

2017

ANNUAL REPORT



368
MILLION
SEK RAISED

22
APPEALS
FOR DISASTER
RELIEF

17
MILLION
VOLUNTEERS
AROUND THE WORLD



Swedish Red Cross Annual Report 2017

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Cover photograph The first-aid teams provide assistance in Stockholm after the terrorist attack in Stockholm in April 2017. Photograph: Niklas Björling



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SEVEN IMPORTANT BASIC PRINCIPLES

Wherever in the world we operate, we follow the basic principles of the Red Cross. They guide us in our work, in everything from local dilemmas to striking a balance in major international disasters.

| | | |
|--------------------------|-------------------|---------------------|
| HUMANITY | | |
| IMPARTIALITY | NEUTRALITY | INDEPENDENCE |
| VOLUNTARY SERVICE | UNITY | UNIVERSALITY |

Report of the Governing Board

The Central Governing Board of the Swedish Red Cross with corporate identity number 802002-8711 herewith presents its annual report for 2017.¹

We save lives and give hope

The Swedish Red Cross has a unique mandate and mission. We share this with 190 Red Cross and Red Crescent societies in the same number of countries across the world. Together, we form the world's largest humanitarian network.

Our mission

The purpose of the Swedish Red Cross is to prevent and alleviate human suffering wherever and whenever it occurs, protect lives and health and ensure respect for each person's dignity, particularly in times of armed conflict and other emergency situations, work to prevent disease and promote health and social welfare, encourage voluntary missions, constant preparedness to provide assistance and a universal sense of solidarity towards everyone who needs the movement's protection and support.

The activities of the Swedish Red Cross are based on, and must always be in agreement with:

- the 1949 Geneva conventions and their additional protocols²
- the basic principles of the International Red Cross and Red Crescent Movement

Our basic principles

Humanity. The Red Cross, which was born of a desire to bring assistance without discrimination to the wounded on the battlefield, endeavours, in its international and national capacity, to prevent and alleviate human suffering wherever it may be found. Its purpose is to protect life and health and to ensure respect for the human being. It promotes mutual understanding, friendship, cooperation and lasting peace amongst all peoples.

Impartiality. The Red Cross makes no discrimination as to nationality, race, religious beliefs, class or political opinions. The organisation endeavours to relieve the suffering of individuals, being guided solely by their needs, and to give priority to the most urgent cases of distress.

Neutrality. In order to enjoy the confidence of all, the Red Cross does not take sides in hostilities or engage at any time in controversies of a political, racial, religious or ideological nature.

Independence. The Red Cross is independent. While the national societies are auxiliaries in the humanitarian services of their governments and subject to the laws of their respective countries, they must always maintain their autonomy; this enables them to act in accordance with Red Cross principles at all times.

Voluntary service. The Red Cross is a voluntary relief organisation not prompted in any manner by desire for gain.

Unity. Only one Red Cross society is permitted in each country. It must be open to all and must carry out its humanitarian work throughout its territory.

Universality. The Red Cross, in which all national societies have equal status and share equal responsibilities and duties in helping each other, is world-wide.

Our work

The Swedish Red Cross undertakes humanitarian work regarding emergency disaster aid in, and in preparedness for, armed conflicts, natural disasters and other emergency situations nationally and internationally, reduces risks and strengthens resistance, as well as promoting international humanitarian law and humanitarian values.

The Swedish Red Cross will in particular:

- Provide assistance and protection for persons affected by armed conflicts and persons affected by natural disasters and other emergency situations.
- Disseminate knowledge and foster greater understanding of international humanitarian law, humanitarian values and the concept and basic principles of the Red Cross.
- Cooperate with national government to ensure respect for international humanitarian law, including protection of the emblem.
- Continuously examine the national and international need for humanitarian operations and formulate its operations for and together with those most at risk.
- Assist in national and international aid operations.
- Assist in international development programmes to strengthen the Red Cross and Red Crescent Movement, including Red Cross and Red Crescent societies in other countries.
- Search for missing family members, pass on Red Cross messages and reunite fragmented families.
- Develop resources and recruit and train volunteers and staff to accomplish the tasks.
- Create understanding of, and encourage people to assist in, the society's work without discrimination of any kind, such as ethnic or social background, gender, transgender identity or gender expression, age, religion or other beliefs, sexual orientation, disability, language or political opinion.

Our organisation

There are national Red Cross and Red Crescent societies in 191 countries, of which the Swedish Red Cross is one. The national societies fulfil a support function for national authorities in the humanitarian field and offer disaster relief, health programmes and social operations. In times of war and conflict, national societies assist the affected civilian population and, where suitable, also support the medical units of the armed forces.

The Swedish Red Cross has 119,203 members in Sweden. These are organised into 839 local societies (branches). The General Assembly,

¹ This report includes the operations that are mainly pursued through the Swedish Red Cross offices in Stockholm, Gothenburg, Malmö and Umeå, the Red Cross People's High School and the Red Cross treatment centres for war and torture victims in Malmö, Skövde, Skellefteå, Uppsala and Gothenburg. It does not, however, include the separate legal entities represented by the Swedish Red Cross local societies (branches), the Red Cross Youth Federation, the associated Red Cross Home foundation, other associated foundations or the Red Cross centre for tortured refugees in Stockholm, all of which present their own separate annual reports or annual financial statements.

² The core of humanitarian law consists of the four Geneva conventions and the three protocols additional to them. The four Geneva conventions were adopted in their current wording in 1949 after the Second World War and today are regarded as constituting customary law.

which is held every four years, is the highest decision-making body of the Swedish Red Cross. At the General Assembly, representatives of the members make the overarching decisions on the future of the Swedish Red Cross, for example on the strategic focus and overall formulation of the society. The General Assembly appoints a Governing Board which provides direction for the salaried staff organisation, the elected and voluntary organisation and other legal entities. For further details, see the section on governance of the Swedish Red Cross on page 22.

The International Federation of Red Cross and Red Crescent Societies

The vision of the International Federation of Red Cross and Red Crescent Societies (IFRC) is to inspire, encourage, facilitate and promote all forms of humanitarian activities by its members, the national Red Cross and Red Crescent societies. The IFRC directs and coordinates the international aid operations conducted in natural, health and technical disasters and in refugee situations. The IFRC represents the member societies in the international arena and promotes cooperation between national societies.

The International Red Cross and Red Crescent Committee (ICRC)

The International Red Cross and Red Crescent Committee (ICRC) is an impartial, neutral and independent organisation whose mission is protect the victims of armed conflict and other situations of violence to provide them with assistance. It promotes and strengthens humanitarian law and universal humanitarian principles. Established in 1863, the ICRC is at the origin of the International Red Cross and Red Crescent Movement.

The International Red Cross and Red Crescent Conference

The International Red Cross and Red Crescent Conference is the movement's highest decision-making body and is one of the world's most important humanitarian forums. It brings together the whole of the Red Cross and Red Crescent movement and the 196 states signatory to the Geneva conventions on the protection of civilians in armed conflict. The conference convenes as a rule every four years in Geneva to make decisions on matters of common interest.

The strategic focus of the Red Cross

The strategic focus for the period 2016–2019 governs all parts of the Swedish Red Cross. This focus establishes three long-term goals for all activities in the Swedish Red Cross.

These goals are to

- reach people in acute crisis and distress, effectively and with operations that meet their needs.
- effectively strengthen the ability of people and society to withstand crises and to recover afterwards.
- contribute effectively to reducing the risk of people and society being affected by crises and disasters.

Based on the strategic focus, the service organisation of the Swedish Red Cross has developed a number of sub-strategies:

- The humanitarian strategy is aimed at operationally clarifying choices of path and priorities in the activities we undertaken.
- The strategic strategy clarifies how the goal of substantially increasing our revenues by 2019 can be accomplished.
- The voluntary strategy is aimed at creating frameworks for the way in which we will operate and develop our voluntary activities.
- Using the advocacy strategy, we aim to achieve greater impact in our advocacy efforts by creating clarity and providing guidance.

The Swedish Red Cross around the world

The international activities of the Swedish Red Cross are aimed at assisting people affected by crisis, war, conflict and natural disaster. We responded to 22 appeals for disaster relief in 2017. We provided support to 20 long-term operations around the world.

Gender and diversity

Disasters affect people in different ways. People have different needs and encounter different risks depending on their gender, age, any disability or chronic illness, sexual orientation, class, religion, ethnicity and nationality. The Swedish Red Cross therefore undertakes active gender and diversity efforts to reach the most vulnerable without discrimination, in accordance with our humanitarian basic principles. We focus on greater gender equality as discrimination and inequality increase the risks to, and vulnerability of, both women and men in a disaster. We also assist with international support to our partner countries. In 2017, training was given, for example, to 89 persons (49 men and 40 women) in Bangladesh, Myanmar, Sudan and South Sudan in gender and diversity. In disasters and conflicts we additionally work actively on reducing the risks of, and supporting the victims of, sexual and gender-related violence.

War and conflict

The world's most protracted crises continued without any major signs of change for the better in 2017.

Syria

Syria is into its seventh year of conflict, and more people than the entire population of Sweden are dependent on humanitarian relief. The Red Cross and Red Crescent reach more than four million people every month with emergency aid in the form of food, medicines, blankets, tents and tarpaulins, as well as other necessities. Among other things, the Swedish Red Cross helped in making sure that 300,000 people had access to medicines and medical care. 200,000 people, mainly in Aleppo, on the outskirts of Damascus, in Homs and in Deir-Er-Zour, received food aid. 250,000 hygiene packs were distributed to the households with the greatest needs. 3,000 Palestinian refugees received aid in the form of "cash vouchers". In Jordan, 1,044 Syrian refugee families received cash assistance during one quarter.

Iraq

The situation in Iraq continues to be very difficult, and the Swedish Red Cross has focused on supporting the work of the Iraqi Red Crescent with water and food in the areas around the city of Mosul. Over the period from June to December, 7,000 families per month (around 50,000 people) gained access to water in the areas of conflict around Mosul and 2,500 schoolchildren received daily supplies of drinking water at two schools in western Mosul.

Yemen

The fighting in Yemen intensified during the year, and the humanitarian situation has worsened as a result of the political conflict. Around 22 million of the country's population of 29 million are currently dependent on humanitarian aid for their survival. The cholera outbreak which held parts of the country in its grip in the spring of 2017 has continued, and nearly a million people are affected, with several thousand having died. Cholera is a disease that is relatively easy to cure, provided water and medicines reach those affected. The Swedish Red Cross has contributed to the emergency medical teams that operate in the country and to the major operations to deliver food and water to the population.

REPORT OF THE GOVERNING BOARD

Democratic Republic of Congo

Several of the world's most prolonged and under-reported conflicts are taking place in Africa. The Democratic Republic of Congo is the second-largest country in Africa in terms of land area, and more than 13 million people are in need of humanitarian aid. Several thousand people every day were forced to flee from their homes during the year due to the conflict tearing the country and families apart. In the eastern parts of the country the Swedish Red Cross has provided urgent medical care, and in other parts of the country we have focused on strengthening the resilience of society and individuals in the long term. 21,861 girls and 17,990 boys (a total of 39,851 children) between the ages of 2 and 59 months were vaccinated against polio in Equateur province and 2,500 gained access to drinking water in eastern Cameroon.

Afghanistan

The security situation in Afghanistan worsened during the year. Eight colleagues from the International Committee of the Red Cross were murdered in 2017. Some of the activities undertaken by the International Committee of the Red Cross in the country had to be suspended for a period. The Swedish Red Cross supported the work of the Afghanistan Red Crescent with health projects during the year. With more than 23,000 volunteers in the country, the Afghanistan Red Crescent reaches most of the country's provinces.

South Sudan and Uganda

Since hostilities erupted again in South Sudan in 2013, more than four million people have been forced to leave their homes, nearly two million having sought protection in neighbouring countries. More than a million people, most of them children, have fled to Uganda since August 2016. In response to the great needs for humanitarian relief in the refugee camps in Uganda, the Swedish Red Cross sent an Emergency Response Unit (ERU) to northern Uganda in February 2017. The ERU provided 40,000 people with more than 600,000 litres of clean water per day. During the summer, the ERU handed over to the Ugandan Red Cross.

Horn of Africa

Conflict and drought led to extreme famine in the Horn of Africa. Humanitarian needs in parts of Africa and Yemen escalated in the first few months of 2017. Famine spread as a belt across Africa. Well over 50 million people were in need of food, water and medicines in the most severely affected countries (South Sudan, Nigeria, Somalia, Ethiopia, Kenya and Yemen). The Swedish Red Cross contributed more than SEK 40 million to prevent more people needing to die of starvation, by running programmes focused on food, medicines and direct economic assistance. The Red Cross treated 10,000 malnourished children in Puntland and Somaliland, and 200,000 people in South Sudan received monthly rations of food. The rains in the autumn of 2017 needed to be have been more extensive, and 2018 may therefore become even more difficult for the people already at risk in these areas.

Cox's Bazaar

During the autumn, more than 650,000 people fled to the area of Cox's Bazaar in Bangladesh from increased levels of violence in Rakhine province in Myanmar. The Swedish Red Cross sent an ERU to deliver drinking water (1 million litres in total) and contribute towards fighting water-borne diseases that can cause diarrhoea. Needs increased in Cox's Bazaar in the autumn, and the Swedish Red Cross therefore also contributed to an ERU that focuses on sanitation, including latrines and hygiene. The Swedish Red Cross has also contributed food, blankets, medicines and medical personnel, as well as expertise in how best to reduce the vulnerability of women and improve communication with people at risk in a disaster. 101,400 food parcels were distributed, and the Swedish Red Cross contributed

to 700,000 people being vaccinated in the refugee camps in Cox's Bazaar. The Swedish Red Cross also supported refugees in Rakhine.

Natural disasters

Asia is the continent most at risk of being struck by natural disasters. Nearly half of all natural disasters occur here. These recurrent disasters mean that homes are wrecked and access to water and sanitation and healthcare facilities is destroyed. At the same time as a large share of the world's media were reporting on the advance of Hurricane Harvey across parts of the coastal areas of the United States, 40 million people were being affected by floods in Asia. More than 1,500 people were killed in the affected areas of Asia and millions of homes, fields, schools and other infrastructure were lost. The Swedish Red Cross contributed to the work in several countries, Sri Lanka, Bangladesh, Nepal and Myanmar. 7,084 families in Nepal have received food and a roof over their heads after being affected by flooding. The hurricanes in the Caribbean arrived in June, and later that month Harvey, the subject of massive attention, arrived. Harvey was followed soon afterwards by Irma, Maria and José. The islands of the Caribbean were hit hard, and the Swedish Red Cross contributed actively to efforts in Dominica, St Kitts and Antigua. The hurricanes recur every year, but they have increased in strength in recent years.

The Red Cross in Sweden

Crisis management and preparedness

The Swedish Red Cross has a supporting function for the authorities in the humanitarian field, based in international law, national legislation and decisions made by the International Red Cross and Red Crescent Movement. Among other things, it means specific tasks in crisis and war. The Swedish Red Cross is also one of eighteen voluntary defence organisations tasked with assisting the medical services of the Swedish defence organisation and contributing to protection of the civil population in war.

In 2017 we assisted with crisis support and first aid in several accidents, rallies, demonstrations and other situations where there was a risk of social unrest. The Red Cross has around 140 trained crisis support staff who are prepared to turn out when disasters occur. Our national crisis operations were activated 36 times during the year. The largest operation came after the terrorist attack in Stockholm on 7 April, when the Red Cross was on the scene with crisis support staff and first-aid teams within an hour. During the week following the atrocity, more than 85 volunteers contributed with crisis support, first aid and dissemination of information. 15,200 people were also trained in first aid.

Refugees

The number of asylum seekers in Sweden was historically high in 2015, and many of those who had arrived in recent years continued to wait in uncertainty for decisions about their future in 2017. Following changes in legislation, more restrictive rules on residence permits and the right to family reunification have applied since 2016. There has also been a greater focus on implementing decisions on deportation.

The humanitarian consequences of the changes in the area of migration had a great impact during the year and led to great apprehension and increased mental ill-health. There has been a great need for correct and objective migration advice. Our national advisory service received 2,300 phone calls, many of which were concerned with Afghanistan, where the security situation has steadily deteriorated.

In 2017, it was young unaccompanied persons from Afghanistan in particular who received assistance in searching for close family members they had lost contact with while fleeing.

Search cases increased three-fold between 2015 and 2016, contributing to long case administration times. Although the number of cases

declined slightly in 2017, there were long queues, and extra resources have therefore been committed to this activity. Digital development is in progress to improve efficiency. In 2017, 1,073 search cases were dealt with 151 were brought to a positive conclusion with families re-establishing contact and 899 people were assisted with travel to enable them to be reunited with their families.

Need to work through trauma

Many people who seek asylum in Sweden, but also refugees who have been living here for some time, have been victims of torture or are traumatised by war or other hostilities. The Red Cross opened its first treatment centre for victims of war and torture more than 30 years ago. Since then, tens of thousands of people who have fled conflict, oppression and persecution have received treatment and care.

Activities at the Red Cross treatment centres for victims of war and torture were expanded in 2017. Care is now offered to more children and young people with traumatic experiences of war and fleeing their homes. There is a mobile treatment team for adolescents in Västra Götaland, and in Uppsala a programme is being developed for trauma therapy for children below the age of 13.

The existing activities for adults were strengthened during the year, partly by expanding the outposts of the centres in Umeå and Luleå, which often entail a long journey for patients. In 2017, the Red Cross treated 2,003 patients and conducted 18 torture injury investigations.

Migrants who fall outside the safety net of society

A change of law in effect since 1 June 2016 means that adult asylum seekers without children who have had their applications for asylum rejected will no longer have the right to housing, daily allowances and special benefits. This also applies to unaccompanied adolescents who are, or are deemed to be, over the age of 18. This had led to more people being homeless and to demand for basic necessities such as food, water and a roof over one's head as well as access to healthcare. More people are therefore living outside the protective net of society. These may be people who are awaiting deportation, who are unable to return to their homelands or who are living as undocumented migrants in Sweden. They may be people from other European countries who are trying to escape poverty and discrimination.

519 patients received assistance through the Red Cross care service which supports undocumented persons, asylum seekers and other migrants. 5,141 people visited our building in Skärholmen and received advice, support and assistance based on their needs. The Red Cross has also taken part in the support provided to homeless persons in Malmö together with the association Kontrapunkt, where 3,800 meals were served. This operation recorded 7,800 night visits in 2017.

Health promotion and social activities

Health-promoting efforts make people more resilient in vulnerable situations, both acute and long-term. The Swedish Red Cross undertakes activities to improve endurance in everyday life and in times of crisis. We have visiting activity aimed at involuntary isolation such as the elderly and people held in remand centres, prisons and Swedish Migration Agency detention facilities. We have a presence at 23 remand centres and prisons and carry out regular visits.

We provide support to family members caring for relatives and there are Red Cross hosts who provide support and assistance to patients, family members and visitors who attend healthcare facilities. They also provide support to palliative units. The Swedish Red Cross has a presence at 100 places with support for family members and has Red Cross hosts in 60 places.

Participation and strengthened resilience

Mental ill-health has increased among the many asylum seekers who have been waiting for decisions and transfers to asylum accommo-

modation. Unaccompanied children and adolescents in particular are affected by severe stress.

Swedish Red Cross volunteers run activities and meeting places around the country, with the aim of increasing participation, strengthening resilience and contributing to greater local preparedness. Priority areas during the year were asylum reception, settlement and socioeconomically deprived areas.

Supported by the special funding allocated to the Swedish Red Cross by the Government to strengthen work in asylum reception with the settlement of new arrivals, activities have been undertaken in 95 municipalities and more than 52,000 people have taken part in the activities. The Swedish Red Cross has run activities for unaccompanied children and adolescents at 131 places around the country. Our meeting place in Tynnered, for example, had 2,048 visitors in 2017.

Opinion forming

The Red Cross endeavours to shape opinion and influence decision-makers on matters concerning respect for the dignity of every person in humanitarian crises. We also disseminate knowledge to the general public concerning the situation and needs of people at risk.

In April 2017, an open letter was written to the delegates at the Social Democratic Party conference. In this letter we identified three serious consequences of the temporary law: the right to family reunification is jeopardised, uncertainty contributes to greater mental ill-health and more people are forced to make potentially fatal journeys to reach Europe and Sweden.

We have highlighted our position by assisting with two government inquiries and have successfully pursued asylum and family reunification cases. The issue was raised with the Minister of Migration, Heléne Fritzon, and we stressed the importance of evaluating the consequences of the temporary law and intend to conduct our own evaluation of it.

We encounter desperate young people who are at risk of deportation to unsafe and conflict-ridden countries. With regard to Afghanistan, we have pursued the issue of a complete halt to forced deportations to the country due to the severe conflict. This has been presented to the former Minister for Migration, Morgan Johansson, to Heléne Fritzon and to the director general of the Swedish Migration Agency, Mikael Ribbenvik.

Increased mental ill-health was a major issue during the year where we actively pursued advocacy and held discussions with authorities and ministries concerned.

The principal reason why suffering is so widespread in present-day armed conflicts is inadequate respect for international humanitarian law (the laws of warfare). Urging increased respect is one of the most important tasks of the Red Cross and is more crucial than ever. We consequently made this the main topic for our involvement in the political week in Almedalen. Under the slogan "Even wars have rules" we highlighted the issue in seminars, interviews and bilateral meetings. The director general of the ICRC, Yves Daccord, and the Minister of Defence, Peter Hullqvist, took part in discussions with the secretary general Anders Danielsson on a new factual publication on humanitarian law.

Important events

New organisation

An organisational review of the salaried staff organisation was conducted in 2016 to adapt the organisation to the Strategic Focus 2016-2019 and the Humanitarian Strategy. The review covered changes at unit level in all departments in the form of new units and redistribution of responsibility, as well as a fundamental shift towards having only two levels of management. This also led to departments and units needing to review their working methods in 2017. The new organisation came into effect on 1 January 2017, although recruitment to many certain positions continued during the first half of the year.

REPORT OF THE GOVERNING BOARD

New president and secretary general

Margareta Wahlström was elected as the new president of the Swedish Red Cross on 6 May. She has many years of experience of international work and will direct the organisation in a time of great humanitarian challenges.

On 17 August, the government appointed Anders Danielsson to be the new county governor in the county of Västra Götaland. He consequently left his position as the secretary general of the Swedish Red Cross on 15 September 2017. Anna Ernestam was appointed as acting secretary general.

Sustainability

In 2017, we analysed how the activities of the Swedish Red Cross contribute to fulfilment of the global goals for sustainable development.

Most of the work of the Swedish Red Cross and our activities contribute to these goals in some way, but priorities are always set in our activities based on humanitarian needs. The global goals and their sub-goals will not always directly govern what we do. Analysing our activities against the global goals is part of our horizon scanning and involves understanding the Swedish Red Cross in a broader context, how our work contributes to the goals and how we can act in this way as a sustainable organisation. The global goals and associated targets are a common way of categorising and specifying what we must all do to contribute to a more sustainable world.

For further information, see the Red Cross sustainability report 2017.

Extraordinary General Assembly in 2017

An extraordinary general assembly was held in Stockholm in May 2017. This was done to hold a by-election for the position of president of the Swedish Red Cross. Margareta Wahlström was then elected as the new president.

Development of the society

The society and organisation development project Future 2020, which involves the development of an organisation fit for purpose, aimed primarily the local part of the Swedish Red Cross, was in progress throughout the year.

All ten regions had this issue on the agenda at a number of joint meetings. A Red Cross Forum was held in Nyköping during the year. At the forum, 234 participants discussed their experiences of voluntary work, visited exhibitions, listened to lectures and played an active role in workshops.

The Governing Board decided to introduce a monitoring committee to manage those branches which for various reasons have problems or act in manner which does not inspire confidence.

Anti-corruption

Corruption is a reality and is something that the Swedish Red Cross always has to face. During the year, corruption or suspected corruption was identified in Liberia, Guinea and Sierra Leone in connection with the ebola operation in previous years, as well as in Madagascar, Ukraine, Sudan and Myanmar. The Swedish Red Cross has a zero-tolerance approach to corruption. On the other hand, if corruption is detected, this need not mean the end of cooperation, although it must always be reported and dealt with. In all corruption cases during the year, the Swedish Red Cross took appropriate steps, in consultation with the IFRC or the local national Red Cross or Red Crescent society, concerned. Other affected parties and funding bodies have also been consulted, such as Sida and Radiohjälpen.

Human resources

Employees

Work is also performed by 413³ (365) employees at offices in Gothenburg, Malmö, Stockholm and Umeå and at treatment centres for war and torture victims in Skövde, Malmö, Uppsala, Skellefteå and Gothenburg. The increase in the number of employees has mainly taken place in the Swedish Red Cross operations in settlement and migration, including treatment of war and torture victims at our treatment centres, as a result of the increased need for assistance for the many new arrivals that Sweden received in autumn 2015.

During the year, 90 (90) delegates took part in 105 (109) missions abroad for the Swedish Red Cross, the International Federation of Red Cross and Red Crescent Societies and the International Red Cross and Red Crescent Committee.

Substantial risks and uncertainty factors

The major operational risks and uncertainty factors in the international operations of the Swedish Red Cross are security risks, corruption risks and risks relating to limited access to the geographical areas where operations are needed. The principal risk in these collectively is the serious impact it has if we have to cancel or limit planned operations as a result.

The same risks also exist in the national operations, although to a smaller extent. A critical factor for Swedish Red Cross operations is that there is public confidence in the organisation. Confidence has a great impact on our funding by the general public, and confidence also has an impact on our prospects of being able to carry out operations in Sweden. We measure and closely monitor the trend in public confidence in us. Public confidence has strengthened appreciably in recent years, and the overall level of confidence is very high. Confidence in us is adversely affected by events that affect other aid organisations.

Financial results and position

Net profit for the year

The Swedish Red Cross shows a negative financial result for the year of SEK -4 (-37) million. This is a better result than expected as expanded operations for instance to alleviate food insecurity in East Africa and the refugee situation in Syria, Bangladesh and Myanmar have been accommodated within the existing budget framework. This is an improvement in comparison with previous years and in line with our objective of having a financial position which is in balance over time, where all revenues are converted into operations for our target groups.

The operating result for the year is SEK -38 million (-84 million). This is around SEK 9 million better than the budgeted operating result and is principally due to certain operations having been deferred until 2018.

Revenues

In 2017, Swedish Red Cross revenues increased by 3% (-9%) and totalled SEK 721 (698) million. Of this, operating revenues totalled SEK 687 (652) million and profit from financial investments SEK 34 (46) million.

The vast majority of the Swedish Red Cross's operating revenues come from donations and contributions, SEK 329 (294) million and SEK 322 (321) million respectively. In addition, the organisation receives membership revenues of SEK 13 (14) million, sales revenues from donated goods of SEK 5 (5) million and other revenues of SEK 17 (17) million.

Funds raised come mainly from private individuals, for example through monthly donation, emergency fundraising, legacies, local Red Cross branches and funding from Postkodlotteriet. Donations account for most of the total funds raised, which in addition to donations are also made up of contributions, with SEK 38(25) million

³ The average number of employees has been calculated on the basis of scheduled working time for a full-time position of 1,797 hours for 2017

from Radiohjälpen, for example. Funds raised in 2017 totalled SEK 367 (319) million. Fundraising revenues can vary greatly from year to year mainly as a result of acute disasters attracting heavy media attention. If we look at the underlying trend, the Swedish Red Cross has seen strong and stable growth in fundraising revenues over the past five-year period. This is mainly due to a sharp rise in regular donations, which totals SEK 120 (103) million. At the end of the year, the Swedish Red Cross had 89,260 (80,841) monthly donors.

Of the total fundraising of SEK 368 (319) million, SEK 59 (65) comes from the local Red Cross branches in Sweden.

| Fundraising 2017-2015 | 2017 | 2016 | 2015 |
|--------------------------------|------|------|------|
| Total fundraising, SEK million | 368 | 319 | 399 |

Contributions come almost exclusively from Swedish public-sector bodies, the largest being Sida's contribution to our international activities of SEK 192 (192) million. See Note 2 for a more detailed breakdown of donors and contributors for the year.

Financial income for the year was SEK 34 (46) million, of which SEK 6 (16) million is made up of capital gains and SEK 28 (30) relates to dividends and interest on assets under management.

Costs

Total costs for the year are SEK 725 (735) million, of which SEK 598 (619) million represents costs related to a specific purpose and SEK 127 (116) million costs of fundraising, membership and administration.

Since 2016, the activities of the Swedish Red Cross have been divided into areas of operations in the annual report, instead of the classification into major areas of activity adopted in 2012–2015. A complete list showing the breakdown of costs related to a specific purpose, fundraising and administrative costs broken down by area of operations or region can be found in Notes 6, 7 and 8 to the income statement.

Costs relating to a specific purpose

Costs relating to a specific purpose of SEK 598 (619) million are distributed over around 69 different areas of operations. International operations account for SEK 326 (352) million, of which the Syria crisis is the largest individual area of operations with costs of SEK 41 million. As well as Syria, urgent operations have been carried out principally in Bangladesh, the Philippines, Kenya, Somalia and Ethiopia. Preventive operations aimed at creating resilience have focused on the priority countries in which we have worked on operations of this kind for several years, such as Myanmar, Palestine, the Democratic Republic of Congo, Iraq and Afghanistan. The table below shows the ten countries in which the Swedish Red Cross conducted major operations in 2017.

| Country of operation | (SEK 000) |
|---------------------------------|-----------|
| Syria | 41,231 |
| Disaster operations Asia | 32,666 |
| Disaster operations East Africa | 20 573 |
| Myanmar | 16 701 |
| Palestine | 14 580 |
| DR Congo | 11 816 |
| Yemen | 11 609 |
| Iraq | 11 575 |
| Afghanistan | 10 928 |
| Somalia | 10 430 |

National activities account for around SEK 230 (235) million of the costs relating to a specific purpose, broken down into around

12 different areas of operation. The largest areas of operations are Treatment of victims of war and torture (SEK 76 million), Searching and family reunification (SEK 22 million) and Social participation (SEK 17 million). There is a large change in comparison with 2016 in the area of Support of refugees, where the need has decreased nationally while Treatment of war and torture victims has increased.

Other costs relating to a specific purpose of SEK 42 (32) million concern overarching operations, mainly in communication, information and advocacy.

Fundraising and administration

Total fundraising costs for the year were SEK 87 (82) million. The increase compared with the previous year is largely due to a continued commitment to the recruitment of monthly donors, increased transparency to boost the image of the Red Cross and greater digital efficiency in our fundraising work. This contributed to an increase in funds raised of 15% over 2016.

Costs of administration and membership administration total SEK 40 (34) million, an increase of 18% compared with 2016. The increase is principally due to increased IT investments, partly for better support of volunteers.

Costs of fundraising, administration and membership administration total SEK 127 (116) million, an increase of 9% compared with 2016.

Asset management during the year

At the end of 2017, the market value of the Swedish Red Cross's total assets under management was SEK 1, 097 (1,101) million. During 2017, financial investments produced a total realised return of SEK 34 (46) million. The result consists of capital gains of SEK 6 (16) million, dividends of SEK 19 (21) million and interest of SEK 9 (9) million. At the end of 2017, market value exceeded book value by SEK 95 (70) million.

The total rate of return on assets under management in 2017 was 5% (4%). At the end of the year, 55% (51%) of the market value of assets consisted of share investments, 38% (37%) of interest-bearing investments and 7% (12%) of alternative investments.

Investment policy – purpose and orientation

The financial investments of the Swedish Red Cross are managed by a finance committee with the assistance of an external manager under an agreement on what is known as discretionary management. The Swedish Red Cross aims for good long-term return on capital, with balanced risk-taking. Asset management complies with the investment policy of the Swedish Red Cross, which was adopted by the Governing Board. The purpose of this is to provide rules and guidelines for complete management, including investment strategy, organisation and allocation of responsibility, risk monitoring and control, and reporting and monitoring of results. The investment policy is continuously reviewed and includes ethical investment rules with restrictions among other things on weapons and the production of pornography, as well as companies whose main focus is extraction of fossil fuels.

It is of great importance to the Swedish Red Cross to achieve an even and predictable distribution of funds from financial investments. The long-term distribution of funds must be at a level that keeps the real value of the capital intact over time.

Key indicators

The Swedish Red Cross regularly tracks a number of key indicators, and those that are official and others that are of particular importance are highlighted below.

The monitoring organisation Swedish Fundraising Control's key indicator of the proportion of total revenue – as a percentage – used to cover fundraising and administration costs was 18 (17) per cent in 2017. The increase compared with the previous year was primarily due to increased investment in fundraising and IT development.

REPORT OF THE GOVERNING BOARD

Total equity divided by operating costs is a measurement of our capacity to maintain our activities in the event of reductions in the revenue stream or a temporary increase in needs in society. This key indicator was 1.4 (1.4) in 2017 and thus above the level we judge to be necessary to ensure adequate response capability and room to manoeuvre.

The number of regular monthly donors is an important key indicator of our revenue and at the end of 2017 totalled 89,260 (80,841). This means that the strong growth we experienced over several years continued in 2017. The growth in regular donors over many years is a direct result of major commitments for example to face-to-face recruitment on our own behalf.

Key indicators 2013-2017

| Conventional key indicators | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|-----------|-----------|-----------|-----------|-----------|
| Net profit/loss (SEK 000) | -3,743 | -37,462 | 50,626 | 3,992 | 17,557 |
| Operating income (SEK 000) | 686,798 | 651,543 | 696,601 | 540,948 | 601,339 |
| Equity (SEK 000) | 1,001,088 | 1,004,831 | 1,042,293 | 991,667 | 987,675 |
| Balance sheet total (SEK 000) | 1,158,498 | 1,140,385 | 1,243,698 | 1,084,007 | 1,070,019 |
| Equity ratio (%) | 86 | 88 | 84 | 91 | 92 |
| Average number of employees ¹⁾ | 413 | 365 | 347 | 323 | 272 |

| Key indicators related to operations | 2017 | 2016 | 2015 | 2014 | 2013 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Members | 119,203 | 121,049 | 121,277 | 124,707 | 134,557 |
| Monthly donors | 89,260 | 80,841 | 68,976 | 53,400 | 32,000 |

| Sector-specific key indicators | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|------|------|------|------|------|
| Funds raised/operating revenues (%) ²⁾ | 53 | 49 | 57 | 50 | 48 |
| Contributions from Sida/operating revenues (%) ³⁾ | 28 | 30 | 30 | 34 | 36 |
| Fundraising, administration and membership costs/total revenues (%) ⁴⁾ | 18 | 17 | 14 | 19 | 16 |
| Equity/total operating costs ⁵⁾ | 1.4 | 1.4 | 1.5 | 1.5 | 1.6 |
| Funds for specific purposes/total equity (%) ⁶⁾ | 32 | 32 | 34 | 35 | 39 |

¹⁾ The average number of employees has been calculated for each year based on the annual working hours for the year.

²⁾ Shows the proportion of operating revenues that comes from donors (general public, branches, legacies, companies, etc.).

³⁾ Shows the proportion of operating revenues that comes from Sida.

⁴⁾ Shows the part of total operating revenues – as a percentage – used by the Swedish Red Cross to cover fundraising, administration and membership costs. ((Fundraising costs minus sales costs plus administration costs and membership costs) divided by the total of (total operating revenues minus cost of sales plus interest income and share dividends minus interest expenses).)

⁵⁾ Payment contingencies; shows how many years equity can finance the costs of our activities.

⁶⁾ Shows the proportion of equity that is earmarked, i.e. where the donor has specified the purpose for which the money is to be used.

Appropriation of net earnings for the year

Earnings for the year and the financial position of the Swedish Red Cross are stated in the Report of the Governing Board and the following income statement and balance sheet with accompanying notes to the accounts and accounting policies.

The Swedish Red Cross does not aim to report a surplus, instead we endeavour to make the best use of income for appropriate operations based on the focus of activities and statutes. The aim is for the donors' funds to be used for activities as quickly as possible. In some years a surplus is nevertheless reported, which means that the funds have not been used for activities in the current year. This may be, for example, because a disaster occurs at the end of a year and fundraising activities provide revenues before year-end, while activities are carried out both before and after year-end.

The organisation must have a minimum sum at its disposal in order to be able to safeguard the organisation's long-term commitments, stability and survival in a credible manner. According to the definition of the Agency for Volunteer Fundraising Organisations (FRIF), equity (excluding permanent donation funds) must be equivalent to at least one year's operating costs. The equity of the Swedish Red Cross excluding permanent donation funds for 2017 is equivalent to the operating costs of approximately 1.4 years.

Appropriation of earnings for the year

| Thousand Swedish kronor (SEK 000) | 2017 |
|---|--------|
| Net profit/loss for the year according to the income statement | -3,743 |
| Reservation of funds raised for specific purposes which have been received during the year but have not been used during the year | -2,799 |
| Utilisation of funds raised for specific purposes from previous years and non-restricted provisions in accordance with decisions of the Governing Board | 3,372 |
| Sum remaining for the year | -3,170 |

Income statement

| (SEK 000) | Note | 2017 | 2016 |
|---|-----------|-----------------|-----------------|
| Operating revenues | | | |
| Membership subscriptions | | 13,413 | 13,764 |
| Donations | 2 | 329,273 | 294,456 |
| Contributions | 2 | 321,684 | 321,432 |
| Net sales | | 5,336 | 4,627 |
| Other revenues | 3 | 17,092 | 17,264 |
| Total operating revenues | | 686,798 | 651,543 |
| Operating costs | | | |
| Costs relating to a specific purpose | 4, 5 6 | -598,278 | -619,204 |
| Fundraising costs | 7 | -86,764 | -81,914 |
| Membership and administration costs | 8 | -39,842 | -34,040 |
| Total operating expenses | | -724,884 | -735,158 |
| Operating profit/loss | | -38,086 | -83,615 |
| Profit/loss from financial investments | | | |
| Profit/loss from securities and receivables held as non-current assets | 9 | 34,219 | 45,908 |
| Other financial income and expenses | 10 | 124 | 245 |
| Total profit/loss from financial investments | | 34,343 | 46,153 |
| Net profit for the year | 11 | -3,743 | -37,462 |
| Appropriation of earnings for the year | | | |
| Net profit/loss for the year according to the income statement | | -3,743 | -37,462 |
| Reservation of funds raised for specific purposes which have been received during the year but have not been used during the year | | -2,799 | -7,705 |
| Utilisation of funds raised for specific purposes from previous year and non-restricted provisions in accordance with decisions of the Governing Board. | | 3,372 | 41,981 |
| Sum remaining for the year | | -3,170 | -3,186 |

Balance sheet

| (SEK 000) | Note | 31.12.2017 | 31.12.2016 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| <i>Intangible assets</i> | | | |
| Capitalised expenses, business system | 12 | 10,473 | 18,055 |
| | | 10,473 | 18,055 |
| <i>Property, plant and equipment</i> | | | |
| Buildings and land | 13 | 1,916 | 2,013 |
| Equipment | 14 | 3,231 | 3,989 |
| | | 5,147 | 6,002 |
| <i>Financial assets</i> | | | |
| Investments held as fixed assets | 15 | 1,002,644 | 1,031,199 |
| Shares in group companies | 16 | 100 | 100 |
| Other participations | 17 | 775 | 775 |
| | | 1,003,519 | 1,032,074 |
| Total non-current assets | | 1,019,139 | 1,056,131 |
| Current assets | | | |
| Goods for resale | | 909 | 1,002 |
| Trade receivables | | 7,519 | 5,419 |
| Other receivables | | 15,603 | 20,639 |
| Prepaid expenses and accrued income | 18 | 20,540 | 19,671 |
| | | 44,571 | 46,731 |
| Cash and cash equivalents | 19 | 94,788 | 37,523 |
| Total current assets | | 139,359 | 84,254 |
| TOTAL ASSETS | | 1,158,498 | 1,140,385 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Basic capital | | 305,066 | 305,066 |
| Permanent donation funds | | 266,803 | 267,802 |
| Funds reserved by donors for specific purposes, national | | 8,701 | 8,273 |
| Funds reserved by donors for specific purposes, international | | 17,509 | 18,662 |
| Funds reserved by donors for specific purposes, disasters | | 31,012 | 29,860 |
| Capital brought forward | | 371,997 | 375,168 |
| | | 1,001,088 | 1,004,831 |
| Current liabilities | | | |
| Trade payables | | 30,436 | 25,590 |
| Liabilities regarding received, unused contributions | 20 | 36,970 | 55,059 |
| Liabilities regarding decided, unpaid contributions | | 2,058 | 1,814 |
| Other liabilities | | 7,436 | 12,553 |
| Accrued expenses and deferred income | 21 | 80,510 | 40,538 |
| | | 157,410 | 135,554 |
| TOTAL EQUITY AND LIABILITIES | | 1,158,498 | 1,140,385 |

Change in equity

| (SEK 000) | Capital stock | Permanent donation funds ¹⁾ | Funds reserved for specific purposes ²⁾ | | | Capital brought forward | Total equity |
|--|----------------|--|--|---------------|---------------|-------------------------|------------------|
| | | | National | International | Disaster | | |
| Opening balance 2017 | 305,066 | 267,802 | 8,273 | 18,662 | 29,860 | 375,168 | 1,004,831 |
| Funds reserved by donors for specific purposes | - | -999 | 1,266 | 1,380 | 1,152 | -2,799 | 0 |
| Use | - | - | -838 | -2,533 | | 3,371 | 0 |
| Net profit for the year | | | | | | -3,743 | -3,743 |
| Closing balance 2017 | 305,066 | 266,803 | 8,701 | 17,509 | 31,012 | 371,997 | 1,001,088 |

¹⁾ Returns from the permanent funds are calculated using the repo rate and allocated to the respective purposes in accordance with the donor's directions. As the repo rate is negative, no return has been calculated. The change in permanent donation funds is due to re-interpretation of a legacy where the funds have been re-allocated to funds reserved for specific purposes.

²⁾ Funds reserved for specific purposes "international", "national" and "disaster" include funds donated with various directions for use covering a broad range of purposes. These purposes are included in the activities of the Swedish Red Cross but it has not been possible to use the funds to finance activities during the year in which the donation was received. Funds reserved for international purposes are funding for the general international work of the Swedish Red Cross in various parts of the world, but also for specific initiatives such as the Syria crisis and EU migrants. Funds reserved for national purposes comprise mainly regional funds for operations in the areas of health and social participation. Funds reserved for disaster purposes are funding for aid in the event of disasters and for preparing emergency disaster response.

Cash flow statement

| (SEK 000) | 2017 | 2016 |
|--|---------------|-----------------|
| Operating activities | | |
| Operating profit/loss | -38,086 | -83,615 |
| Depreciation | 9,076 | 8,933 |
| Interest received | 8,624 | 9,130 |
| Dividends received | 19,072 | 20,786 |
| Interest paid | -184 | -142 |
| Cash flow from operating activities before changes in working capital | -1,498 | -44,908 |
| Cash flow from changes in working capital | | |
| Change in inventories | 93 | -15 |
| Change in trade receivables | -2,100 | 5,220 |
| Change in receivables | 4,168 | 4,293 |
| Change in trade payables | 4,846 | -15,408 |
| Change in current liabilities | 17,010 | -50,443 |
| Cash flow from operating activities | 22,519 | -101,261 |
| Investing activities | | |
| Investments in intangible assets | 0 | -109 |
| Acquisition of property, plant and equipment | -685 | -2,857 |
| Sale of property, plant and equipment | 45 | 0 |
| Investments in financial assets | -153,226 | -389,000 |
| Sale of financial assets | 188,612 | 360,404 |
| Cash flow from investing activities | 34,746 | -31,562 |
| Cash flow for the year | 57,265 | -132,823 |
| Change in cash and cash equivalents | | |
| Cash and cash equivalents at the beginning of the year | 37,523 | 170,346 |
| Cash flow for the year | 57,265 | -132,823 |
| Cash and cash equivalents at year-end | 94,788 | 37,523 |

Notes

SEK 000 = thousand Swedish kronor

Note 1. Recognition and measurement policies

The accounting and valuation policies of the Swedish Red Cross comply with the Swedish Annual Accounts Act, the Swedish Accounting Standards Board's general guidance 2012:1 (K3) and the governing guidelines for annual reporting of the Agency for Volunteer Fundraising Organisations (FRIL), unless otherwise stated. The accounting policies are unchanged from the previous year.

Income statement

Operating revenues

Revenue is recognised at fair value. Only the inflow of economic benefits that the organisation has received or will receive for its own account are recognised as revenue.

Membership subscriptions

Membership subscriptions are paid in their entirety to the Swedish Red Cross. Half of the membership payment is recognised as revenue in the income statement and the other half as a liability due to the Swedish Red Cross local societies (branches). Membership subscriptions are recognised as revenue in the accounting period to which they relate.

Donations

A transaction whereby the organisation receives an asset or a service, which has a value, without providing equivalent value in return is a donation or a received contribution. If the asset or service is received because the organisation has met or will meet certain conditions, and the organisation has an obligation to repay the counterparty if the conditions are not met, this is a received contribution. If it is not a contribution, it is a donation. Revenue in the form of donations is recognised as a general rule when the donation is legally made.

Donations are mainly funds raised from private individuals, companies and organisations. Donations are normally recognised on a cash basis but if a donation refers to a specific period of time, the donation is accrued over this period through provisions for funds reserved for specific purposes in equity. To the extent there are donations from companies and organisations that have been agreed but not received on the balance sheet date, these are recognised as revenue following an individual assessment. Donations received are recognised net, i.e. after deduction of the direct costs incurred on the sale of an asset.

Donations in the form of assets donated to the Swedish Red Cross, particularly real estate and other securities, are measured at the fair value at the time of the donation. The asset is reported as a current asset if the intention is for the asset to be sold as soon as possible and as a non-current asset if the intention is to keep the asset for at least one year.

Donations in the form of collected clothing and similar that are to be sold are recognised in net sales at the time of sale. Goods of negligible value compared to what is paid are recognised as a donation.

Donations in the form of pro bono services are not recognised as revenue, further disclosures are made in Note 2.

Contributions

Contributions are recognised as revenue when the conditions for receiving the contribution have been met. Contributions received are recognised as a liability until the conditions for receiving the contribution have been met. This means that revenue recognition

only takes place when it is probable that the contribution will not be reclaimed. Contributions that are forwarded to partner societies are also recognised as revenue where the Swedish Red Cross is responsible to the contributor.

Contributions are mostly cash from public bodies and include contributors such as Sida, the EU, the Swedish Inheritance Fund, other government authorities and institutions and local government, and also includes contributions from organisations such as Radihjälpen and foundations.

Net sales

Net sales refers to sales revenue in shops from the sale of clothes, furniture, household items and similar, and are recognised when paid in cash or when invoiced. Net sales also include revenues for recycled textiles and revenues from the Red Cross central society shop.

Other revenues

Revenues that have no link to the Swedish Red Cross's primary activities are recognised as other income.

Operating costs

Operating expenses include costs relating to a specific purpose, fundraising costs, membership costs and administration costs. For all areas of operations, an assessment is carried out of the type of costs which the area of operations represents, based on the FRIL guidelines for annual accounts. Common expenses, such as costs for human resources support, IT, accounting, operations management, premises, office services, procurement and info service, are allocated using a distribution ratio between costs relating to a specific purpose, fundraising costs and administration costs.

Some adjustments of these distribution principles were made in 2016 in connection with the transition to areas of operations, which replaced the earlier division into areas of activity. The adjustments entail that some costs, such as IT costs and costs for Second Hand, are broken down differently between costs for specific purposes and administration costs than in previous years. The principles for allocation of costs are unchanged for 2017.

Costs relating to a specific purpose

Costs relating to a specific purpose are costs that can be attributed directly to the Swedish Red Cross's mission in accordance with its statutes. This includes, among others, costs of staff employed to enable the performance of activities, both within and outside Sweden, as determined by the Board, as well as costs of an administrative nature that are a direct result of the commitments undertaken by the organisation in order to fulfil the purposes. The costs relating to specific purposes also include costs for shaping opinion and information activities relating to the work of the Swedish Red Cross. The monitoring, reporting and auditing of projects also constitute costs relating to a specific purpose. Costs relating to a specific purpose also include allocated costs for common support functions, which are distributed over the respective area of activity based on the share of the organisation's total FTEs.

Fundraising costs

Fundraising costs are costs whose purpose is to generate external revenue in the form of donations and contributions from all donors, i.e. both private individuals and companies and organisations.

NOTES

Not 1, cont.

This includes both existing donors and work to acquire new donors through campaigns, mailings and the maintenance of donor records. This includes, for example, costs of TV and radio commercials, printed matter, postage, advertising, information materials, fundraising materials, brand building, profiling and costs of staff who work on planning and implementing fundraising activities. Fundraising costs also include allocated costs for common support functions, which are distributed over the respective area of activity based on the share of the organisation's total FTEs.

Membership costs

Membership costs are costs for current and potential members of the Swedish Red Cross. These costs include member retention, the members' magazine, member notifications, recruitment of new members and costs of membership systems. Membership costs also include distributed shared support costs.

Administration costs

Administration costs include costs associated with statutes and legal requirements, such as the Governing Board, General Assembly and auditing, and central management and planning. If a cost does not relate to specific purposes, member retention/recruitment or fundraising, it is allocated to administration costs. Administration costs also include the portion of the shared support costs not allocated to costs for a specific purpose or fundraising costs.

Leases

All leases are recognised as operating leases and the lease payments are recognised on a straight-line basis over the term of the lease.

Employee benefits

Employee benefits in the form of salaries, social security contributions and similar are expensed as the employees render their services. Pension obligations are recognised as defined contribution and are expensed in the year in which the pension is earned.

Tax

The Swedish Red Cross is a non-profit organisation and has limited tax liability. The tax expense during the year totalled SEK 0(0).

Estimates and assessments

Estimates and assessments are dealt with under several separate headings in this note. A material assessment is the allocation of operational costs described under the heading Operational costs.

Balance sheet

Assets, liabilities and provisions are valued at cost unless otherwise specified below. Receivables and liabilities in foreign currency are valued at the rate on the balance sheet date.

Intangible assets

Intangible assets are valued at cost less scheduled amortisation and any impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives.

The following depreciation periods are applied to intangible assets:
Capitalised expenses for business systems 5 years

Property, plant and equipment

Property, plant and equipment are valued at cost and are subject to scheduled depreciation over their estimated useful lives. If the useful life is less than three years and the cost is less than SEK 20,000, the asset is expensed directly. Under K3 rules, property, plant and

equipment must be divided into components that are depreciated separately. No material component groups have been identified among the non-current assets of the Swedish Red Cross.

The following depreciation periods are applied to property, plant and equipment and intangible assets.

| | |
|----------------------------------|-----------|
| Buildings | 50 years |
| Computers and computer equipment | 3 years |
| Other equipment | 3–5 years |

Financial assets

The securities portfolio of the Swedish Red Cross is classified as a non-current asset, as it is intended to be held for the long term. Financial assets are measured at cost plus direct transaction costs at the time of acquisition. Impairment testing takes place continuously at lower of cost or market. Impairment takes place if the market value falls below the cost and the reduction is considered to be permanent.

All assets held for the spreading of risk are considered part of a securities portfolio and are therefore treated as an item in valuation at lower of cost or market. Unlisted holdings are not included in this portfolio valuation, but are valued item by item.

Current and non-current receivables

Current and non-current receivables are valued individually and recognised at the amount that is expected to be received.

Stocks of goods for resale

Goods for resale are valued on the basis of the first-in first-out principle, at the lower of cost and net realisable value on the balance sheet date. Goods destined for aid operations, such as water purification equipment, are valued at the lower of cost and fair value on the balance sheet date. Donated goods in the form of clothing, etc. intended for sale are recognised at a stock value corresponding to a maximum of SEK 25 per kilogram.

Trade receivables

Trade receivables are valued individually at the amount that is expected to be received.

Liabilities for decided, unpaid contributions

In those cases where the Red Cross has made decisions on payment of contributions/support and has informed the recipient but has not implemented the payment, this sum is reported as a current liability.

Provisions

A provision is recognised when the Swedish Red Cross has a legal or constructive obligation as a result of past events and where we expect that a payment will be required to settle the obligations and the amount can be reliably estimated. Provisions are measured at the best estimate of the amount that will need to be paid.

Equity

The fact that the Swedish Red Cross is a non-profit organisation – without any profit-making purpose and without external owners – gives terms such as profit or loss and equity a different meaning than in other forms of legal entity, such as limited liability companies. Equity consists of the funds provided to the organisation for the fulfilment of its purposes, such as donations, which on the balance sheet date have not been disbursed, where there is no legally binding obligation that is classified as a liability or provision.

Given the restrictions on the use of different funds, the following breakdown is made:

- Permanent donation funds: Capital that is restricted by the donor such that only the returns can be used.
- Funds reserved for specific purposes: The capital can be used but only for purposes specified by the donor or the Board. These funds are normally used in the subsequent financial year. They include donations from fundraising for a specific purpose which have not yet been used. This also includes funds where the Red Cross's board has decided on the purpose.
- Capital brought forward Capital consists mainly of capital gains and unused funds that have been provided to the organisation without any restrictions, as well as the organisation's surplus. Capital gains on sale of securities and properties are intended to act as a buffer for changes in value of investment assets/securities portfolio. If the capital is deemed to be higher than is necessary as conservation of capital, the Governing Board may make a decision on a provision for a specific purpose. Unused funds that have been provided to the organisation without restrictions can be appropriated by the board, to be used in accordance with the statutes of the organisation and for the fulfilment of the organisation's purposes. Profit for the year, according to the income statement (before appropriation), is the difference between costs and funds received during the year. As stated in the definition of equity, there are also planned withdrawals from, and allocations to, various items within equity. The budget established by the board for each financial year always includes such a planned appropriation of equity.

Cash flow statement

The cash flow statement is prepared according to the indirect method, which means that it is based on operating profit or loss. The reported cash flow covers only transactions leading to incoming or outgoing payments.

Consolidated accounting

Consolidated accounts have not been prepared because of the low significance of the subsidiary with respect to the requirement of a true and fair view, in accordance with Chapter 7 Section 3a of the Annual Accounts Act.

Note 2. Funds raised

| Total funds raised consists of the following (SEK 000) | 2017 | 2016 |
|--|----------------|----------------|
| Donations recognised in the income statement | 329,273 | 294,456 |
| Donations not recognised in the income statement | 1,377 | 0* |
| Contributions recognised as revenue | 37,576 | 24,983 |
| | 368,226 | 319,439 |

*No valuation of pro bono in terms of amount was done in 2016, and the value is therefore reported as 0.

| Donations recognised in the income statement (SEK 000) | 2017 | 2016 |
|---|----------------|----------------|
| Funds raised | | |
| General public, incl. Postkodlotteriet ¹⁾ | 188,466 | 188,539 |
| Swedish Red Cross local societies | 59,003 | 64,815 |
| Legacies | 56,215 | 14,695 |
| Companies | 22,465 | 23,061 |
| Other external funds, foundations and other organisations | 3,124 | 3,346 |
| Total funds raised | 329,273 | 294,456 |

¹⁾This item includes SEK 25 (25) million from Postkodlotteriet.

| Donations not recognised in the income statement | 2017 | 2016 |
|--|--------------|-----------|
| Books | 415 | |
| Rail tickets | 210 | |
| Local rents | 190 | |
| IT development | 144 | |
| Christmas presents | 100 | |
| Other | 318 | |
| | 1,377 | 0* |

*Only type of pro bono was recognised in 2016, without valuation. Pro bono received in 2016 relates among others to computer licenses, PR campaigns, advertising agency services, advertising space in printed media, car rental, shop furnishings and collection containers for clothing.

| Contributions recognised as revenue (SEK 000) | 2017 | 2016 |
|---|----------------|----------------|
| Funds raised | | |
| Radiohjälpen incl. Världens barn | 17,213 | 13,976 |
| Companies and organisations | 8,457 | 3,922 |
| Other external funds, foundations | 11,906 | 7,085 |
| Total funds raised | 37,576 | 24,983 |
| Public contributions | | |
| Sida | 191,827 | 192,405 |
| County councils | 29,234 | 25,446 |
| National Board of Health and Welfare | 10,443 | 3,100 |
| Swedish Folkbildning | 10,329 | 9,873 |
| Ministry of Social Affairs | 10,275 | 0 |
| Swedish Agency for Youth and Civil Society | 8,365 | 34,000 |
| Swedish Civil Contingencies Agency | 7,532 | 16,812 |
| EU | 4,538 | 37 |
| Municipal authorities | 4,243 | 3,101 |
| Legal, Financial and Administrative Services Agency | 3,515 | 3,295 |
| Swedish Public Employment Service | 2,035 | 546 |
| Other contributions | 656 | 4,733 |
| Other government authorities | 601 | 3,101 |
| Swedish Migration Agency | 515 | 0 |
| Total external contributions | 284,108 | 296,449 |
| Total contributions received | 321,684 | 321,432 |

| Donations and contributions passed on to other organisations (SEK 000) | 2017 | 2016 |
|--|----------------|----------------|
| The International Federation of Red Cross and Red Crescent Societies | 150,555 | 200,639 |
| International Red Cross and Red Crescent Committee | 12,432 | 20,094 |
| Other national Red Cross and Red Crescent societies | 67,468 | 53,790 |
| Red Cross Youth Federation and Red Cross College | 14,014 | 17,620 |
| Local Red Cross branches | 7,544 | 15,977 |
| Other associations in Sweden | 666 | 7,167 |
| Total amount of operating grants to other organisations | 252,679 | 315,287 |

Note 3. Other income

| (SEK 000) | 2017 | 2016 |
|--------------------------------|---------------|---------------|
| Course revenues | 1,682 | 1,639 |
| Property revenues | 2,081 | 1,945 |
| Sale of services in Healthcare | 2,899 | 3,750 |
| Other operating revenues | 10,430 | 9,930 |
| | 17,092 | 17,264 |

NOTES

Note 4. Leases

The Swedish Red Cross primarily leases office space, as well as computers and other office equipment.

Expensed lease payments in 2017 totalled SEK 27,884,000 (23,315,000).

Future lease payments are due as follows:

| (SEK 000) | 2017 | 2016 |
|--------------------|----------------|---------------|
| Within 1 year | 22,490 | 20,528 |
| 1–5 years | 81,128 | 15,935 |
| Later than 5 years | 16,109 | - |
| Total | 119,727 | 36,463 |

The large increase in future lease payments is principally due to a new rental agreement having been signed with an end-date of 30 September 2023 for the head office in Stockholm.

The Swedish Red Cross also leases out premises.

Lease income recognised as revenue in 2017 totalled SEK 2,081,000 (1,874,000).

Future lease income is due as follows:

| (SEK 000) | 2017 | 2016 |
|--------------------|--------------|--------------|
| Within 1 year | 1,841 | 1,841 |
| 1–5 years | 597 | 245 |
| Later than 5 years | - | - |
| Total | 2,438 | 2,086 |

Note 5. Number of employees, personnel costs and remuneration of the Governing Board

| (SEK 000) | 2017 | 2016 |
|--|----------------|----------------|
| Salaries and other remuneration | | |
| Governing Board | 987 | 788 |
| Secretary general ¹⁾ | 1,152 | 1,144 |
| Other employees | 189,598 | 166,573 |
| Total salaries and remuneration | 191,737 | 168,505 |
| Social security expenses (incl. pension costs) ²⁾ | 78,806 | 72,448 |
| (of which pension costs) | 24,929 | 24,076 |

Pension costs are in accordance with a collective agreement between IDEA (the Employers' federation for non-profit organisations), Unionen and Akademikerförbunden. Of the pension costs, SEK 412 000 (360 000) relates to the secretary general¹⁾

The acting secretary general receives remuneration rising to SEK 93,000 per month. Pension benefits are payable under applicable collective agreements. The departing secretary general, Anders Danielsson, had a monthly salary of SEK 94,860, pension in accordance with applicable collective agreements and a fixed extra pension provision of SEK 6,500 per month. The secretary general is entitled to compensation in the form of severance pay for a period of 12 months if the employment is terminated by the Swedish Red Cross. No remuneration is payable during the notice period after the secretary general has reached regular retirement age. Income earned in another employment or activity during the notice period is to be deducted. The Swedish Red Cross has the right to place the secretary general on leave from work, but the secretary general must still be available to the Red Cross for such duties as the Governing Board deems appropriate.

| Number | 2017 | 2016 |
|--|------------|------------|
| Governing Board members on the balance sheet date | 12 | 11 |
| Women | 7 | 6 |
| Men | 5 | 5 |
| Average number of employees³⁾ | 413 | 365 |
| Women | 282 | 244 |
| Men | 131 | 121 |
| Managers | 40 | 25 |
| Women | 26 | 15 |
| Men | 14 | 10 |

¹⁾ During the year, Anders Danielsson served as secretary general until 15 September, and Anna Enestam served as acting secretary general over the period from 16 September to 31 December.

²⁾ No pension provisions are made for the president and the members of the Governing Board.

³⁾ The number of employees includes paid Red Cross teachers, but does not include other paid contractors. The average number of employees has been calculated on the basis of scheduled working hours for full-time work of 1,797 (1,812) hours.

Note 6. Costs relating to a specific purpose

| (SEK 000) | 2017 | 2016 |
|--|----------------|----------------|
| International | | |
| Middle East and North Africa | 84,680 | 100,229 |
| Asia | 77,153 | 85,065 |
| East and Southern Africa | 67,284 | 57,970 |
| West and Central Africa | 42,553 | 54,183 |
| Global operations and overall international costs | 37,564 | 38,577 |
| Europe and Latin America | 17,134 | 16,284 |
| International Total | 326,368 | 352,308 |
| National | | |
| Treatment for victims of war and torture | 75,526 | 54,647 |
| Migration and reduced social exclusion | 38,451 | 21,075 |
| Dissemination of information, training and advocacy activities | 21,079 | 15,702 |
| Red Cross People's High School | 19,983 | 15,646 |
| Society and volunteer development | 19,361 | 16,327 |
| Health-promoting operations | 15,196 | 17,298 |
| Support of refugees | 10,358 | 41,324 |
| National emergency response | 10,295 | 14,275 |
| Contributions to the Red Cross Youth Federation | 9,014 | 12,306 |
| Second Hand, textile recycling and support function for local Red Cross branches | 6,093 | 9,710 |
| Contribution to Red Cross College | 5,000 | 5,000 |
| Grants to Local Red Cross branches settlement/integration | - | 11,888 |
| National Total | 230,356 | 235,198 |
| Overall | | |
| Communication (several areas of operations) | 21,973 | 22,348 |
| Coordination and resource development | 14,962 | 5,109 |
| Information, membership and donor service | 4,619 | 4,241 |
| Overall total | 41,554 | 31,698 |
| Total | 598 278 | 619,204 |

Note 7. Fundraising costs

| (SEK 000) | 2017 | 2016 |
|---|---------------|---------------|
| Fundraising from private individuals | 50,824 | 50,642 |
| Fundraising companies, lotteries, foundations, etc. | 11,026 | 10,253 |
| Campaigns | 10,352 | 8,054 |
| Local branch fundraising | 5,333 | 5,508 |
| Information, membership and donor service | 4,311 | 3,816 |
| Digital development | 3,698 | |
| Emergency fundraising | 1,220 | 908 |
| General Communications and Fundraising | | 2,733 |
| Total | 86,764 | 81,914 |

Note 8. Membership and administration costs

| (SEK 000) | 2017 | 2016 |
|--|---------------|---------------|
| IT, financial, controlling and HR1 | 18,478 | 13,939 |
| Central management | 5,848 | 4,640 |
| Society and volunteer development | 3,698 | 3,017 |
| Information, membership and donor service | 3,593 | 3,433 |
| Member processing | 2,224 | 2,405 |
| Local supply, internal service and purchasing | 1,775 | 1,809 |
| President and Governing Board | 1,741 | 946 |
| Global operations and overall international costs | 1,259 | 1,283 |
| Second Hand, textile recycling and support function for local Red Cross branches | 1,149 | 1,560 |
| Organisation and leadership development | 77 | 265 |
| Closing-down costs | - | 519 |
| General Communications and Fundraising | - | 224 |
| Total | 39,842 | 34,040 |

¹⁾ Support functions such as IT, financial, local supply etc. represent costs for specific purposes, fundraising costs and administrative costs. Only the part of these costs that is deemed to constitute an administrative cost is reported below.

Note 9. Profit/loss from securities and receivables held as non-current assets

| (SEK 000) | 2017 | 2016 |
|--|---------------|---------------|
| Capital gains on sale | 11,600 | 21,201 |
| Capital losses on sale | -5,727 | -4,822 |
| Dividends | 19,072 | 20,786 |
| Interest | 8,316 | 8,743 |
| Reversal of impairment of securities | 958 | - |
| Total profit/loss from securities and receivables that are fixed assets | 34,219 | 45,908 |

Note 10. Other financial income and expenses

| (SEK 000) | 2017 | 2016 |
|--|------------|------------|
| Interest and similar income | 308 | 387 |
| Interest and similar expenses | -165 | -123 |
| Administration costs | -19 | -19 |
| Total other financial income and expenses | 124 | 245 |

Note 11. Appropriation of earnings for the year

| (SEK 000) | 2017 | 2016 |
|---|---------------|---------------|
| Net profit/loss for the year according to the income statement | -3,743 | -37,462 |
| Reservation of funds raised for specific purposes which have been received during the year but have not been used during the year | -2,799 | -7,705 |
| Utilisation of funds raised for specific purposes from previous years and non-restricted provisions in accordance with decisions of the Governing Board | 3,372 | 41,981 |
| Sum remaining for the year | -3,170 | -3,186 |

Note 12. Capitalised expenses, business system

| (SEK 000) | 2017 | 2016 |
|---|----------------|----------------|
| Opening cost | 37,909 | 37,800 |
| Capitalised expenses for the year ¹⁾ | - | 109 |
| Closing accumulated cost | 37,909 | 37,909 |
| Opening depreciation | -19,854 | -12,278 |
| Depreciation for the year | -7,582 | -7,576 |
| Closing accumulated depreciation | -27,436 | -19,854 |
| Closing carrying amount | 10,473 | 18,055 |

¹⁾ Refers to investment in and development of the member, donor and business system REDY.

Note 13. Buildings and land

| (SEK 000) | 2017 | 2016 |
|---|--------------|--------------|
| Opening cost | 3,152 | 3,152 |
| Sales and disposals | -100 | - |
| Closing accumulated cost | 3,052 | 3,152 |
| Opening depreciation | -587 | -535 |
| Depreciation for the year | -51 | -52 |
| Sales and disposals | 54 | - |
| Closing accumulated depreciation | -584 | -587 |
| Opening impairments | -552 | -552 |
| Closing accumulated impairments | -552 | -552 |
| Closing carrying amount | 1,916 | 2,013 |

Note 14. Equipment

| (SEK 000) | 2017 | 2016 |
|---|---------------|---------------|
| Opening cost | 10,621 | 7,764 |
| Purchases | 686 | 2,857 |
| Closing accumulated cost | 11,307 | 10,621 |
| Opening depreciation | -6,632 | -5,327 |
| Depreciation for the year | -1,444 | -1,305 |
| Closing accumulated depreciation | -8,076 | -6,632 |
| Closing carrying amount | 3,231 | 3,989 |

NOTES

Note 15. Investments held as fixed assets

| (SEK 000) | 2017 | 2016 |
|--|------------------|------------------|
| Opening cost | 1,043,245 | 998,270 |
| Acquisitions | 153,226 | 389,000 |
| Sales | -182,739 | -344,025 |
| Closing cost | 1,013,732 | 1,043,245 |
| Opening accumulated impairments | -12,046 | -12,046 |
| Impairment for the year | - | - |
| Reversal of impairment | 958 | - |
| Closing accumulated impairments | -11,088 | -12,046 |
| Closing carrying amount | 1,002,644 | 1,031,199 |

Book value and market value broken down by category

The composition of the investments held as fixed assets of the Swedish Red Cross is determined by the Governing Board based on a portfolio allocation model which aims for good long-term return on capital with balanced risk-taking. These investments from the point of view of the Governing Board constitute a unit, and portfolio valuation of the holdings is based on this. Unlisted holdings are not included in this portfolio valuation, but are valued item by item.

| (SEK 000) | 2017 | | 2016 | |
|---|------------------|------------------|------------------|------------------|
| | Carrying amount | Market value | Carrying amount | Market value |
| Share investments | | | | |
| Share portfolio | 433 | 554 | 477 | 493 |
| SEB Ethical Global Index Fund | 100,325 | 152,975 | 84,952 | 125,943 |
| SEB Swedish Ethical Beta Fund | 49,014 | 60,991 | 32,936 | 42,381 |
| SEB Foundation Fund Sweden | 48,535 | 55,384 | 58,211 | 64,746 |
| SEB Foundation Fund Balanced | 208 | 237 | 229 | 248 |
| SEB Sustainability Fund Sweden – Lux | 52,153 | 59,356 | 65,852 | 70,008 |
| SEB Sustainability Fund Global D SEK | 202,102 | 240,390 | 232,986 | 256,810 |
| | 452,770 | 569,887 | 475,643 | 560,629 |
| Alternative investments | | | | |
| SEB Private Equity Opportunity III B | 41,854 | 36,416 | 33,934 | 33,137 |
| Adrigo | 11,300 | 11,832 | 11,300 | 11,487 |
| ATCM II – True Market Neutral | 8,713 | 8,694 | 11,200 | 11,253 |
| Brummer & Partners Lynx Fund | - | - | 16,500 | 15,255 |
| Brummer & Partners Nektar Fund | 8,200 | 8,424 | 8,200 | 8,575 |
| Excalibur Fund | - | - | 6,700 | 6,816 |
| Goldman Sachs Global Strategic Macro | 6,170 | 6,143 | 11,100 | 11,223 |
| Nordkinn Fixed Income Macro Fund | 7,000 | 7,111 | - | - |
| Rational Am Eqty Long/Short HNW | - | - | 11,467 | 11,720 |
| SEB Asset Selection SEK D | 8,203 | 7,818 | 16,790 | 16,687 |
| SEB Microfinance Fund V Class B/D NH SEK | 25,000 | 24,483 | - | - |
| SEB Alternative Fixed Income Fund | - | - | 10,909 | 10,952 |
| | 116,440 | 110,921 | 138,100 | 137,105 |
| Interest-bearing investments | | | | |
| SEB Obligationsfond Flexibel-Lux utd | 303,704 | 289,662 | 293,033 | 282,187 |
| SEB Company Bond Flexible Utd | 129,730 | 126,954 | 124,162 | 120,923 |
| Forsyth Diversity Fund | - | - | 261 | 261 |
| | 433,434 | 416,616 | 417,456 | 403,371 |
| Total securities holdings | 1,002,644 | 1,097,424 | 1,031,199 | 1,101,105 |
| Surplus value (market value - book value) | | 94,780 | | 69,906 |

List of share portfolio 31 December 2017

| | Holding | Carrying amount | Market value |
|----------------------------------|---------|------------------|------------------|
| Securities | | | |
| Biosensor Appl Sweden AB | 16 | 0 | 0 |
| Theeducation AB | 60 | 0 | 0 |
| Sangart Inc | 125 000 | 0 | 0 |
| Sangart Inc Pref C | 15 000 | 0 | 0 |
| Volvo AB class A | 2,460 | 236 | 377 |
| Lindab International AB | 1,000 | 53 | 68 |
| Getinge AB class B | 764 | 144 | 91 |
| Arjo AB | 764 | 0 | 18 |
| | | 433 | 554 |
| Share investments | | 452,770 | 569,887 |
| Alternative investments | | 116,440 | 110,921 |
| Interest-bearing investments | | 433,434 | 416,616 |
| Total securities holdings | | 1,002,644 | 1 097 424 |

Note 16. Shares in group companies

| (SEK 000) | 2017 | 2016 |
|---|------|------|
| Röda Korssets Hotell och Konferens AB ¹⁾ , 556060-7524, Stockholm. Share of equity 100% (100%) | 100 | 100 |

¹⁾ Svenska Röda Korssets Hotell och Konferens AB has been dormant since 2001. Its activities were taken over by the Swedish Red Cross with effect from 31 December 2001. Equity in the company is SEK 156,000.

Note 17. Other participations

| (SEK 000) | 2017 | 2016 |
|---|------------|------------|
| Participations in housing cooperatives through bequests | | |
| Opening book value | 775 | 775 |
| Closing book value | 775 | 775 |

Note 18. Prepaid expenses and accrued income

| (SEK 000) | 2017 | 2016 |
|-------------------------------------|---------------|---------------|
| Accrued donations and contributions | 4 144 | 6 880 |
| Other accrued income | 4 871 | 4 193 |
| Prepaid rent and lease payments | 7 670 | 5 982 |
| Other prepaid expenses | 3 855 | 2 616 |
| Total | 20,540 | 19,671 |

Note 19. Cash and cash equivalents

The Swedish Red Cross has an unused overdraft facility of SEK 30m (SEK 30m). The cash and cash equivalents consist of bank balances except for SEK 38 thousand (26 thousand) pertaining to cash resources.

Note 20. Liability in contributions received but not used

| (SEK 000) | 2017 | 2016 |
|---|---------------|---------------|
| Liability to Sida unused contributions | 10,268 | 8,583 |
| Liability unused other public contributions | 6,621 | 15,436 |
| Liability unused private contributions | 20,081 | 31,040 |
| Total | 36,970 | 55,059 |

The liability to Sida consists primarily of RRM (rapid response monitoring) contributions and Ebola funds which will be used in 2018.

Liability pertaining to other public contributions relates principally to EU funds for operations in areas that have received refugees from Syria. Other items pertain principally to project contributions from the Swedish Postcode Foundation extending to 2018.

Note 21. Accrued expenses and deferred income

| (SEK 000) | 2017 | 2016 |
|---|---------------|---------------|
| Accrued international expenses | 48 354 | 16 634 |
| Holiday pay and accrued salaries incl. social security expenses | 17 966 | 13 376 |
| Other accrued social security expenses | 4 816 | 4 140 |
| Other accrued expenses | 6 992 | 6 189 |
| Deferred income | 2 382 | 199 |
| Total | 80,510 | 40,538 |

Note 22. Contingent liabilities.

| (SEK 000) | 2017 | 2016 |
|--|----------------|----------------|
| Guarantee – rental agreement Red Cross Home Foundation | 140 777 | 148 421 |
| Total | 140 777 | 148 421 |

Note 23. Significant events after the end of the financial year

On 26 March 2018 Martin Ärnlov takes up his duties as the new secretary-general.

Governing Board signatures

Stockholm, 13 April 2018



Margareta Wahlström
Ordförande



Bo Hermansson
Vice ordförande



Katarina Struwe-Olsson
Vice ordförande



Oscar Fredriksson



Tove Kopperdal



Kristina Ljungros



Elisabet Peritu



Angelica Rage



Johan Sohlberg



Johan Strid



Johan Wendt

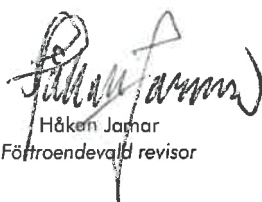


Shirin Persson

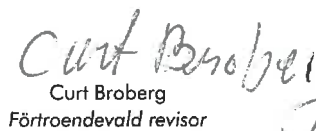
Our auditor's report was submitted on 19 April 2018



Tomas Lönnström
Auktoriserad revisor
Ernst & Young



Håken Jagnar
Förtroendevald revisor



Curt Broberg
Förtroendevald revisor

Auditor's report

To the General Assembly of the Central Board of Directors of the Swedish Red Cross, corporate ID number 802002-8711

Report on the annual accounts Statement of Opinion

We have carried out an audit of the annual accounts for the Central Governing Board of the Swedish Red Cross for 2017. The annual accounts of the society are included on pages 1-19 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Swedish Red Cross as of 31 December 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Swedish Annual Accounts Act. The Report of the Central Governing Board is consistent with the other parts of the annual accounts.

We therefore recommend that the General Assembly adopt the income statement and balance sheet.

Basis of statement of opinion

We conducted our audit in accordance with generally accepted auditing standards in Sweden. The auditors' responsibility according to these standards is described in more detail in the sections The auditors' responsibilities and The elected auditors' responsibilities. We are independent in relation to the Red Cross, in accordance with generally accepted auditing standards in Sweden. As an Authorised Public Accountant, I have complied with my professional ethical responsibility according to these standards.

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

Information other than the annual accounts

This document also includes information other than the annual accounts and can be found on pages 22–32. An Activity Report has also been issued separately. Our statement of opinion concerning the annual accounts does not relate to this information, and do not make any statement of confirmation regarding this information.

In connection with our audit of the annual accounts, we have a duty to read the information identified above and to consider whether the information is materially inconsistent with the annual accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the other information appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Governing Board

The Governing Board is responsible for the preparation of the annual accounts and for them giving a fair presentation in accordance with the Swedish Annual Accounts Act. The Central Governing Board is also responsible for such internal control as it deems to be necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Governing Board is responsible for the assessment of the society's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going-concern basis of accounting. The going concern basis is not, however, applied if the Governing Board intends to liquidate the society, cease operations or has no realistic alternative but to do so.

The responsibility of the Authorised Public Accountant

We are required to perform the audit in accordance with the International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden.

Our objective is to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatements, whether due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts. As part of an ISA audit, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatements in the annual report, whether due to fraud or errors, design and perform audit measures, partly based on these risks, and obtain audit evidence that is sufficient and appropriate to form the basis for our statements. The risk of not detecting a material misstatement due to fraud is higher than a material error due to errors, as fraud may include collusion, forgery, deliberate omissions, incorrect information or the disregard of internal control.
- obtain an understanding of the part of the association's internal control that is relevant to our audit in order to design audit measures appropriate to the circumstances, but not to comment on the effectiveness of internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board.
- conclude on the appropriateness of the Governing Board's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the obtained audit evidence, as to whether any material uncertainty exists related to events or conditions that may cast significant doubts on the association's ability to continue as a going concern. If we conclude that a

AUDITOR'S REPORT

material uncertainty exists, we are required to draw attention in our auditors report to the related disclosures in the annual accounts, or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or circumstances may cause the association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represents the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Governing Board of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during the audit, including significant deficiencies in the internal control that we identified.

The responsibility of the elected auditors

We must carry out an audit in accordance with the Auditing Act and, accordingly, according to generally accepted auditing standards in Sweden. Our objective is to obtain reasonable assurance that the annual accounts have been prepared in accordance with the Annual Accounts Act and that the annual report gives a true and fair view of the society's results and financial position.

Report on other requirements under laws and other regulations

Opinion

In addition to our audit of the annual report, we have also audited the administration of the Central Governing Board of the Swedish Red Cross for the year 2017.

We recommend to the General Assembly that the members of the Governing Board be discharged from liability for the financial year

Basis of opinion

We conducted our audit in accordance with generally accepted auditing standards in Sweden.

Our responsibility under these standards is described in more detail under the heading Responsibility of the Auditor. We are independent in relation to the Red Cross, in accordance with generally accepted auditing standards in Sweden. As an Authorised Public Accountant, I have complied with my professional ethical responsibility according to these standards.

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

Responsibilities of the Governing Board

The Governing Board is responsible for administration.

Responsibility of the Auditor

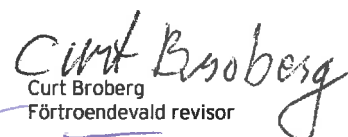
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Governing Board in any material respect has undertaken any action or been guilty of any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


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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration is mainly based on the audit of the accounts. Additional audit procedures performed are based on the professional auditor's professional judgment and the other selected auditors' assessment founded upon risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations, and where deviations and violations would have particular importance for the association's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability.

Stockholm, 19 April 2018


Håkan Jamar
Förtroendevald revisor


Curt Broberg
Förtroendevald revisor


Thomas Lönnström
Auktoriserad revisor
Ernst & Young AB

Governance of the Swedish Red Cross in 2017

The basis for good governance of the activities of the Swedish Red Cross is that objectives, strategic direction and values are clear and well known to the members, volunteers and employees of the Red Cross. The purpose of governance is to create an effective organisation with a sound culture that contributes to the improvement of the activities. The following description of the Swedish Red Cross's governance is not included in the audit assignment.

The Swedish Red Cross complies with the quality code of the Agency for Volunteer Fundraising Operations (FRII) and annually in September prepares an impact report in accordance with the FRII template for impact reporting. The impact report for 2016 has been published at <https://www.redcross.se/globalassets/roda-korset-effektrapport-2016-final.pdf>. The Swedish Red Cross fulfils the requirements under the quality code.

Bodies and regulations

The Swedish Red Cross is a non-profit charitable organisation that is governed by its members. Governance of the society by the members is mainly exercised through the General Assembly, the Governing Board of the Swedish Red Cross (hereinafter referred to as the Governing Board) and the secretary general and the management team. The overall structure of the Swedish Red Cross's bodies and governance is shown in the illustration on page 26.

The regulations primarily comprise the Red Cross's seven fundamental principles, the governing documents of the International Red Cross and Red Crescent movement, including statutes, resolutions and policies, the Swedish Red Cross's statutes, code of conduct, financial regulations and other internal governing documents, as well as the Swedish Annual Accounts Act, the general guidelines of the Swedish Accounting Standards Board, the Swedish Foundations Act and the Agency for Volunteer Fundraising Organisations' quality code for the governance of Swedish fundraising organisations.

General Assembly

The General Assembly is the highest decision-making body of the Swedish Red Cross and the forum in which the members, through their delegates, exercise their right to make decisions regarding the affairs of the Swedish Red Cross. The assembly convenes every four years. The collaborative council in each municipality elects a delegate and a deputy to the General Assembly. In municipalities with more than 3 000 members, an additional delegate is elected for each 3 000 members or part thereof. Each of the Swedish Red Cross's ten regions must have at least four delegates. The Red Cross Youth Federation appoints a maximum of ten delegates.

Members, branches and the Red Cross Youth Federation are all entitled to submit motions to the General Assembly. The board is entitled to submit proposals. Those delegates present, delegates from the Red Cross Youth Federation and members of the board are entitled to vote at the assembly. The assembly is chaired by the person or persons elected by the assembly.

The mandatory tasks of the General Assembly are to discuss the annual reports of the Swedish Red Cross, to adopt the balance sheets and income statements of the previous four years of activity and to decide on the discharge from liability of the Board. The assembly also determines the membership subscriptions for the next four-year period and decides on how the subscriptions are to be divided between central and local level. The assembly elects the president, Governing Board members, auditors and nominating committee. The assembly also determines the president's remuneration and principles of remuneration for the other members of the Governing Board and other elected representatives.

The most recent scheduled General Assembly was held in Växjö on 29-31 May 2015. An Extraordinary General Assembly was held in Stockholm on 6 May 2017. The only item on the agenda was the by-election of the president of the Swedish Red Cross.

Nominating committee

The General Assembly appoints a nominating committee. The nominating committee is to consist of one representative from each of the ten regions plus a chair. The nominating committee presents proposals to the General Assembly for persons for the posts that the assembly will elect, remuneration of the president of the Swedish Red Cross as well as remuneration principles for other Governing Board members and other elected representatives. A specific assignment description for the work of the nominating committee is determined by the General Assembly. Members of the nominating committee receive compensation for substantiated lost earnings if they so request. The amount is limited to a maximum of SEK 3,000 per day.

The nominating committee held nine meetings during the year. The work of the nominating committee was dominated by the Extraordinary General Assembly held on 6 May 2017, which was called by the Governing Board for the by-election of the president of the Swedish Red Cross. The nominating committee was tasked with proposing for this Extraordinary General Assembly a new president up to the next scheduled General Assembly in 2019. In addition, the nominating committee began preparations for the 2019 General Assembly.

The chair of the nominating committee during the year was Ewa Jonsson. The other members were Barbro Boström (Southern Region), Anneli Bengtsson (South-east Region), Elin Andersson (Western Region), Anna Klintbom (Gotland Region), Anders Syd (Göta Region), Wiveka Norvell (Stockholm Region), Erik-Johan Hjelms (Middle Region), Bodil Ljunghall (Mid Region), Birgith Wiklund Molberg (South Norrland Region) and Bengt Gunnarson (North Norrland Region).

Governing Board

The Board is the highest decision-making body of the Swedish Red Cross between general assemblies and has ultimate responsibility for ensuring that the Red Cross assignment and decisions of the assembly are implemented. The Governing Board consists of a president and

GOVERNANCE OF THE SWEDISH RED CROSS

eleven members. The president directs the work of the Governing Board, and the Governing Board appoints one or more vice-presidents from among its members. At present the Governing Board has three vice-presidents. The mandate period is one general assembly period, four years. The longest permitted consecutive period of office for the president or the other members of the Governing Board is two general assembly periods. If the president should resign during the course of a term of office, the Governing Board elects one of its members as president for the remainder of the term of office. The board may also convene an extraordinary general assembly for by-elections to the position of president. The secretary general is the main rapporteur at Governing Board meetings but is not a member of the Governing Board.

The Governing Board meets at least six times a year. Minutes are taken of Board meeting decisions and after verification are published on the Swedish Red Cross intranet – Rednet.

Members of the regional councils receive compensation for substantiated loss of earnings if they so request. The amount is limited to a maximum of SEK 3,000 per day.

The Governing Board calls the chairs of the regional councils for discussions at least twice a year and all members of the regional councils to the Regional Forum every two years. Board members participate in dialogue meetings with branch representatives every two years, which are organised regionally.

The Board organises the Red Cross Forum every four years, between general assemblies.

The Governing Board appoints from among its number the members and chair of the Board of the Foundation of the Red Cross centre for refugee torture victims. During the year, Oscar Fredriksson was the chair and Shirin Persson was a member.

Part of the Board of the Red Cross College is also elected from the Governing Board of the Swedish Red Cross. The chair of the Board of the Red Cross College was Kenth Naucér, the vice-chair was Kristina Ljungros, and Bo Hermansson was a member.

Based on a proposal from the College Board, the Governing Board of the Swedish Red Cross appoints a vice-chancellor who, if the Board of the Swedish Red Cross so decides, can also have a deputy or pro-vice-chancellor.

Until 2016 the Red Cross People's High School has its own board, but with effect from 2017 the Governing Board of the Swedish Red Cross has also been the Board of the People's High School. The People's High School has therefore been part of the employee organisation since 1 January 2017, and the School's activity plan and budget are adopted by the Governing Board of the Swedish Red Cross.

Regional councils

In each of the ten geographical regions of the Swedish Red Cross, a regional council is appointed containing six to nine members. At least half of the regional council members must also be General Assembly delegates. The regional councils have four main tasks: to act a link in the exchange of information and dialogue between branches and the Board of the Swedish Red Cross, to organise dialogue meetings in their regions every other year in accordance with the Governing Board's directions, to support the collaborative councils in their work and to perform the tasks delegated to them by the Governing Board. The Governing Board approves a delegation scheme for the regional councils.

Members of the regional councils receive compensation for sub-

stantiated loss of earnings if they so request. The amount is limited to a maximum of SEK 3,000 per day.

Branches, branch assemblies and branch boards

Locally, the Swedish Red Cross is organised into branches that work within a defined geographical area with either general or specifically oriented activities. Each branch is a legal entity and formally subordinate to the Governing Board of the Swedish Red Cross. The branch assembly is the branch's highest decision-making body. All members of the branch receive notice to attend the assembly. The branch assembly consists of the members present and appoints the chair and the other board members, auditor and nominating committee. The board has to consist of a chair and at least another four members, one of whom has to be appointed treasurer. The work of the branch board is directed by its chair.

General Assembly delegates

The General Assembly delegates represent the members in the municipality at the General Assembly, but are also tasked with actively working in their municipalities to ensure that the decisions of the General Assembly are known.

Collaborative council

The collaborative council coordinates the branches' work in the municipalities and coordinates the branches' work in the areas that the assembly has prioritised. According to the election system adopted by the Governing Board of the Swedish Red Cross, the collaborative council elects General Assembly delegates. The collaborative council also appoints delegates to the Red Cross Forum

The Red Cross dialogue

The Red Cross dialogue consists of meetings where persons from various parts and levels of the Governing Board of the Swedish Red Cross, the chairs of the regional councils and another representative from each regional council discuss important operational and organisational matters. The year's four meetings focused on the strategic orientation 2020-2023 and the Future 2020 project, which the General Assembly adopted in 2015. The objective of the project is to create a Swedish Red Cross more fit for purpose which is better equipped to face the challenges of the future. Other topics discussed in the Red Cross Dialogue the year were preparedness and how the Swedish Red Cross can improve as an organisation.

Dialogue meetings

One of the regional councils' statutory tasks is to arrange what are known as dialogue meetings in each region every two years. They do so in accordance with the instructions of the Governing Board of the Swedish Red Cross. The next Dialogue meetings will be held in April 2018.

Regional forum

The regional forum is a statutory meeting that takes place every two years. It is the Board of the Swedish Red Cross that invites all the regional councils to discuss general issues. The next Regional Forum will be held in October 2018.

Red Cross Forum

The purpose of the Red Cross Forum is to enable volunteers from Swedish Red Cross activities around the country to meet, exchange

experiences and be inspired. The Red Cross Forum is organised every four years and takes place between the general assemblies. The collaborative council is responsible for appointing delegates to the Red Cross Forum.

A Red Cross Forum was held in Nyköping in October 2017 with around 200 volunteers from branches, regional councils, the Board and the Youth Federation. More than 15 workshops were held during the forum, mostly led by volunteers. The topics for discussion at the workshops included preparedness, integration and participation, communication and marketing, sustainability, international law, basic principles and diversity.

Extraordinary General Assembly in 2017

The Swedish Red Cross held an Extraordinary General Assembly in Stockholm on 6 May 2017, to elect a new president for the Swedish Red Cross. The background was that the previous chair Anna Carlstedt stepped down as president in October 2016. Margareta Wahlström was elected as the new president of the Swedish Cross at the Extraordinary General Assembly to serve until the next scheduled general assembly in 2019.

General Assembly 2019

The 2019 General Assembly of the Swedish Red Cross will be held in Visby on 24-26 May 2019.

The associated Red Cross Home Foundation

The Governing Board is responsible for the management of the Red Cross Home Foundation, which is an affiliated foundation. The foundation provides university college education in the field of care and manages the foundation's property.

Other associated foundations

The board also administers a number of other associated foundations. The returns from these are used for various purposes in accordance with each foundation's statutes.

Salaried staff organisation

The Governing Board is assisted by an organisation of salaried staff under the management of a secretary general. Employees are mainly located at four Red Cross offices and in six treatment centres for war and torture victims in Sweden. There are also delegates from the Swedish Red Cross who serve internationally. The management team is directed by the secretary general and includes directors for the secretary general's staff, International Operations National Society Development, Finance and Support Services, Communications and Fundraising and Human Resources.

The Governing Board decides on the overall organisation of salaried staff, as well as on instructions and remuneration for the secretary general.

Authorised auditor and society auditors

The General Assembly elects three auditors for the Governing Board of the Swedish Red Cross. One of the auditors, as well as a deputy for this person, must be an authorised public accountant. The other two are elected society auditors. The General Assembly also appoints two deputies for these. Auditors are appointed for the four calendar years that follow the general assembly that appointed them and take up their

duties from the year-end following the general assembly. The elected society auditors use this period before assuming their duties for training, risk analysis and preparing auditing plans for the coming year.

The society auditors receive compensation for substantiated loss of earnings if they so request. The amount is limited to a maximum of SEK 3,000 per day.

Auditing work

The society auditors are appointed by, and therefore report to, the General Assembly. They are independent of the Governing Board of the Swedish Red Cross and other parts of the Swedish Red Cross. The deputies, as long as they are not required for service, have no independent auditing responsibilities, but have the opportunity to monitor activities and learn the role of auditor.

The authorised auditor focuses on reporting and the application of rules with regard to the activities and administration of the Governing Board of the Swedish Red Cross, and for reasons of confidence should be strictly independent of the society.

The society auditors, on the other hand, should have solid experience of and a grounding in the Swedish Red Cross, as well as competence in auditing and auditing methods. They must have a society democracy focus concentrating on the appropriateness and effectiveness of the activities. Their review relates to the Governing Board of the Swedish Red Cross but can, where they deem it appropriate - upon consultation with the Governing Board of the Swedish Red Cross also refer to local level.

The fact that the authorised and society auditors have different focuses does not mean there is any difference in responsibility. Each ordinary auditor has a separate auditing responsibility and the right to independently formulate and present an auditor's report. In practice they should strive for agreement, but the individual auditing responsibility takes precedence.

In order to achieve an effective audit that makes best use of the auditors' varied competence, close cooperation between them is important. It is appropriate that the society auditors, like the authorised auditor, base their review work on a risk analysis, which is preferably carried out jointly with the Authorised Public Accountant.

If, because of resignations or other permanent reduction in members, the Governing Board of the Swedish Red Cross can no longer form a quorum, the other Governing Board members, in consultation with the auditors, must call an Extraordinary General Assembly.

Finance committee

The finance committee is a committee within the Governing Board of the Swedish Red Cross. This committee is directly responsible under the Governing Board for the Governing Board's asset management and for ensuring that the long-term objectives of asset management are achieved. The committee comprises three members of the Governing Board and three co-opted experts on the financial market. The Director of Finance and Support Services acts as rapporteur.



Management of the work of the salaried staff organisation

The strategic focus for the period 2016-2019 guides all parts of the Swedish Red Cross. Based on the strategic focus, the service organisation of the Swedish Red Cross has developed a number of sub-strategies. The humanitarian strategy is aimed at operationally clarifying choices of path and priorities in the activities we undertake. The financial strategy clarifies how the goal of increasing our combined revenues is to be accomplished. The voluntary strategy is aimed at creating frameworks for the way in which we will operate and develop our voluntary activities. Using the advocacy strategy, we aim to achieve greater impact in our advocacy work by creating clarity and providing guidance.

The activity plans of the Swedish Red Cross are based on the strategic focus, sub-strategies and continuous horizon scanning regarding needs and key drivers in the world at large. The plans identify what priorities need to be made and what impacts and overall outcomes are to be achieved in future years.

The work of the salaried staff organisation of the Swedish Red Cross is directed on the basis of the overall objectives of the whole salaried staff organisation and towards the expected results and indicators set for all operations and areas of operation in connection with the annual activity planning process. One important component of this management is to promote a horizontal approach where several divisions and units have a joint responsibility for ensuring that the common overall objectives are achieved. The overall objectives are decided based on the various strategies adopted by the Governing Board, which in turn is a putting into practice of the strategic focus for 2016-2019. In 2017, the organisation had eight overall objectives.

Both the overall objectives and the expected results for efforts and activity areas are reviewed four times per year. The necessary measures to ensure that the results are achieved are also taken at this stage. Each such review is summarised in a quarterly report to the board. The work can be summarised as follows:

Guidelines for remuneration

Employee

When determining salaries at the Swedish Red Cross, salaries for corresponding positions in the labour market as a whole are taken into account. The aim is for the Swedish Red Cross to be able to recruit and retain employees who have the desired competence. The level of salaries is intended to strengthen the employees' desire to contribute to the efficiency of activities so as to enable the Swedish Red Cross

to improve its ability to perform its tasks. Salaries are individual and differentiated. The basis for each individual salary is the content and responsibility of the work, as well as the employee's competence, experience and working results. The individual employee must be able to influence their salary by improving their skills competence and improving the outcome of their work. The Swedish Red Cross does not apply variable remuneration.

Pension benefits

The pension benefits are in accordance with a collective agreement between the Employers' Federation for Non-profit Organisations (IDEA), Unionen and Akademikerförbunden.

Other benefits

Benefits other than the above, such as "Rikslunchen" and health and fitness allowances, have a limited value and correspond to what is normal at comparable employers in the labour market.

Conditions for leaving employment

Notice periods are in accordance with a collective agreement between the Employers' Federation for Non-profit Organisations (IDEA), Unionen and Akademikerförbunden.

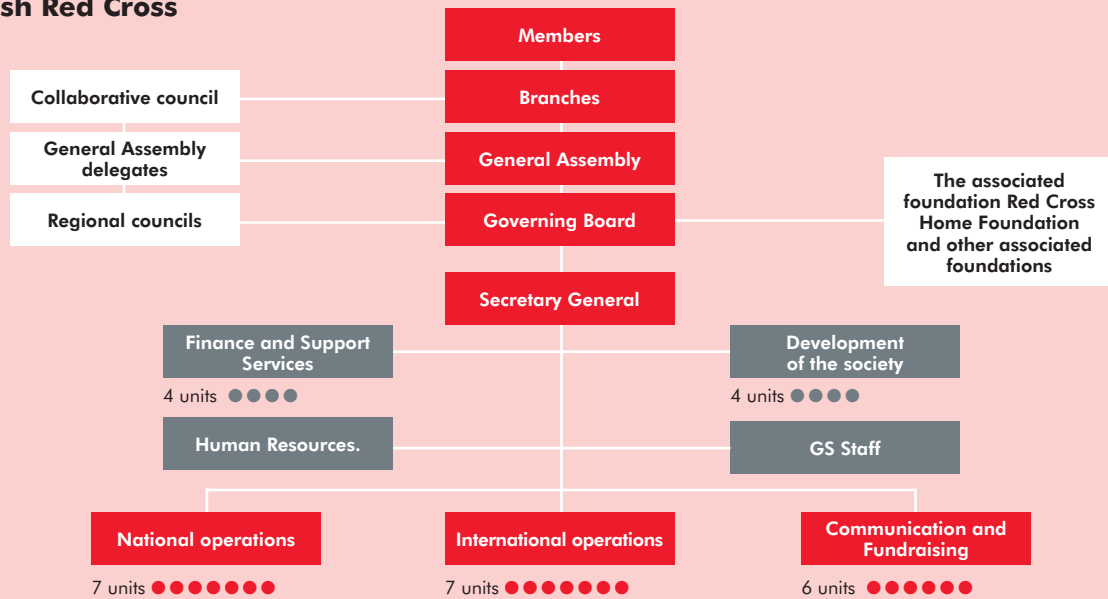
Remuneration of the president, board members and secretary general

The General Assembly has decided that the position of president should be regarded as a main employment and receive index-linked remuneration equivalent to that paid to members of the Swedish Parliament. The remuneration paid to the president in 2017 was SEK 65,400 per month.

The other members of the Governing Board and the society auditors, nominating committee members and members of the regional councils receive compensation for loss of earnings, if they so request, up to a maximum of SEK 3,000 per day.

The secretary general, Anders Danielsson, chose during the year to take up another assignment and left his position on 15 September 2017. The Head of Finance and Support Services of the Swedish Red Cross, Anna Ernestam, was appointed by the Governing Board as acting secretary general until 31 December 2017. The acting secretary general has a fixed annual salary of SEK 93,000, and pension is payable in accordance with applicable collective agreements. The departing secretary general, Anders Danielsson, had a monthly salary of SEK 94,860, pension in accordance with applicable collective agreements and fixed extra pension provision of SEK 6,500 per month.

The organisation of the Swedish Red Cross



The work of the Governing Board during the year

The composition of the Governing Board

During the year, the Governing Board consisted of a president, two vice-presidents and eleven members. Bo Hermansson served as acting president from 14 November 2016 until the Extraordinary General Assembly held on 6 May 2017. At that time, Katarina Struwe Orleifson and Hala Mohammed were vice-presidents. The Extraordinary General Assembly elected Margareta Wahlström as the new president. Bo Hermansson then returned to being vice-president. Hala Mohammed's term of office as a member of the Board expired in August, when she was replaced by Tove Kopperdal, the new chair of the Red Cross Youth Federation. In November, the Governing Board elected a third vice-president: Kristina Ljungros. At the end of the year, the Governing Board thus consisted of the president and eleven members, of whom three were vice-presidents.

The work of the Governing Board

A large part of the work of the Governing Board during the year was concerned with the organisation-wide projects Future 2020 and Strategy 2023. The Governing Board made a decision on the focus for the Future 2020 project in which it determined that the steering group would continue to work on the proposal for one branch per municipality. The Board made several choices of path for focus in the discussions on Strategy 2023. Both projects were key issues at the Red Cross Forum in Nyköping which was attended by the Governing Board in October.

During the year, the Governing Board also adopted two of the sub-strategies which it commissioned the secretary-general to prepare in May 2015 – the Swedish Red Cross strategy for advocacy and the Swedish Red Cross strategy for voluntary service.

In addition, the Governing Board has adopted an activity plan and budget for 2018 in which some major shifts are highlighted, including in the areas of national crisis preparedness, international work and digitalisation.

The work of the president was also largely dominated by her candidature for the position of President of the International Federation of Red Cross and Red Crescent Societies. A number of members of the Governing Board travelled together with the president to the international statutory meetings in Antalya in November.

The work of the finance committee

The finance committee held five meetings during the year and reviewed the compliance of the Swedish Red Cross portfolio with the investment policy and the Red Cross sustainability profile. Bo Hermansson (President of the Governing Board) was chair of the committee, while Angelica Rage and Johan Strid were committee members from the Governing Board. Karin Heierson (Skandinaviska Enskilda Banken), Eva Gottfridsdotter-Nilsson (Länsförsäkringar Fondförvaltning) and Peder Thyrvin (formerly Handelsbanken) participated as co-opted external committee members, with specific insight into and experience of the financial markets. The rapporteur at the meetings was Anna Ernestam, Director of Finance and Support Services.

Auditors and remuneration for auditing

The General Assembly of 2015 re-elected Ernst & Young as the audit firm for the Swedish Red Cross with effect from 2016. The auditor in charge is Tomas Lönnström, authorised public accountant. The society auditors elected by the General Assembly in 2015 were Håkan Jarmar and Kent Eriksson. During 2016, Kent Eriksson resigned and his deputy Curt Broberg took over as ordinary society auditor. Birgitta Tallroth was second deputy.

Sustainability work

The Swedish Red Cross takes responsibility for a sustainable society. We work systematically on ensuring that the activities of the Red Cross in Sweden and internationally do not lead to environmental problems, social or economic challenges within the country or elsewhere. We strive to develop sustainably as an organisation in order to be as successful in the future as we are today. The Red Cross also works on global development issues and to improve people's living conditions. Ecological sustainability includes, for example, continuing to minimise the environmental impact of Red Cross disaster operations and developing recycling activity at our second-hand shops. In addition to our core activity, proving support when social exclusion increases, our work involves making active efforts to ensure diversity in our activities and work on psychosocial support and safety for volunteers and employees. Economic sustainability means developing new ways of financing our operations to ensure long-term sustainable economics. It may also involve continuing to manage the capital of the Swedish Red Cross in a sustainable manner and working proactively on ensuring that we provide the greatest possible benefit with the funds at our disposal.

Governing Board report on internal control

Good internal control is crucial to the activities of the Swedish Red Cross. Internal control is intended to provide significant information about the organisation and is a methodology to create confidence in the organisation's financial reporting. It is particularly important to shed light on the aspects related to the fitness for purpose of the activity. The Board's report on internal control does not form part of the audit engagement.

Internal control

Internal control is a process that is driven by the Swedish Red Cross Board, the management team and the employees. It has been designed to provide reasonable assurance that established targets are met and that operational activity is fit for purpose and effective. Reliable financial reporting and compliance with external laws and regulations as well as internal rules must always be monitored. An annual report on internal control is prepared by Board of the Swedish Red Cross.

- Control environment – the culture and values on the basis of which the Board and management work and communicate
- Risk assessment – the organisation's process for identifying and managing risks
- Control activities – for the purpose of detecting and preventing faults
- Information and communication – for the purpose of the management's reporting back to the organisation and the organisation's reporting back to management, but also for reporting externally to the authorities and the general public, etc.
- Monitoring and follow-up – to ensure the quality of processes by means of various kinds of activities, such as following up on budgets, reporting to management and the Board and reporting from auditors).

The control environment

According to the quality code of the FRII (Frivilligorganisationernas Insamlingsråd - Agency for Volunteer Fundraising Organisations), the Governing Board is responsible for ensuring that internal control is adequate and that activities are performed in an effective manner. The responsibility and working methods of the Board and management team are therefore an important element in a good control environment. The established rules of procedure clarify the work and responsibilities of the Governing Board of the Swedish Red Cross.

The board has appointed a secretary general, who is responsible for the salaried staff organisation and for ongoing administration. Tasks and areas of responsibility are defined in the rules of procedure for the secretary-general. The Board has delegated responsibility for ensuring an appropriate control environment and effective internal control to the secretary general.

Defined governing documents, such as policies, guidelines and routines, represent an important part of the control environment. Important governing documents include the investment policy for financial management, the code of conduct and guidelines for authority to sign on behalf of the society.

The Finance and Support Services Department is responsible for internal control regarding financial reporting. The aim is to ensure an appropriate control environment and effective internal control. This is done through proactive initiatives and active risk identification and through ongoing control and follow-up.

The preventive activity is focused on training, information to managers and staff and continuously improving processes and procedures. Control and follow-up activities are based on relevant risk analyses and established minimum requirements. The department's work is reported to the CFO, the secretary general and the Governing Board. The department is also responsible for monitoring that planned activities follow the strategic orientation, sub-strategies and goals and for financial reporting and control of policies and guidelines.

The highest decision-making body of the Swedish Red Cross is the General Assembly, which is charged among other things with deciding the strategic goals for the next four years. The objectives for the Governing Board of the Swedish Red Cross are based on the decisions of the General Assembly and are broken down into objectives for the next four years. Responsibility is allocated to the appropriate department, which then receives budget which is to be commensurate with planned activities. If the budget contains procurements and purchases, these must take place in accordance with the Swedish Red Cross purchasing manual and be included in the budget proposal to the management. It must be apparent from the budget material what technical and financial alternatives are available. Projects must undergo project review in which decisions are made on what projects are to be implemented. The complete budget materials is finally submitted to the Governing Board for a decision.

Financial outcomes were followed up every month in 2017 and goal fulfilment was monitored every quarter. When the quarterly financial statements are closed, management follows up deviations between outcome and budget with the Red Cross senior management and prepares forecasts for the rest of the year. With regard to activities, the management monitors whether the adopted goals are met within each area of work and unit, as well as what strategies and measures must be taken to improve goal fulfilment, if necessary.

A summarised assessment of the year is created in connection with the preparation of the year-end financial statements. The management team conducts a review with the director concerned prior to the adoption of the annual financial statements.

Risk assessment

Risk management is about managing risk associated with, among others, trust, unethical behaviour and irregularities. Risk management work also affects compliance with the responsibility and fitness for purpose specified by the framework (statutes, policies, etc.). External risks, such as changes in tax regulations, are also taken into consideration.

In connection with the annual activity planning process, a risk analysis is performed for each area of activity, which is then updated and monitored during the following year. The work is based on the

COSO model and follows the risk categories determined by the International Federation of Red Cross and Red Crescent Societies (IFRC). The model includes the following risk categories:

- Risk of damage to confidence
- Strategic risks
- Financial risks
- Activity-related risks
- External risks
- Personnel-related risks
- Legal and institutional risks

The various components of risk management include an assessment of probability (P) and consequence (C), as well as a calculation of risk value (P x C).

The process for risk assessment must be designed so that potential incidents that might represent a risk of the goals of the Swedish Red Cross not being achieved are identified. The model is based on a built-in risk analysis in ordinary processes such as activity planning and follow-up. Integrated risk management is a continuous process and part of day-to-day work.

The external auditors meet the society auditors regularly, both together with management and separately, to go through their respective risk analyses and ensure a relevant risk analysis that represents the basis for the auditors' investigations.

Control activities

The control activities are linked to the risk assessment and are intended to ensure good internal control in the organisation's processes. The control activities are based on risk management, risk elimination, follow-up and evaluation. These components are in line with the International Federation of Red Cross and Red Crescent Societies' model for risk management. The purpose of these is to ensure that controls are built into the processes of the various sub-components.

An important control activity is the Swedish Red Cross's reporting according to the quality code of the Agency for Volunteer Fundraising Organisations. In connection with this, the Swedish Red Cross reviews the requirements stipulated by the internal control and then summarises compliance with these requirements in a separate report.

Information and communication

Communication with the general public is largely dealt with by the Infoservice unit, which forms part of the Society Development department. This unit also answers questions from members and donors. Its aim is to simplify communication and obtain uniformity and ensure fast feedback. Openness and accessibility are key to communication work and, as part of this, an increasing proportion of communication now takes place through the Swedish Red Cross social media channels, such as Facebook and Twitter, handled by the Communications unit. To enhance accessibility, the Swedish Red Cross press desk is open 24 hours a day so that the media can have their questions answered at any time.

Communication between management and employees, as well as between the president and Red Cross volunteers, often takes place by live webcasting on the Swedish Red Cross intranet (Rednet). These transmissions can also be watched later. Through Rednet, all employees, members and volunteers have access to governing documents and other material parts of the control environment.

Monitoring and follow-up

Both internal and external parties monitor that the Swedish Red Cross achieves good internal control and complies with internal governing documents. These parties comprise the management team, the Governing Board, the finance committee, Finance and Support Services, the Swedish Foundation for Donation Control and the external auditors and society auditors of the Swedish Red Cross. During the year, each unit in the organisation reported both quarterly and year-end accounting figures to management, which then followed up non-conformities and material risks and then reported back to the board.

The Swedish Foundation for Donation Control performs annual checks to ensure that organisations that have what are known as 90 accounts comply with the requirements the Foundation has stipulated for these accounts. The external auditors report their findings to management at least twice a year, and the society auditors report their findings to management at least once per year. Both external and society auditors also report the results of their audits and their findings at least once per year to the Board.

Stockholm, 13 April 2018

The Governing Board of the Swedish Red Cross

Governing Board



From left to right: Angelica Rage, Johan Sohlberg, Bo Hermansson, Tove Kopperdal, Margareta Wahlström

Angelica Rage

Board member. Elected 2015.
Born 1950. Lives in Forshaga.
Selected education: Trained as a junior level teacher.
Positions: Angelica is retired and is the chair of the Red Cross branch in Forshaga. She was previously chair of the municipal council in Forshaga and has extensive experience of administration in the municipal sector and of cooperation between municipalities. Angelica is a member of the Swedish Red Cross finance committee and has led the group working on the Swedish Red Cross of the Future, 2020.

Johan Sohlberg

Board member. Elected 2015.
Born 1965. Lives in Västerås.
Selected education: Naval reserve officer training with a degree from the Staff Programme for reserve officers, Swedish Defence University, Stockholm.
Positions: Johan is the cathedral sacristan in the Diocese of Västerås. Johan has many years of international experience through assignments primarily for the International Committee of the Red Cross (ICRC), the Swedish EOD and Demining Centre (SWEDEC) and the Ministry of Foreign Affairs. He has also been a member of the national Board of Save the Children. Johan is the Red Cross full board member of the foundation Folke Bernadottes Minnesfond. He has served as the chair of the Red Cross in Västerås.

Bo Hermansson

Vice-president since 2011. Elected 2010.
Born 1943. Lives in Nyköping.
Selected education: Masters degree in politics Further academic studies in behavioural science and international finance.
Positions: Bo is a consultant in international finance and has worked in more than 30 countries. Bo has been chair of the Swedish Red Cross finance committee since 2011 and a member of the Board of the Red Cross College since 2013.

Tove Kopperdal

Board member. Elected 2017.
Born: 1988. Lives in Stockholm. She was elected president of the Red Cross Youth Federation in June 2017 and took up her duties on 1 August 2017.
Tove was a legal officer at a non-governmental organisation and representative of differently abled persons before starting on her current task. She has been involved with the Red Cross since 2010 as a volunteer, volunteer manager, a member of the Governing Board and branch chair for the international law branch (Folkkrättskretsen) in Stockholm. She was elected to the Governing Board of the Red Cross College in November 2017.

Margareta Wahlström

President. Elected as president of the Swedish Red Cross at an extraordinary general meeting in May 2017. She was born in 1950 and lives in Stockholm.
Wahlström has 35 years of experience of international humanitarian work and has been responsible for a number of demanding assignments. She has previously directed and developed the system of disaster management in the International Federation of Red Cross and Red Crescent Societies and OCHA, the UN Office for the Coordination of Humanitarian Affairs.

Kristina Ljungros

Board member. Elected 2015.
Born 1980. Lives in Stockholm.
Selected education: Studies in political sciences, development studies and economics at Stockholm University, the University of Dar es Salaam and Umeå University.
Positions: Kristina is the chair of the Swedish Association for Sexuality Education (RFSU) and has worked to develop RFSU's debating of ideas and strategic development. She has also served as an administrator at Forum Syd with several foreign assignments. She is also a member of the Board for IPPF, the largest sexual and reproductive health and rights organisation in the world. Kristina is the vice-chair of the Red Cross College.

Johan Wendt

Board member. Elected 2015.
Born 1978. Lives in Stockholm.
Education: Degree in Civil Engineering (focusing on clean water/sanitation), from the Faculty of Engineering, Lund University
Positions: Johan is the founder of Mattecentrum and Kodcentrum, two operations he founded and built up himself. Johan has experience of strategically and systematically developing and disseminating an activity in the form of a membership-based association for young people. Today, he writes books, training materials, acts as a consultant in the non-profit sector and lectures. He is also a member of the Board of UR, the Swedish Educational Broadcasting Company.



From left to right: Kristina Ljungros, Johan Wendt, Shirin Persson, Elisabet Perttu. Missing from the photographs: Johan Strid, Katarina Struwe Orleifson, Oscar Fredriksson

Shirin Persson

Board member. Elected 2015.
Born: 1951. Lives in Falköping.
Selected education: Degree in law from the University of Sri Lanka in Colombo.
Positions: Shirin has worked for organisations such as Sida, the UN and Save the Children for around 30 years in several countries in Asia, the Middle East and Africa. Shirin has been the local chair of the Red Cross International Law and Refugees branch in Skaraborg since 2016 and a member of the Red Cross Falköping local committee and deputy member of the Board of the Folke Bernadotte Minnesfond foundation since 2017.

Elisabet Perttu

Board member. Elected 2010.
Born 1944. Lives in Tärenadö in the municipality of Pajala.
Selected education: Masters in philosophy Teacher training National headteacher training. Studies in alternative communication for children with learning disabilities.
Positions: Elisabet has previously worked as a headteacher and she has a long history with the Red Cross, including as chair of the Pajala Red Cross branch 1983–2001 and a member of Norrbotten district board 1993–1999. Elisabeth is a member of the Board of the foundation Stiftelsen Dagmar och Axel Bildts donation.

Johan Strid

Board member. Elected 2015.
Born 1969. Lives in Stockholm.
Selected education: Bachelor's degree in political sciences from Stockholm University.
Positions: Johan is secretary general of the Swedish Parasports Federation and the Swedish Paralympic Committee. Johan was previously secretary general of the Swedish Scouting movement during an extensive re-organisation and also helped to develop the "square of influence" method of decision-making. Johan is a Member of the Swedish Red Cross finance committee.

Katarina Struwe Orleifson

Board member. Elected 2015.
Born 1960. Lives in Levide, Gotland.
Selected education: Degree in social studies from Örebro University College. Supervisor/guide training at the Institute of Knowledge Development in addiction treatment at the National Board of Health and Welfare in Stockholm.
Positions: Katarina is a certified social worker and has extensive experience in management, governance and conflict management. Katarina is currently self-employed but has previously worked as head of a government agency. Katarina is a vice-president. She is a member of the Board of the Red Cross Centre for Refugee Victims of Torture.

Oscar Fredriksson

Board member. Elected 2011.
Born: 1975. Lives in Vansbro.
Selected education: Qualified lawyer and bachelor of social psychology and philosophy from Uppsala University.
Positions: Oscar Fredriksson is the municipal chief executive in Vansbro. Oscar is also chair of the foundation of the Red Cross Centre for Refugee Victims of Torture in Stockholm and deputy Board member of the Folke Bernadotte Memorial Fund Foundation.

Management team



From left to right: Melker Måbeck, Therése Engström, Åsa Alexandrow, Cecilia Tengroth, Tord Pettersson, Anna Ernestam, Sara Revell Ford

Åsa Alexandrow

Director of Human Resources.
Born: 1969.
Education: Human Resources Programme, Uppsala University.
Previous positions: 10 years of self-employment in roles such as HR consultant, interim director of HR and change manager in several sectors such as media, IT and the pharmaceutical industry, Nordic HR Director for Sony and HR roles at Hewlett-Packard Sverige AB.

Anna Ernestam

Acting secretary general, Director of Finance and Support Services
Born: 1962.
Education: Economics degree Uppsala University.
Previous positions: Formerly an authorised public accountant at Deloitte & Touche, acting CEO of Vectura Consulting AB and Deputy CEO of Eniro 118 118.
Board and committee memberships: AB Göta Kanalbolaget, Lantmäteriet.

Cecilia Tengroth

Chief of Staff.
Born: 1973.
Education: Law graduate, Lund Stockholm University.
Previous positions: Swedish Defence University, Ministry of Defence, chief lawyer Civil Rights Defenders.
Board and committee memberships: Society and Defence, Swedish Defence Forces International Law Council.

Melker Måbeck

Director of International Operations.
Born: 1968.
Education: Law graduate, Lund Stockholm University and reserve officer.
Previous positions: Head of delegation for the International Committee of the Red Cross (ICRC) in South Sudan, deputy head of ICRC's security division in Geneva, international delegate assignments for ICRC in several countries, including South Sudan.

Sara Revell Ford

Head of Domestic Operations.
Born: 1972.
Education: Masters degree in economics, Uppsala University.
Previous positions: Secretary general of Friluftsförbundet, Director Business Development and Area Manager Europe at The Absolut Company and BTL Advertising & Events manager at Canon Europe.
Board and committee memberships: Member of the Board of Trustees of the World Wide Fund for Nature (WWF) and En Frisk Generation

Therése Engström

Director of Communications and Fundraising.
Born: 1968.
Education: Master of Science in Industrial Economics Linköping University of Technology.
Previous positions: Head of Swedish Red Cross Fundraising Unit, head of fundraising for Läkare Utan Gränser/Médecins Sans Frontières
Board and committee memberships: Vi kan mer-föreningen (We Can Do More Association) and Föreningen Rikssamlingen (national fundraising association).

Tord Pettersson

Head of Department, Society Development.
Born: 1953.
Education: Sociology graduate Mitthögskolan i Östersund.
Previous positions: Various positions in social services and a number of positions at the Swedish Red Cross, including acting head of Voluntary Service and Society Development and regional manager for South Norrland.

**THANK YOU
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