sub-total direct programme operations</b>	<b>818 829</b>	<b>796 043</b>
Distributed costs (see Note 6)	47 071	43 690	Distributed costs (see Note 6)	47 071	43 690
<b>Total</b>	<b>865 900</b>	<b>839 733</b>	<b>Total</b>	<b>865 900</b>	<b>839 733</b>

**Note 6****Distribution of costs between Save the Children Sweden operational areas,***amounts in thousand SEK*

	2012				
	<b>Programme</b>	<b>Member</b>	<b>Funds raised</b>	<b>Adm</b>	<b>Total</b>
Direct programme and fundraising operations	818 829	17 941	44 673	-	881 443
<b>Distributed costs for support processes</b>					
Board, management	4 918	234	334	19 206	24 692
Communications	10 228	817	9 764	1 549	22 358
Staff, finances, IT, internal services and customer services	31 925	3 303	7 360	16 030	58 618
<i>Total distributed costs</i>	<i>47 071</i>	<i>4 354</i>	<i>17 458</i>	<i>36 785</i>	<i>105 668</i>
<b>Total</b>	<b>865 900</b>	<b>22 295</b>	<b>62 131</b>	<b>36 785</b>	<b>987 111</b>

**Note 7****Income from financial investments**

<i>Amounts in thousand SEK</i>	2012	2011
<i>Income from Rädda Barnens Service AB</i>		
Depreciation	-2 200	-800
	<b>-2 200</b>	<b>-800</b>
<i>Income from securities and receivables that are fixed assets</i>		
Dividend	4 825	2 897
Interest	3 822	4 031
Capital gains from sales	4 613	-4 011
Depreciation	0	0
Reversal of depreciation	0	6 920
	<b>13 260</b>	<b>9 837</b>
<i>Income from securities and receivables that are current assets</i>		
Dividend	125	659
Interest	1 185	1 819
Capital gains from sales	435	139
Depreciation	-36	-829
Reversal of depreciation	80	266
	<b>1 789</b>	<b>2 054</b>
Interest expenses and similar items	-12	-15
Management costs	-146	-413
<b>Total</b>	<b>12 691</b>	<b>10 663</b>

**Note 8****Software**

<i>Amounts in thousand SEK</i>	2012	2011
Opening acquisition value	14 381	14 341
Year's purchases	0	40
Sales and disposals	-170	0
<b>Closing accumulated acquisition value</b>	<b>14 211</b>	<b>14 381</b>
Opening depreciation	-14 353	-14 341
Year's depreciation	-7	-12
Sales and disposals	149	0
<b>Closing accumulated depreciation</b>	<b>-14 211</b>	<b>-14 353</b>
<b>Closing residual value according to plan</b>	<b>0</b>	<b>28</b>

**Note 9****Buildings**

<i>Amounts in thousand SEK</i>	2012	2011
Opening acquisition value		
Office building in Addis Ababa, Ethiopia	3 786	3 786
<b>Closing accumulated acquisition value</b>	<b>3 786</b>	<b>3 786</b>
Opening depreciation		
Office building in Addis Ababa, Ethiopia	-3 786	-3 786
<b>Closing accumulated depreciation</b>	<b>-3 786</b>	<b>-3 786</b>
<b>Closing residual value according to plan</b>	<b>0</b>	<b>0</b>

**Note 10****Inventory and installations**

<i>Amounts in thousand SEK</i>	2012	2011
Opening acquisition value	20 650	17 695
Year's purchases	2 254	5 025
Sales and disposals	-6 456	-2 070
<b>Closing accumulated acquisition value</b>	<b>16 448</b>	<b>20 650</b>
Opening depreciation	-16 747	-14 839
Year's depreciation	-2 275	-2 912
Sales and disposals	3 629	1 004
<b>Closing accumulated acquisition value</b>	<b>-15 393</b>	<b>-16 747</b>
<b>Closing residual value according to plan</b>	<b>1 055</b>	<b>3 903</b>

Inventory has been disposed of and presented as a gift to Save the Children International. See also Administration Report, Section 3.7.

**Note 11****Rädda Barnens Serviceaktiebolag**

<i>Amounts in thousand SEK</i>	2012	2011
Opening book value	1 100	100
Acquisitions (shareholders' contribution)	2 008	1 800
Depreciation of interests	-2 200	-800
<b>Closing book value</b>	<b>908</b>	<b>1 100</b>



## Note 12

### Long term securities holdings

<i>Amounts in thousand SEK</i>	2012	2011
Opening book value	242 680	246 830
Acquisitions	187 863	178 961
Sales	-151 521	-190 031
Value adjustment	0	6 920
<b>Closing book value</b>	<b>279 022</b>	<b>242 680</b>

	2012	2012	2011
	Book value	Market value	Book value
Shares	128 469	135 291	111 104
Interest-bearing securities	120 631	126 046	110 800
Alternative investments	29 922	31 395	20 776
<b>Total</b>	<b>279 022</b>	<b>292 732</b>	<b>242 680</b>

## Note 13

### Long-term receivables

<i>Amounts in thousand SEK</i>	2012	2011
Opening nominal value	1 651	1 238
Additional receivables	49 604	409
Accrued interest	0	4
<b>Closing accumulated nominal value</b>	<b>51 255</b>	<b>1 651</b>

Additional receivables consist of advances to Save the Children International for programme operations implemented by them and of a general liquidity reserve for Save the Children International. See also Administration Report, Section 3.6.3

## Note 14

### Other receivables

<i>Amounts in thousand SEK</i>	2012	2011
Local partners	22 609	17 085
Members of Save the Children International	134 158	91 054
Save the Children International	11 640	0
Employees	823	1 959
Donors	18 511	42 546
Other receivables	23 234	15 684
<b>Total</b>	<b>210 975</b>	<b>168 328</b>

**Note 15****Prepaid expenses and accrued income**

<i>Amounts in thousand SEK</i>	2012	2011
Accrued grants	42 097	41 716
Accrued interest income	2 603	2 251
Other accrued income	4 134	4 937
Other items	7 371	6 171
<b>Total</b>	<b>56 205</b>	<b>55 075</b>

An adjustment of SEK 20 775 thousand for the 2011 amount for accrued grants has been made plus the equivalent increase of prepaid grants (see Note 19).

In 2011, certain offices abroad applied the principle where accrued grants were reduced against prepaid grants. This principle was not applied in 2012.

**Note 16****Current investments**

<i>Amounts in thousand SEK</i>	2012 Book value	2012 Market value	2011 Book value
Shareholdings and fund participations	1 682	878	2 808
Value adjustments	-804	-	-768
<i>Total shares and funds</i>	878	878	2 040
Interest bearing securities	25 189	25 189	22 828
Value adjustment	0	-	-10
<i>Total interest-bearing securities</i>	25 189	25 189	22 818
Alternative investments	1 005	974	1 005
Value adjustments	-31	-	-101
<i>Total alternative investments</i>	974	974	904
<b>Total</b>	<b>27 041</b>	<b>27 041</b>	<b>25 762</b>

**Note 17****Equity**

<i>Amounts in thousand SEK</i>	Managed funds	SCS Fund	Contingency Fund	Restricted Capital	Unrestricted Capital	2012 Total	2011 Total
<b>Opening balance</b>	<b>12 807</b>	<b>110 000</b>	<b>18 500</b>	<b>157 635</b>	<b>149 731</b>	<b>448 673</b>	<b>419 172</b>
Utilised from previous year	0	0	0	-39 244		-39 244	-69 188
Provision	0	0	0	73 626		73 626	68 342
Outcome for the year after distribution					-14 010	-14 010	30 347
<b>Closing balance</b>	<b>12 807</b>	<b>110 000</b>	<b>18 500</b>	<b>192 017</b>	<b>135 721</b>	<b>469 045</b>	<b>448 673</b>

**Note 17 continued**

	2012	2011
<b>Managed funds, specification</b>		
Dr Torsten Arnéus' Memorial Fund	12	12
Clara och Lilly Dahlström's Donation Fund	25	25
Greta Ehinger's Memorial Fund	518	518
Erna Ekelöf's Memorial Fund	190	190
Mildred Ekman's Fund	27	27
Karl and Lilly Ericsson's Memorial Fund	941	941
Arthur Fischer's Fund	1 828	1 828
Alfhild Frigård	317	317
Arvid Grundell's Fund	16	16
Gurli Grundström's Memorial Fund	2 165	2 165
Ingvar Hedström's Fund for activities among children in need	250	250
Ture Håkansson's Memorial Fund	200	200
Olga and Nils Johnson's Memorial Fund	421	421
Inga C Kempe's Fund	2 089	2 089
Kerstin Korning	100	100
Gunnar and Gretha Lindh's Memorial Fund	122	122
Syblings Karin and Sven Magnuson's Fund	10	10
Mai Pehrsson	737	737
Kåre Pedersen's Memorial Fund	695	695
Herman and Sara Rydin's Memorial Fund	1 750	1 750
Laila Sandberg's Fund	75	75
Matilda and Per Wallberg's Donation	40	40
Other	279	279
<b>Total</b>	<b>12 807</b>	<b>12 807</b>
<i>Save the Children Sweden Fund</i>	110 000	110 000
<i>Contingency Fund</i>	18 500	18 500
<i>Restricted capital</i>	192 017	157 635
<i>Unrestricted capital</i>	135 721	149 731
<b>Total equity</b>	<b>469 045</b>	<b>448 673</b>

**Note 18****Provisions**

<i>Amounts in thousand SEK</i>	2012	2011
Provisions for employees abroad	14 719	20 081
<b>Total</b>	<b>14 719</b>	<b>20 081</b>

**Note 19****Other liabilities**

<i>Amounts in thousand SEK</i>	2012	2011
Of which debt to Sida	1 206	2 356

**Note 20****Accrued expensed and prepaid income**

<i>Amounts in thousand SEK</i>	2012	2011
Membership fees, following year	10 144	9 811
Accrued salaries and social insurance costs	13 083	12 675
Prepaid grants	211 846	240 644
Other	14 951	21 952
<b>Total</b>	<b>250 024</b>	<b>285 082</b>

An adjustment of SEK 20 775 thousand for the 2011 amount for prepaid grants has been made plus the equivalent increase of accrued grants (see Note 14).

In 2011, certain offices abroad applied the principle where accrued grants were reduced against prepaid grants. This principle was not applied in 2012.

**Note 21****Contingent liabilities**

<i>Amounts in thousand SEK</i>	2012	2011
Liquidation guarantee Save the Children International	10 743	11 412

**Note 22****Salaries, remuneration and social insurance expenses**

<i>Amounts in thousand SEK</i>	2012	2011
Board and Secretary-General	1 695	1 488
Other employees	95 329	89 686
<b>Total salaries and remuneration</b>	<b>97 024</b>	<b>91 174</b>
Social insurance expenses	46 743	40 980
(of which pensions)	(12 889)	(9 092)
<b>Total Sweden</b>	<b>143 767</b>	<b>132 154</b>
<b>Contract employees abroad (including social insurance, accompanying family and suppl.expenses)</b>	<b>21 291</b>	<b>23 396</b>
<b>Local employees abroad</b>	<b>94 743</b>	<b>119 649</b>

Refer to Administration Report Section 1.3.4 concerning Secretary-General's conditions of employment.

**Note 23****Average number of employees**

	2012	2012	2011	2011
	No. of employees	of which men	No. of employees	of which men
Permanent employees, HQ	148	34	141	33
Permanent employees, regional offices in Sweden	43	13	42	13
Project employees, HQ	10	2	11	2
Project employees, regional offices in Sweden	25	3	18	2
Contract employees abroad	27	14	28	13
<b>Total</b>	<b>253</b>	<b>66</b>	<b>240</b>	<b>63</b>

Number of local employees at year end was 545 (1 175) of which 387 (672) were men.

Board and management gender structure:

Board 8 (7) women and 5 (6) men

Management Team: 4 (6) women and 2 (2) men

Stockholm 23 April 2013

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Inger Ashing  
Chair

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Kojo Ansah-Pewudie  
Deputy Chair

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Åsa Jernberg

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Kari Lotsberg

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Tomas Rydsmo

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Birgitta Lahti Nordström

---

Åsa Ekman

---

Johan Sohlberg

---

Inga-Britt Ahlenius

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Anna Sivlér

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Bengt Lagerkvist

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Sara Thiringer

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Martin Kvist

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Elisabeth Dahlin  
Secretary-General

Our Audit Report has been submitted on 2013

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Jonas Grahn  
*Authorised Public Accountant*

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Anders Öberg

## **Audit Report**

### **To the National Meeting of Save the Children Sweden's national association**

Org. Reg. No. 802002-8638

#### **Report on the annual accounts**

We have audited the annual accounts of Save the Children Sweden's national association for 2012.

#### **Responsibility of the Board of Trustees and the Secretary General for the annual accounts**

The Board of Trustees and the Secretary General are responsible for the preparation of annual accounts that give an accurate view in accordance with the Annual Accounts Act and for the internal controls deemed necessary by the Board of Trustees and the Secretary General in preparing annual accounts that do not contain material misstatements, whether these are due to irregularities or error.

#### **Responsibility of the Auditors**

Our responsibility is to express an opinion on the annual accounts and the administration based on our audit. An audit was performed in accordance with generally accepted auditing standards. For the accountant, this means that he has done audit accordance with International Standards on Auditing and with generally accepted auditing standards in Sweden. Those standards require that the authorised accountant comply with ethical requirements and plan as well as perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement.

An audit entails gathering by various means audit evidence supporting the amounts and disclosures in the annual accounts. The auditor selects the measures to be performed by assessing, among other aspects, the risk for material misstatements in the annual accounts, whether these are due to irregularities or error. In this risk assessment, the auditor takes into account those parts of the internal control processes that are relevant to how the national association prepares the annual accounts to provide an accurate view with the purpose of drawing up review measures that are appropriate to conditions, albeit not with the purpose of making any internal control processes. An audit also includes assessing the appropriateness of the accounting principles used and the reasonableness of the estimates made by the Board of Trustees and Secretary General in the accounts, as well as assessing the overall presentation of the annual accounts.

We believe that the audit evidence we have gathered is sufficient and appropriate as a basis for our statements.

#### **Statements**

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and provide in all material regards an accurate view of the financial position of the national association as per 31 December 2012 and of its financial results and cash flow in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

#### **Report on other legal, constitutional and statutory requirements**

In addition to our audit of the annual accounts, we have also audited the administration by the Board of Trustees and the Secretary General for Save the Children Sweden's national association for 2012.

#### **Responsibility of the Board of Trustees and the Secretary General**

The Board of Trustees and the Secretary General are responsible for administration.

#### **Responsibility of the Auditors**

Our responsibility is to express an opinion with a reasonable degree of certainty on the administration based on our audit. We have conducted our audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our statement regarding discharge from liability, we have, in addition to our audit of the annual and consolidated accounts, reviewed significant decisions, measures and conditions in the national association to ascertain whether any member of the Board of Trustees or the Secretary General has, due to neglect of duty, made themselves liable for compensation to the national association.

We believe that the evidence we have gathered is sufficient and appropriate as a basis for our statement.

#### **Statement**

We recommend that the National Meeting grant the members of the Board of Trustees and the Secretary General dispensation from liability for the financial year.

Stockholm, 30 May 2013

Anders Öberg

Jonas Grahn  
Authorised Public Accountant  
PwC