

ERIKS - Financial Report 2019

Income statement

Amounts in thousands of SEK

	Note	2019	2018
Operating income	1, 2		
Donations	3	80,120	76,337
Subsidies	3	50,070	59,863
Other contributions	3	2,974	2,727
Total operating income		133,164	138,927
Operating expenses	4, 5, 6		
Programme expenses		-114,201	-132,145
Fundraising expenses		-7,373	-8,954
Administrative expenses		-7,463	-7,687
Total operating expenses		-129,037	-148,786
Operating profit/loss		4,127	-9,859
Result from financial investments			
Result from other securities and receivables accounted for as fixed assets	7	-300	-
Interest expenses and similar items		-	-3
Interest income and similar items	8	2,863	3,284
Total result from financial investments		2,563	3,821
Profit/loss after financial items		6,690	-6,038
Tax on Net Profit	9	-69	-67
Net profit/loss		6,621	-6,105
Change in restricted programme funds			
Net profit/loss per income statement		6,621	-6,105
Use of restricted programme funds from previous years		2,775	2,588
Reservation of restricted programme funds		-1,582	-1,437
Profit/loss brought forward		7,814	-4,954

Balance sheet

Amounts in thousands of SEK

	Note	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
Tangible assets			
Land and buildings	10	2,219	2,566
Equipment and vehicles	11	364	603
		2,583	3,169
Financial assets			
Long-term receivables	12	600	1,500
Total fixed assets		3,183	4,669
Current assets			
Inventories			
Goods for sale		478	967
Current receivables			
Accounts receivable		561	423
Taxes receivable		125	-
Other receivables		258	5,860
Prepaid expenses and accrued income	13	3,351	2,256
		4,295	8,539
Short term investments	14	50,559	46,005
Cash on hand for special purpose	15	10,738	10,456
Cash on hand and bank balance		16,189	8,354
Total current assets		82,259	74,321
Total Assets		85,442	78,990
EQUITY AND LIABILITIES			
Equity			
Restriced programme funds		3,357	4,550
Profit/loss brought forward		64,845	57,032
Total equity		68,202	61,582
Current liabilities			
Accounts payable		1,252	1,302
Tax liability		-	341
Liability from unused grants	16	10,738	10,443
Other liabilities		773	639
Accrued expenses and prepaid income	17	4,477	4,683
Total current liabilities		17,240	17,408
Total equity and liabilities		85,442	78,990

Cash flow statement

Amounts in thousands of SEK

	Note	2019	2018
Operating activities			
Profit/loss after financial items		6,690	-6,038
Adjustment for non-cash items			
Depreciation		651	714
Profit from sale of fixed assets		-	-248
Depreciation of financial assets		300	-
Paid tax on net profit		-535	-402
Cash flow from operating activities before changes in working capital		7,106	-5,974
Changes in working capital			
Change in inventories		489	135
Change in current receivables		4,369	-3,377
Change in current liabilities		173	-5,034
Cash flow from operating activities		12,137	-14,250
Investing activities			
Investments in fixed assets		-66	-99
Amortization from Human Bridge		600	300
Sale of fixed assets		-	1,343
Cash flow from investing activities		534	1,544
Financing activities			
Change in short-term investments		-4,554	11,719
Cash flow from financing activities		-4,554	11,719
Cash flow of the year		8,117	-987
Cash and cash equivalent at the beginning of the year		18,810	19,797
Cash and cash equivalent at the end of the year	18	26,927	18,810

Equity

Amounts in thousands of SEK

	Restricted programme funds	Profit/loss brought forward	Net profit/loss for the year	Total equity
Equity as of 31 Dec. 2018	4,550	63,137	-6,105	61,582
Last year's balance profit/loss	-	-6,105	6,105	-
Reservation	1,712	-1,712	-	-
Use	-2,905	2,905	-	-
Net profit/loss for the year	-	-	6,620	6,620
Equity as of 31 Dec. 2019	3,357	58,225	6,620	68,202

Restricted programme funds consist of grants and subsidies that, for various reasons, have been reserved for specific interventions. This may have to do with resources raised during a targeted campaign or bequest and donations that, for various reasons, have been earmarked for specific interventions and imply that they are subject to special conditions. Restricted programme funds are purposed primarily for interventions in Ethiopia, Romania and the Baltic.

Notes

NOTE 1

Accounting and valuation principles

The fundraising organisation's accounting and valuation principles are consistent with the Annual Accounting Act, BFNAR 2012:1 (K3) and FRIL's guidelines of control for annual accounting. Principles are unchanged from the previous year.

INCOME STATEMENT

OPERATING INCOME

Only the entrance of profit received, or receivable is recorded as income. Unless otherwise stated below, income is calculated as the actual value of what is received or receivable. The following paragraphs describe when income is recorded for different types of income.

Donations and subsidies

A donation or a subsidy received is a transaction in which the Foundation receives an asset or service that has value, without returning the equivalent value in exchange. If the asset or service is obtained because the organisation has met or will meet certain conditions, and if the organisation has an obligation to repay the other party if conditions are not met, then it is a subsidy received. If it is not a subsidy, then it is a donation.

Donations

As a general rule, donations are recorded as income upon receipt. A donation recognized as income is recorded as an asset or expense, depending on whether the donation is directly consumed or not. Donations that the organisation intends to use permanently in operations are reported as fixed assets. Other donations that are not consumed are reported as current assets. Donations are valued at their actual value. When the foundation provides compensation for the donation, the donation's value is reduced by the amount of compensation.

Subsidies

Subsidies are recorded as income when the conditions for obtaining the subsidies have been met. Subsidies received are recorded as liabilities until the conditions for obtaining the subsidies are met. Subsidies received are valued at the asset's actual value that the organisation has received or will receive.

Sales

Earnings from sales of goods are books at the time of the transaction.

Other income

Rental income is recorded in the lease term. Interest income is recorded using the effective interest method. Dividends are recorded when the

right to receive the dividend is assured.

OPERATING EXPENSES

Operating expenses are divided into the following functions; programme costs, fundraising expenses, and administrative expenses.

Programme costs

Programme costs are costs that have a direct connection with ERIKS' vision and mission, according to its statutes. This includes, among other things, the cost of our development projects, information projects, advocacy (e.g. through ERIKS' magazine or website), material assistance and humanitarian programme. In this category of programme costs are included payroll and administrative costs for the staff involved in these activities, as well as general expenses assigned to all areas of operations.

Fundraising Expenses

Fundraising expenses are direct costs for fundraising activities aimed at donors, i.e., expenses for inspiring and encouraging people to contribute to ERIKS' work through gifts and bequests or as monthly donors and sponsors. Fundraising work includes both contact and communications with current donors and external efforts to recruit new donors. Fundraising costs include costs for advertising and marketing, printing costs and postage for letters to donors, salaries, and administrative costs for fundraising personnel, and overhead distributed throughout all work areas.

Administrative Expenses

Administrative expenses include costs that are necessary for running ERIKS. A well-functioning administration is necessary to create good conditions for fundraising and project work. Administrative expenses include the director's and administrative personnel's salaries (finances, IT, etc.), accounting and audit costs, as well as distributed joint costs. This item also includes accounting and auditing costs and other costs that cannot be attributed to fundraising or project activities.

Until September 2018 ERIKS run the administration of the Children of the World campaign, incl. payment of salaries and remuneration, see Note 5. To facilitate comparisons between years, these costs are reported separately and therefore do not affect ERIKS' net profit/loss.

Leases

All the Foundation's leases are recorded as Operational. In other words, rent income, including the first month's higher rent, is recorded linearly over the lease term.

Employee expenses

Running expenses for employees in the form of salaries, social security contributions and the like are recorded as expenses when employees render services. Since all pension obligations are classified as defined contribution costs, the expense is recorded in the year in which the pension is earned.

Income tax

The Foundation is exempt from income tax in its non-profit work, because it meets the social utility requirement under tax law. The foundation is liable for income tax on profits from leasings.

BALANCE SHEET

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

Fixed tangible assets

The recording of the foundation's fixed tangible assets considers the two different definitions of K3: As a basic rule, a tangible asset is a physical asset that is held to conduct business, providing cash flow. For the non-profit sector, tangible assets also include physical assets held for non-profit purposes, even if the basic rule is not met. Most fixed assets have been classified based on the latter rule, since they are used for the foundation's non-profit purposes. Impairment testing is always done for those assets that no longer meet the requirements for definition as fixed tangible assets. According to K3, assets must not be reclassified.

Subsidies, public and private, for acquiring fixed assets reduce the asset's acquisition cost.

When a fixed tangible asset is comprised of highly valuable components and it is expected that the use of these components will vary substantially, the components are recorded and depreciated separately based on each one's useful life. When a component of a fixed tangible asset is replaced, any remaining part of the old component is scrapped, and the acquisition value of the new component is activated. Subsequent expenditures relating to assets that are not broken down into component parts are capitalized to the extent that the asset's performance increases relative to the asset's value on the acquisition date.

Expenditures for running repairs and maintenance are recorded as expenses. Capital gain or capital loss for disposing of a fixed asset is recorded as "Other operating income" or "Other operating expenses," respectively.

Fixed tangible assets are systematically depreciated

over the asset's estimated useful life. An asset's residual value is considered when deciding about depreciation. The straight-line depreciation method is used.

The following depreciation periods apply: Land No depreciation

Buildings Frame 50 years

Facade 50 years

Roof 30 years

Finishes 30 years Geothermal heat 10 years Computers 3 years

Equipment 5 years

Financial assets

At the acquisition date, financial assets are valued at the acquisition cost plus direct transaction costs. After their initial recording, short-term investments are valued according to whichever is lower: the lowest acquisition cost or the net sales value at the balance date. Accounts receivable are valued individually at the amount expected to be received. Receivables and liabilities in foreign currencies are recorded at the closing rate.

Donations, and bequests

Assets such as real estate, stocks and other securities that are donated to ERIKS are valued at market value at the time of their donation. The income is recorded under donations.

Stocks, shares and interest-bearing investments

Short-term holdings of stocks and shares are valued at the lowest of acquisition cost and actual value (market value). If the actual value has fallen, and this decrease is deemed permanent, then impairment is applied. ERIKS selects investments in listed companies and mutual funds that work credibly with regard to the environment and climate change, human rights, fair labour conditions and business ethics. The foundation do not invest in activities that violate international standards or that are linked to weapons, munitions, alcohol, tobacco, gambling, pornography or fossil fuels.

Risks

ERIKS operates based on the board's established risk management and security policy. The foundation want to be able to make informed strategic decisions and to ensure the best possible effect of gifts and grants. Based on established guidelines for risk analysis and management, work is managed to maintain donors' confidence and the organisation's reputation and brand. Risk management involves identifying and preventing or minimizing risks when it comes to the health and safety of staff,

program activities and the organisation's assets or other disturbances and losses. An effective risk management program increases the organization's ability to achieve its goals.

ERIKS' Investments Management Policy offers guidelines on how to handle financial assets. The foundation shall manage its funds in such a way that the requirements of good returns and satisfactory security are met. Funds will be managed in an ethically responsible manner in keeping with the foundation's core values.

In accordance with the board's decision, ERIKS will maintain equity equivalent to five months to seven months of income at the current rate. In addition, at least 80% of invested funds must be liquid. The investment policy limits the proportion of variable-income and fixed-income investments, and investment in an individual stock may not exceed 10% of the entire portfolio.

Currency forward contracts are used when deemed necessary to protect the foundation against exchange rate changes, as a contract locks in the exchange rate for foreign currency denominated assets or liabilities. Currency forward contracts are signed in accordance with the foundation's Currency Risk Policy guidelines, which dictate how ERIKS manages currency risks, which risks should be limited and how this should be done.

Inventory

Goods for sale are valued using the first-in first-out principle at acquisition cost or net sale value on the day's balance sheet, whichever is lower. The inventory mostly consists of stickers and toys for the "ERIKS Secret Box."

Restricted programme funds

Not yet consumed donations and other funds for special purpose are recorded as restricted programme funds.

Liability from unused grants

Received subsidies are recorded as liabilities until the conditions for obtaining the subsidies are met.

Cash flow statement

The cash flow statement is prepared using the indirect method and shows receipts and disbursements divided into three categories: operating, investing and financing activities. The reported cash flow includes only transactions that entail payments. Liquid assets other than cash are classified as deposits with banks and other credit institutions or as short-term, highly liquid investments on the marketplace.

Conversion of foreign currencies

Receivables and liabilities in foreign currencies are valued at the closing rate, which is the exchange rate on the date of the balance sheet.

The total effect from exchange rates is accounted for when the forward contracts expire.

NOTE 2

Estimates and appraisals

The board sees no material uncertainties in the estimates and appraisals available at the balance sheet date that could pose a significant risk of material adjustment to the recorded values of assets and liabilities within the next financial year.

Important events after the end of the fiscal year 2019

After the end of the fiscal year 2019, the corona virus Covid-19 has affected the whole world. ERIKS has been and will be affected of this pandemic in several sectors of its operations with a risk of negative financial effects. The development is being followed closely and a number of measures have been taken to mitigate the effects. However, ERIKS is a solid organisation with strong equity and will be capable of handling the situation.



Amounts in thousands of SEK

NOTE 3

Operating income	2019	2018
Donations recorded on the income statement are allocated as follows:		
Regular donations	25,426	24,988
Bequest	14,860	3,352
Postcode Lottery, core support	14,400	16,000
ERIKS Second Hand	17,886	23,600
Other donations	7,548	8,397
Total	80,120	76,337
Non-Public Grants		
Companies	362	-
Radionhjälp Foundation	3,677	2,787
Children of the World campaign	4,611	3,111
PostCode Lottery, project supp	3,034	4,519
Other institutional grants	500	-
Total	12,184	10,417
Public Grants		
Government	362	628
Swedish Mission Council	36,334	47,983
Forum Syd	1,190	835
Total	37,886	49,446
Other income is allocated as follows:		
Rent income	793	809
Sales of goods	1,778	1,254
Capital gains	-	207
Other	403	457
Total	2,974	2,727

Regular donations indicate donations by agreement, including sponsorship contributions and the monthly newsletter and magazine. Other donations include spontaneous gifts such as ones made for disaster relief.

Contributions are recorded as income in the amount corresponding to the year's direct costs. Remaining income is recorded under liabilities. The above-mentioned amounts include grant monies for administrative expenses.

Gifts that are not recorded as income

Gifts not recorded as income include, for example, advertising space, free or reduced rents and voluntary work. According to the Foundation's assessment, there have been no substantial gifts received that have not been recognized on the income statement.

Amounts in thousands of SEK

NOTE 4

Lease agreements: Tenant	2019	2018
Minimum future lease payments payable under non-cancellable leases:		
Payable within one year	1,341	1,128
Payable after one year but within five years	5,535	784
During the year as an expense	1,446	1,318

The foundation has leased a space with a nine-month notice period. The foundation has also rented property with a one-month notice period, according to the rental contract.

NOTE 5

Human resources	2019	2018
Women	28	29
Men	20	23
Total average number of employees	48	52

Gender distribution on the board and among senior executives

Women	5	6
Men	5	5
Total	10	11

Senior executives on the closing day

Women	3	4
Men	3	5
Total	6	9

Salaries, professional fees and other compensation

Members of the board	92	300
General Secretary	714	691
Other employees	16,780	16,577
	17,586	17,568

Payments into pensions and other social contributions

Pension costs for the Secretary-General	269	260
Pension costs for the board	-	14
Pension costs for other employees	1,422	1,789
Other social expenses under the law and by agreement	5,863	6,091
	7,554	8,154

Other social costs include personnel insurance, payroll taxes and contributions by employers for employees. Besides retirement contributions and an additional pension provision of 15 percent, calculated on the basis of salary, no other benefits were paid to the foundation's secretary-general during the fiscal year. There is no overtime pay for the secretary-general. Board of Directors costs also included a part-time position for a salaried chairman until August 2018. After August the new chairman is compensated with a fixed amount. The foundation has no other commitments with regard to pensions or severance pay to individuals in leadership positions.

Regional offices

ERIKS has four regional offices. Staff at the office in Burkina Faso is employed in a local registration of ERIKS. The staff in Cambodia, Uganda and Romania are formally employed by a local partner organization. These services are all recorded as direct programme expenses, in notes 6 as Regional offices and are not included in the above table.

Personnel costs for employees of the Children of the World Campaign

	2019	2018
Salaries and benefits	-	885
Pension costs	-	78
Social costs	-	267
	-	1,230

ERIKS' net profit/loss was not affected by costs incurred by the Children of the World Campaign. Full compensation has been received from the campaign.

Amounts in thousands of SEK

NOTE 6

Programme expenses	2019	2018
Programmes	84,861	101,286
Humanitarian interventions	2,641	4,960
Regional offices	6,343	4,578
Programme coordination	10,852	10,998
Material assistance Human Bridge	1,500	1,500
Scandinavian Doctors	1,706	1,881
Communication	4,587	5,418
Annual grants and other applications	1,711	1,524
Total	114,201	132,145

NOTE 7

Result from other securities and receivables accounted for as fixed assets	2019	2018
Depreciation	-300	-
Total	-300	-

NOTE 8

Interest income and similar item	2019	2018
Dividends	1,120	872
Interest income	519	707
Exchange differences	-	309
Capital gain	1,224	1,936
Total	2,863	3,824

Amounts in thousands of SEK

NOTE 9

Tax on commercial activities	2019	2018
Current tax	-69	-67
Tax on this year's profit	-69	-67
Net profit, in taxable activities, before tax	313	306
Tax calculated according to tax rate, 21,4%	-69	-67
Reported tax expense	-69	-67

NOTE 10

Investment property	2019-12-31	2018-12-31
Acquisition cost, opening balance	15,103	20,868
Sales and scrapping	-	-5,765
Accumulated acquisition cost	15,103	15,103
Depreciation, opening balance	-12,537	-16,876
Sales and scrapping	-	4,690
Depreciation	-347	-351
Accumulated depreciation	-12,884	-12,537
Net value in balance sheet	2,219	2,556
Market value	12,000	14,500

Properties are appraised by an external party in 2015 and 2019. These appraisals set the value in the interval between 9 and 15 million SEK. ERIKS' Board has therefore set the value to 12 million SEK.

NOTE 11

Equipment and vehicle	2019-12-31	2018-12-31
Acquisition cost, opening balance	4,412	4,642
Investments	66	99
Sales and scrapping	-	-329
Accumulated acquisition cost	4,478	4,412
Depreciation, opening balance	-3,810	-3,756
Sales and scrapping		310
Depreciation	-304	-363
Accumulated depreciation	-4,114	-3,809
Net value in balance sheet	364	603

NOTE 12

Long-term receivables	2019	2018
Acquisition cost	1,500	1,800
Amortization	-600	-300
Depreciation	-300	-
Net value in balance sheet	600	1,500

Amounts in thousands of SEK

NOTE 13

Prepaid expenses and accrued income	2019	2018
Prepaid rent	368	322
Prepaid insurance premiums	64	74
Accrued interest income		233
Accrued programme costs	534	1,520
Accrued bequests	2,106	-
Other	369	107
Total	3,351	2,256

NOTE 14

Short-term investments	2019-12-31	2018-12-31
Swedish stocks	25,660	23,263
Equity funds	1,703	1,691
Fixed income funds	23,196	21,051
Total	50,559	46,005

The market value amounted to 63,359 thousand of SEK on 31 December 2019 (49,470 for 2018).

NOTE 15

Cash on hand for special purpose	2019-12-31	2018-12-31
Swedish Mission Council	5,519	499
Forum Syd	472	2,258
Radiohjälpen Foundation	2,944	2,893
Postcode Lottery	1,555	4,540
Other	248	266
Total	10,738	10,456

NOTE 16

Liability from unused grants	2019-12-31	2018-12-31
Swedish Mission Council	5,519	499
Forum Syd	472	2,246
Radiohjälpen Foundation	2,944	2,893
Postcode Lottery	1,555	4,540
Other Items	248	265
Total	10,738	10 443

The debt pertains to projects that have not commenced, or have only partially commenced, where the projected costs have not yet arisen though the funds that have been set aside for that purpose.

Amounts in thousands of SEK

NOTE 17

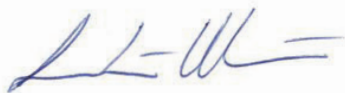
Accrued expenses and prepaid income	2019-12-31	2018-12-31
Accrued holiday salaries	2,134	2,025
Accrued payroll pay-outs	203	335
Accrued social obligations	1,433	1,458
Accrued programme costs	49	473
Other items	658	392
Total	4,477	4,683

NOTE 18

Cash and cash equivalents	2019-12-31	2018-12-31
Cash	-	4
Bank balance	26,927	18,806
Total	26,927	18,810

SIGNATURES

Huskvarna 2020-03-27


Anna Lönn Lundbäck
Ordförande



Michael Kihlström
1:a vice ordförande


Daniel Skoghäll
2:e vice ordförande


Daniel Grahn
Generalsekreterare


Linda Gårdstam



Cecilia Magnusson


Jonas Sandwall


Ulrika Erkenborn Rugumayo


Annette Sandwall


Tobias Nilsson


Henrik Törnqvist

Our audit report was submitted on May 8, 2020. Öhrlings PricewaterhouseCoopers AB


Mats Angslycke
Authorized Public Accountant


Leif Göransson
Authorized Public Accountant

Auditor's Report

Unofficial translation



To the Board of Directors of ERIKSHJÄLPEN, Insamlingsstiftelsen Farbror Eriks Barn- och hjälpverksamhet (ERIKS Development Partner), identity number 827500-4789

Report on the annual account

Opinions

We have audited the annual accounts of ERIKS-HJÄLPEN, Insamlingsstiftelsen Farbror Eriks Barn- och hjälpverksamhet (the foundation) for the year 2019. The annual accounts of the foundation are included in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the foundation as of 31 December 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the foundation in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts

This document also contains other information than the annual accounts. The Board of Directors are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and 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 information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, 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 Board of Directors and the Secretary General

The Board of Directors and the Secretary General

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

In preparing the annual accounts, The Board of Directors and the Secretary General are responsible for the assessment of the foundation'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 of accounting is however not applied if the Board of Directors and the Secretary General intend to liquidate the foundation, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the foundation's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expres-

sing an opinion on the effectiveness of the foundation's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Secretary General.
- Conclude on the appropriateness of the Board of Director's and the Secretary General's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the foundation 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 represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors of ERIKSHJÄLPEN, Insamlingsstiftelsen Farbror Eriks Barn- och hjälpverksamhet (the foundation) for the year 2019.

In our opinion the board members have not violated the Foundations Act, the statutes of the foundations or Annual Accounts Act.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the foundation in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the foundation's organization and the administration according to Foundations Act and the statutes of the foundation.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the foundation, or
- in any other way has acted in contravention of the Foundations Act, the statutes for the foundation or the Annual Accounts Act.

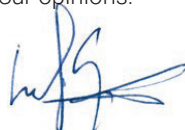
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the foundation.

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 based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the foundation'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.

Jönköping, May 8, 2020

Öhrlings PricewaterhouseCoopers AB

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



Leif Göransson
Authorized Public Accountant



Mats Agnslycke
Authorized Public Accountant