

# OPERATION MERCY

partnering to build hope, capacity and community

## 2018 ANNUAL IMPACT REPORT

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*Then I heard about Operation Mercy, and when I went there, hope returned. The staff treated me with kindness and empathy, and I was told that there are things that can be done to help my son.*





Kazakhstan //

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# Dear friends of Operation Mercy

*In our Annual Impact Report for 2018, we endeavour to document how Operation Mercy's activities have helped transform lives. The five key concepts in our purpose statement are as follows:*

1. To **partner** with others to
2. restore **hope**,
3. grow **capacity**, and
4. promote **community** through relief and development initiatives that
5. **transform lives**, including (especially) our own.

The five main ideas in our purpose statement are partnership, hope, capacity, community, and transformed lives. These five notions provide the outline for the 2018 Annual Impact Report.

In 2018, Operation Mercy had 310 staff engaged in life changing humanitarian and community development activities. This report tells some of the stories of our programme participants and staff. You can find more information at our website [www.mercy.se](http://www.mercy.se). In this report, we describe how our activities helped improve the lives of hundreds of thousands of programme participants and beneficiaries, as well as the lives of our staff.

In 2018, we successfully operated programmes in Afghanistan, Iraq, Iran, Jordan, Kazakhstan, Tajikistan and North Macedonia. We were also engaged in projects in Bangladesh, Mauritania, Sudan, Egypt, Pakistan, and Kyrgyzstan through partnerships with like-minded civil society organisations. Over 450,000 people benefited from our programmes, many of whom experienced significant improvement in the quality of their lives. This report is presented as evidence of such.

## BOUNCING BACK

I characterise 2018 as a year of organisational rebound and recovery after a financially and emotionally tough 2017. The kidnapping and murders of the previous year took their toll emotionally and physically on our staff (and myself). However, healing and recovery are taking place. Our financial situation has stabilised. Our international staff have returned to Afghanistan, and there are many positive indicators as you will see in this report. In 2018, we conducted a 'Preferred Future' study to discern the best way forward for Operation Mercy. We asked ourselves, "What is the optimal way to position Operation Mercy for the future to better fulfil our organisation's purpose? This study became the foundation of our new strategic plan, which we plan to complete and begin implementation in 2019.

## FUTURE

Globally, there has been continued turmoil in places where Operation Mercy works, particularly in Afghanistan, Iraq, and Iran. In spite of the challenges, Operation Mercy plans to move forward into difficult places so as to accomplish the purposes of our organisation. We anticipate and plan that our international office will become increasingly virtual as technology and staffing needs continue to evolve. After ten good years as the CEO of Operation Mercy, I plan to pass the baton of leadership in 2019. I am proud of the achievements of Operation Mercy in 2018. In the following pages, we provide a summary of both our successes and challenges.

*Sincerely,*

*Dr. Scott Breslin  
International Director  
May 2019*



**Dr. Scott Breslin**  
International Director





## Operation Mercy

*As a signatory to the United Nations Sustainable Development Goals (SDG), Sweden, along with 195 countries of the UN General Assembly, adopted the 17 development goals above.*

Operation Mercy, with its headquarters and donor base in Örebro, Sweden, is proud of its contribution towards the UN's Sustainable Development Goals. Our programmes are specifically addressing 13 of the 17 goals. In particular, No Poverty, No Hunger, Good Health, Quality Education, Gender Equality, Clean Water and Sanitation, Good Jobs, Reduced Inequalities, Sustainable Communities, Peace and Justice, and Partnerships.

We also demonstrate our agreement to Sweden's Policy for Global Development, which was approved by the Swedish Parliament in 2003. The main focus of the policy is to contribute to the achievement of equitable and sustainable global development. In our work, we tirelessly support the development of local Community Based Organisations (CBO) and the growth of civil society.

### WHO WE ARE

Operation Mercy is a purpose-driven global community of project managers, administrators, accountants, engineers, health professionals, therapists, community workers, teachers, and other occupations. Our staff of over 300 come from many nations, speak dozens of languages, represent different faiths (primarily Muslim and Christian), and come from diverse walks of life. Our international headquarters are located in Örebro, Sweden. Our programmes focus on helping the poor and marginalised of Central Asia, North Africa, and the Middle East.

### OUR PURPOSE AND VISION

Our Purpose and Vision is to work in partnership with others to restore hope, grow capacity, and promote community through relief and development initiatives that help transform lives, including our own. We believe that as we invest in others we will also be transformed.

### OUR VALUES

Two stanzas from renowned poets of the 12th Century eloquently summarise many of the shared aspirations of Operation Mercy's community of humanitarian and aid professionals. The first is a verse from the poem 'Gulistan' by the great Persian poet Sa'di (1213–1291):

*"Human beings are members of a whole,  
In creation one essence and one soul.  
When one member is afflicted with pain,  
Other members will not at rest remain."*

The second poem is in the form of a prayer attributed to the joyful troubadour of Europe, St. Francis of Assisi (1182–1226):

*"Lord, make us an instrument of your peace.  
Where there is hatred, let us sow love.  
Where there is injury, pardon.  
Where there is doubt, faith.  
Where there is despair, hope.  
Where there is darkness, light.  
Where there is sadness, joy.  
Lord, grant that we may not so much seek  
to be consoled as to console;  
to be understood as to understand;  
to be loved as to love."*



## MEASURING IMPACT

Our strategy in designing and implementing programmes is to develop opportunities to achieve positive and quantitative changes in hope, capacity, and community. However, measuring quantitative changes in hope, capacity, and community is an imprecise science. When we teach literacy to women in Mauritania or Afghanistan, it is not difficult to measure how many women have learned to read. Yet literacy is more of a means to an end rather than the end itself; our primary purpose in teaching literacy is to help these women achieve the following:

1. Increase their optimism for the future (i.e. **hope**) by having an increase in self-confidence and greater sense of self-worth.
2. Develop **capacities** they did not have before (i.e. help their children with school work, read instructions on medicine, or open a business and be able to read written records).
3. Become more valued contributors to their **community** (i.e. family, neighborhood, tribe, etc.). We aim to integrate these concepts of hope, capacity, and community into our project design, organisational structures, monitoring and evaluation cycles and hence develop a culture of positive change out of poverty.

In this report, we have provided the reader with some statistics, such as the actual number of direct participants (87,316) and a conservative estimate of the number of indirect beneficiaries (450,439). This is one way of measuring and demonstrating impact, yet it is not totally satisfying. We have tried to supplement statistics with stories and testimonies of people who have participated in Operation Mercy programmes and had their lives improved and transformed. We hope that this combination of numbers and narrative presents a balanced view of Operation Mercy's overall impact.

Not everyone who participates in Operation Mercy's programmes have their lives transformed. Admittedly, we choose to include the 'success stories' in our Annual Impact Report. We are not ashamed of the fact that some people were not meaningfully impacted by participating in Operation Mercy programmes. We do not claim that all participants in our programmes have had their lives transformed—only that some have. Our staff are also changed in the process. We adhere to the adage, "*changed people change people*". Here, we celebrate those transformed lives and hope to learn from everyone.

## OUR CORE DEVELOPMENT PRINCIPLES

*We approach our work with the following principles in mind that shape the way we understand our contexts and design our programmes.*

**Strength-Based Approach:** We focus on strengths and what is present, as opposed to weaknesses and what is lacking. Thus we attempt to focus on assets rather than needs alone.

**Mutual Contribution:** We focus on partnership and the fact that every person has something to give. Thus we attempt to focus on joint contribution rather than givers and receivers.

**Mutual Transformation:** We focus on the fact that there is no transformational development apart from people who themselves are being transformed. We try to see ourselves as fellow learners rather than outside experts.

**Bottom-Up Approach:** We focus on solutions from within the community as opposed to imposed top-down interventions. We are often heard saying, "*Approach it inside-out, not outside-in.*"

**Empowerment:** We focus on people and developing human capacity as opposed to buildings, equipment or other fixed assets — "*People and Processes*" rather than "*Products and Projects*".

**Sustainability and Reproducibility:** We focus on simple, reproducible ideas that can spread quickly as opposed to expensive one-time projects. We believe that small, fast, and simple is better than big, slow, and complex.

**Multiplication:** We focus on constantly duplicating ourselves in others who duplicate themselves in others and so on. We often remind ourselves that "*transformed people transform people.*"

**Values-Based Approach:** We try to focus on dealing with root causes rather than simply responding to symptoms. However, the roots of poverty are diverse and complex. Rarely is poverty simply a lack of money. Quite frequently, we find it is rooted in hopelessness, loneliness, injustice, and worldview.

**Rights-Based Approach:** We therefore affirm and reinforce the six main principles of the Common Understanding (UN, 2003) of the rights-based approach. These include universality, indivisibility, inter-dependence, equality, participation, and accountability.





# Organisational Partners in 2018

Dozens of organisations and hundreds of individuals partner with Operation Mercy each year. Besides funds, our partners provide expertise, material goods, and free or discounted services. In 2018 our funding partner organisations included:

Atlas Copco AB, Water4All  
 Cedar Fund  
 Embassy of Australia  
 Embassy of Germany  
 Embassy of Switzerland  
 EO Metterdaad  
 Firstfruit  
 GR-Vaksince  
 House of Hope-Vales  
 Husman Lokaler AB  
 Din Gravyr  
 IN-form Tech  
 International Aid Service  
 Jönköpings Fastigheter  
 KindernotHilfe  
 Kägeskolan  
 Linda Norgrove Foundation  
 Läkarmissionen  
 Mercy Corp

Sweden and Tajikistan  
 Hong Kong  
 Iran  
 Tajikistan, Iran  
 Iran  
 Netherlands  
 USA  
 Macedonia  
 Macedonia  
 Sweden  
 Sweden  
 North Macedonia  
 Sweden  
 Sweden  
 Sweden  
 Germany  
 Sweden  
 UK  
 Sweden  
 North Macedonia

Nerikes Allehanda  
 OM  
 ORA  
 PRISMA  
 Samaritan's Purse  
 SEND International  
 SIGA  
 SMC/SIDA  
 Swiss Relief  
 TEAR Australia  
 Tearfund  
 Tenhults Pressgjuteri AB  
 Um Al Resas Women's Coop.  
 UNHCR  
 UN Women  
 UNICEF, WHO & WFP  
 Villstads Församlings Sykrets  
 VOM  
 ZOA

Sweden  
 Global  
 Netherlands  
 Netherlands  
 UK  
 North Macedonia  
 Global  
 Sweden  
 North Iraq  
 Australia  
 UK  
 Sweden  
 Jordan  
 Global  
 Jordan  
 Tajikistan  
 Sweden  
 Jordan  
 Netherlands

## Facts and Figures at a Glance

### VALUE OF VOLUNTEER HOURS

**66,284** professional volunteer hours  
 estimated to be worth a  
 minimum of  
**26,182,575 SEK**  
 or 2,561,896 €

### INCOME SOURCES

**34%** from Sweden  
**66%** International

### TOTAL PROJECT BENEFICIARIES

**537,755**  
 people in ten countries

**64%**  
 female

**36%**  
 male

### Programme Costs (Field expenses)

**91%**

### LOW OPERATING COSTS

**9%**

International Office  
 Administrative Costs









## Building Hope

### COMMUNITY BRINGS NEW HOPE TO A MOTHER

**Eszher\***, a Tajik mother, took her son to see a doctor soon after giving birth to him. The baby boy's head was abnormally large. He was diagnosed with hydrocephaly, a condition in which fluid builds up in the brain. Baby Jasper\* stayed in the hospital for three days, but as nothing seemed to help his situation, he was sent home. "He will never get better," Eszher was told. Eszher did not give up and went to see other doctors, but they all said the same thing. Jasper would not get better. Hopelessness filled Eszher's heart.

"Then I heard about Operation Mercy, and when I went there, hope returned. The staff treated me with kindness and empathy, and I was told that there are things that can be done to help my son."

When Jasper first came to Operation Mercy, he could not sit up by himself. The staff worked with him patiently twice a week for two hours at a time, and as a result, Jasper started learning how to sit. Then he started learning how to stand, using a standing frame.

For every major holiday in Tajikistan, Operation Mercy organises events for the children. When Eszher was told her son could participate in the festivities, she doubted it would be possible. During the event, Jasper took part in an activity where traditional bread baking was demonstrated, taking the bread out of the oven with the help of the staff. When Eszher saw her son participating with the other children, she started crying out of happiness. "This community has helped my son to improve not only physically, but also mentally. He is able to understand many things better, and also be socially involved with other children. I am so grateful that I received new hope for my son after doctors had told me there was none."

### A BAKING BUSINESS TAKES A FAMILY OUT OF DEBT

**Razia\*** is a member of a self-help group in Afghanistan. She has six children; four of them in school. Razia's life used to be hard. Her husband had health problems and could not work regularly, making it hard for the family to meet ends. They ended up in debt to the shops because they could not pay for the food they needed for their family.

Razia was told about the women's saving group three years ago when she first moved to the area. She decided to visit the group to find out more. After learning how the group works and what its rules are, Razia decided to join.

"I became very happy and was refreshed in the group," Razia said. "Although I spent most of my time at home with noisy children and the many difficulties of life, I started to feel hope when I came to the group. I found the stories of the other women always very interesting. I found that the group was not just about savings and taking loans, but there were also many important social issues that we could learn and talk about. I was also able to get very good lessons about self-sufficiency."

Razia began thinking about starting a bakery to help her family and decided to take a loan of 10,000 AFN (approximately 110 Euros) in order to get started. She made a tandoor in the corner of her house so she could bake the bread. The family worked together: Razia baked inside the house, and her son sold the bread outside the house. They could make as many as 300 loafs of bread in a day and were able to pay back the money they owed. Now Razia is thinking about taking another loan so she could grow the business even further by adding a big room to the house. This would give her a separate working space so the flour and the dough would not travel everywhere in the house. "Baking is a good business because it does not depend on the season – in both summer and winter we can bake bread. I am

*\* name has been changed*



very happy for the group and the changes that have come to my life. I am especially happy that I now have a big new family, which is my group. We are really thankful for the self-help group project and the hard work of the facilitators. When we did not have the training, we were blind, but now we have started to see!”



### FITNESS CLASSES HELP CREATE A POSITIVE ATMOSPHERE

**Group fitness classes in the refugee camps** in Northern Iraq are a valuable activity in several ways. They benefit the women by creating a positive atmosphere for community building. They improve physical health through exercise, and they provide an appropriate outlet for stress relief.

One of the group fitness participants said: “Since my husband is unable to work, I am both a housewife and the income provider for our family. I work as a tailor, but I used to be very anxious about the future and broken on the inside. My knees hurt me a lot and I gained weight. I became so fat that my husband told me he can no longer recognise me! One day I saw someone I know. She looked different because she had lost weight since I had last seen her. When I asked her how she had been able to lose the weight, she told me about the fitness programme.”

Another woman said she had become emotionally worn down and depressed after the war because she was constantly thinking about how they had fled Syria and arrived in the camp. “The sadness I felt, combined with boredom and lack of good friends, left me without hope and joy,” she said. “I wished I could meet new friends like the ones I had like when I was in school. The friends I have gained through the fitness programme have brought new joy to my life and I hope this project will never end!”

### VEGETABLES AND MEDICAL ASSISTANCE

**Faris\* is a simple man that spends** his days as a guard for a building in the hills of Jordan. He and his wife Tabitha\* got married six years ago and lived in a small town in Syria when the war started. The bombing was very intense in the area. Tabitha had a miscarriage during this time, and the couple was struggling to find enough food to eat. Over a few years, they were able to have two children, though the second boy was weak and very sick. During the winter time, they did not have blankets and finding food was a constant issue. Faris would routinely lock every door and window out of fear. One day when they were very hungry and had seen several children killed in the streets, Faris came home with a grenade. He sat it in the middle of the room and told Tabitha that they should kill themselves. The two of them thought about this for a while. Then Tabitha appealed to him that they would try to live for their children’s sake.

\* name has been changed

Soon after that, in the summer of 2017, a relative helped Faris and Tabitha to escape to Jordan. It took them a lot of red tape and help from the consulate in Beirut since Jordan stopped accepting refugees in 2015. Upon arriving in Jordan, they went to one of Operation Mercy’s local partner churches for fresh vegetables. Operation Mercy has a sustainable farming project in the Jordan Valley, and all produce grown is donated to local groups – like this church – to be distributed to refugees.

Some months later, the family moved to a small village to be closer to relatives. It was in this location that the Operation Mercy community health team met them through a referral for medical assistance. Operation Mercy had been intentionally focusing on this area because no one was working there and the needs were great. The Community Health Programme team was able help Tabitha understand the effects of trauma and give her strategies to help her kids, who still experience side effects. Having health professionals on the team opens many doors to serve such families, as well as help families like this one to grow in their newfound hope.



### FINDING HOPE AND JOY THROUGH A SELF-HELP GROUP

**Gulya\*, who attends a self-help group in** Kazakhstan, had an unhappy marriage. Her husband was unfaithful to her, drank heavily and beat her. Gulya fled from the city they were living in with her twin boys and arrived in the area Operation Mercy works in. She had very little in terms of possessions.

When she first came to the self-help group meeting, she was depressed and suicidal. “It was only because I could not leave my sons that I did not kill myself,” she said.

At the centre where the self-help group meets, she was overwhelmed by the first bit of kindness she had been shown in a very long time.

Now Gulya’s attitude has changed: “Here in our self-help group we are communicating with each other. We are supporting one another. I am encouraged to look after myself and to respect myself. I am hearing for the first time that I am valuable. I am starting to have hope, and I am starting to have joy. I am starting to like myself and I want to live.”





## Growing Capacity

### A LOCAL STAFF MEMBER REACHES OUT TO HER COMMUNITY

**Nargis\* began bringing her son, Mirodil\*, to** Operation Mercy's disabilities group from the very beginning of the work in Isfara, Tajikistan, in 2015. Since then, she has brought him faithfully, knowing the value of regular interaction and input for Mirodil and seeing him progress through the group's activities. After over a year of voluntarily helping in the group and encouraging other mothers, Operation Mercy hired Nargis as one of its first local staff in September 2016.

Since then, Nargis has been committed to her own professional development: She has been asking questions to learn more

about her work and attending trainings. She engages with all the children in the group and can lead the singing, lessons, and group activities on her own. Her confidence has grown immensely, and with this growth, she has begun to teach and train other mothers in a way that contributes to making Operation Mercy's work in Isfara truly sustainable.

Most recently, during staff appraisal conversations, her colleagues were yet again astonished by how much Nargis has grown and improved in her work. She shared about several very exciting and unexpected goals. She would like to lead her own

*\* name has been changed*



classes for mothers. Though she needs some help preparing them, she is excited to contribute in such a way. She also pointed out that there are still many severely disabled children who remain at home and with whom local social workers are incapable of working. Nargis wants to begin doing home visits with them. She and her co-workers are perhaps the only people from Isfara who possess the knowledge and skills to properly help these vulnerable children.

It is encouraging to see this newfound capacity in a mother of a child with disability. Previously isolated at home, she is now bringing her son into the community, interacting with other mothers, and using her own experiences with disabilities to help and encourage others.

### **A TAILORING STUDENT CHANGES THE STATUS OF HER FAMILY**

**Mahgol\* is a successful and talented student** in the Operation Mercy tailoring class in Iran. Her mother was a student of the literacy class in the past. Her family was so poor that their life depended on Operation Mercy's food support. When Operation Mercy's social worker went to visit her house, she found out that they were living in the room of a guard at a very distant and abandoned industrial property. There was almost nothing in the room except a carpet and a few pillows and blankets. Mahgol's father was suffering from a severe eye infection. The room was all that he could provide for his family.

One day a social worker saw Mahgol cutting fabric for a gown and decided to ask her mother about the girl. "Mahgol is my oldest daughter," the mother said. "She was the top student in her class at school, but because of our bad financial situation she was had to leave school in order to help her father earn a living for the household." Mahgol's younger siblings had also stopped going to school.

Because of her clear interest and talent for tailoring, the social worker suggested for her to join the tailoring course. "I saw the light of joy in her eyes after hearing my suggestion," the social worker said.

In her first few months of her training, equipped with only basic skills in tailoring, Mahgol managed to receive orders from Afghan women and started making some money. After some time, with great enthusiasm and her hard work, she progressed successfully up to the advanced stage.

After her graduation, Mahgol was employed in a tailoring workshop. Apart from the money that she earns from working in the shop, she has various orders from private customers at home. She earns a significant income and is of great help to her family. In fact, her work has changed the status of the family, and they no longer need food aid from Operation Mercy. Mahgol's mother says that she is far beyond a girl. She has gained the power of a man who is not waiting for her father to support the family. She counts on herself and the family counts on her.

### **LEARNING TO STAND UP AND SPEAK OUT**

**One of the girls at the Lyceum** in Tajikistan, Susan\*, has had a disability since childhood. She is quite shy and has struggled with speaking in front of her classmates. "Most of my classmates think I am stupid," Susan said. "I'm not stupid, but I just can't express myself in front of others. When I am asked a question, the words just get stuck and I cannot say anything."

However, coming to the lessons and participating in the meetings has given Susan that extra push necessary in order for her to break free from her fears. She has learned to stand up and speak out and wishes to thank the facilitator and her fellow participants for their patience. "It was not easy for me, but I wanted to participate and share what I have learned, for example about TB, healthy food, relationships, and stress management. I hope that in September we will continue to learn new things and become more equipped with knowledge that will help us not only in our own lives but also to influence others."

\* name has been changed



# Growing Community

## FRIENDSHIPS FORM AT A COMMUNITY CENTRE

**In Jordan, one of the volunteers** at a community centre brought her son to work with her during the school holidays. Her son does not have a disability, but she wanted him to be a part of what goes on at the centre. Very quickly her son, Haythem\*, approached Leith\*, a young boy who has a condition that causes his muscles to weaken over time.

After playing together for several weeks, the boys started forming a friendship naturally. Haythem likes to help Leith with physical and educational activities, challenging and encouraging him. Most importantly, Haythem simply accepts Leith for who he is. The volunteers have noticed how Leith has started smiling more. His beautiful brown eyes, usually guarded, now shine mischievously and with more confidence.

One day in particular stands out. Leith and Haythem were teamed up against two other boys in a game of throwing and

kicking balls from their wheelchairs. The hallway of the community centre was filled with roars of laughter and cheering. The joy of these two boys becoming friends may seem like a small step, but it can be part of a giant leap towards becoming an inclusive community for all.

## EMPOWERING COMMUNITIES

**The WaSH (Water, Sanitation and Hygiene) Project** has been ongoing in a community in Afghanistan for nearly three years. Each week the WaSH team educates people about clean and safe water supplies, the need for good sanitation and use of toilets, and other health and hygiene related issues. Operation Mercy has many groups in the vicinity of this community and has encouraged these groups to take responsibility for some of the issues in their community. They do this through the formation of a 'Shura' group: a group that promotes clean water and better sanitation and hygiene practices for the community. The Shura is made up of one representative leader from each of the WaSH groups, who meet once a month to discuss issues in the community and find ways to solve these issues. They are encouraged to look for their own solutions from within the community, rather than just ask for help from outside.

One month when the Shura met, they said that one of the wells in the community wasn't working, and that part of the community was struggling to get clean water as a result. The Shura discussed the issue and decided that they could repair it themselves. They agreed to raise the money needed through the various WaSH groups within the community. Enough money was collected to repair the well.

It was exciting to see their desire and willingness to work together, and the initiative they took to help one another and to ensure clean water for their community.

\* name has been changed



## RAISING AWARENESS IN KAZAKHSTAN

**Operation Mercy organised a conference in Kazakhstan** for parents whose children are HIV positive or have AIDS. The participants were given basic information about the cause, prevention, and treatment of HIV and AIDS. For many parents, this was the first time they learned about the disease their children are living with.

Various beliefs and cultural traditions shape people's understanding of the disease often resulting in incorrect information, carelessness, and even neglect. Some parents had believed – prior to the conference – that HIV/AIDS is a Western disease that could not affect them or their adult children. Others thought that only drug addicts were susceptible to the disease.

A common view among the parents was that Central Asian nationalities do not and should not live together before they are married. Virginity is considered important for women to 'marry well'. Because of the cultural norm that assumes young people remain virgins until marriage, HIV testing is seen as unnecessary.

One mother was upset saying she was afraid for her daughter – that a man will tell her that he loves her and wants to marry her, but she will not know what is in his blood. "How will I save my daughter from HIV when she gets married?" she asked. Other parents struggled with the idea of getting involved in their children's lives. "I know my son has HIV, but he must live his own life and enjoy being with many women," one of the mothers said.

The conference facilitator worked through many layers of false beliefs and cultural traditions during the conference, answering questions and listening to worries. At the end of the day she was pleased with the outcome of the conference, and felt confident that the parents now have enough information. They left the conference determined to discuss the disease with their children and to become advocates for them.

## GROWING IN UNDERSTANDING

**Two Iranian mothers, Zahra\* and Naadia\*, both** attend a group for disabled children and their parents. One group meeting began awkwardly as there was clear tension between the two mothers. They would not even look at each other, and Zahra, particularly, was quite upset. Finally, she told the group how she had met Naadia and her son at a park recently. The two women had started talking while their children played. Naadia had made remarks about Zahra's son, Sami\*, saying it was because of Zahra that he was not learning and growing like her son, Na-

\* name has been changed

zir\*. Both children have cerebral palsy. Nazir has learned to walk; Sami is still learning how to sit on his own.

The social worker facilitating the group picked up the topic in the group session. "Every child with cerebral palsy is unique," she explained. "Depending on the brain area affected and the severity of the damage, the impairment is different. It is important that we look at each child and help them develop their potential. Comparing with each other is neither encouraging nor helpful."

After hearing the social worker's explanation, Naadia turned to Zahra and said: "I'm sorry for what I said to you and that I offended you." The room filled with joy as the two mothers reconciled.

A few weeks later the two mothers told the social worker that they now intentionally meet in the park with their children. Working through the conflict helped them grow their friendship.

## BUILDING TOGETHER

**A community project in Tajikistan invites peers,** children who do not have disabilities, to regularly attend rehabilitation activities six months before school starts. On one such day a teacher was observing the children at play. They were initially each doing their own thing. One was playing with a ball, while another was fishing with a magnet. There was a child playing with dolls, another one with cars, and a boy from the peer group called Umar\* was building with blocks. He built a house and a parking lot for cars. The other children started to notice his building project and one by one they started to come nearer and brought their contributions. One brought a car, one helped to add another storey to the house, and another brought a flag to fly from the top of the house. After a while there was a big building project with many buildings. A single-house project had become a modern suburb.

The children had always been given time for free play, but the teachers had never seen an attempt at building such a project together before. The children worked side by side towards accomplishing a common goal and the result was beyond everyone's expectations. The teachers saw the importance of involving peers and having the children learn to work together before schools starts.



## Transforming Lives (Including Our Own)

*Since the previous stories demonstrate how the lives of our programme participants are being transformed, here are some of the lessons our staff learned in 2018:*

*There are many layers of information to consider when you are making a decision. We have been looking for many months to find a new office. Each time we think we have found somewhere suitable, our outside security consultant tells us there is a problem with the security, and each time I learn a little bit more about the situation in the city and the security threats that we need to pay attention to. It is frustrating and needs perseverance, but it is also good learning.*

*This year I had the opportunity to develop my character through the tedious, corrupt and complicated process of re-registering Operation Mercy in-country. I had to let go of a handful of our local staff because the region authority has a limit on how many people from their tribal ethnicity can be on your staff. It is difficult to follow governmental policies that seem to lack justice. I learned to release control of my staff and of my timing and have learned to say and pray: "Your will be done, let your Kingdom come in my heart and among the people you love."*

*I have learnt how important it is to give time to listen to people and to talk about issues. Sometimes we can be so busy doing the work that we can make decisions that upset people because we have not taken time to talk and explain what we are doing. But when we stop and talk, we can make sure that relationships are kept strong and that we value people.*

*Project Managers that obtain the PMD Pro certification are a more well-rounded Project Manager for the technical part of a project and are able to more intelligently interact with larger donors (have discussions and submit project proposals).*

*I allowed a lot of work details to suck my time away from where it should have been spent: developing my staff and reading.*

*I perpetuated a crippling mentality, that leadership is administrative, and the leader's job is to protect people from it. The apex of morgs are field team leaders. Everything above that, while respected as a type of statesmen status, is impotent. As a result, my project managers have no desire to assume more*

*leadership responsibility. I could have been more intentional to develop them as leaders.*

*When I was at home talking with people about the terrible security incident we faced last year, I was surprised that many people were encouraged by the things that I was sharing. I was able to tell them that even though the situation in Afghanistan is dangerous at times, and even though we suffer some horrible things, still the work has continued and still we continue to find hope because we know that God is loving and good. I learnt that many people are facing different kinds of difficulties in many parts of the world, and that when we share our own stories, we can be an encouragement to others.*

*I have learnt to be more content in the situations that come. I cannot control or change all things but that which I can influence there is a way to guide and direct well. I am glad that we have set up a regime of weekly meetings with staff as this has really unified us and made us feel that we are working together.*

*Sometimes being a leader hurts. Sometimes suffering quietly on behalf of the team is the most courageous and noble thing to do because you love your colleagues. I'm not talking about avoiding*

*conflict, I'm talking about bearing up when you suffer from other peoples' mistakes, which happens quite frequently if you lead a large team since people are not perfect and you want to create an atmosphere where mistakes are not punished but learned from.*

*I have to say, the Management Team here at the country office, which is a combination of local staff and expat volunteers, is a pleasure to work with. They are motivated, conscientious and always ready to learn and try new things. During this time of being between County Directors, they have excelled in their management skills and in working together to solve problems. They have come a long way in the last few years, largely due to the leadership and mentorship demonstrated by the previous country director.*

”  
It can be very difficult at times to understand people. It takes time to really listen, not just to what they are saying but to the things that they are not saying with words. We need to ask good questions in order to better understand those we are talking with.







**Operation Mercy**  
**Org nr 826001-5279**

## **Årsredovisning för räkenskapsåret 2018** **Annual Report for the year 2018**

Styrelsen avger följande årsredovisning.  
The Board of Directors hereby submit the following Annual Report.

Innehåll / Contents	Sida / Page
- förvaltningsberättelse / management report	2
- resultaträkning / profit and loss statement	6
- balansräkning / balance sheet	7
- noter / notes	8

Om inte annat särskilt anges, redovisas alla belopp i svenska kronor. Uppgifter inom parentes avser föregående år.  
All figures are shown in SEK, if nothing else is specified. Figures in brackets concern prior years.

## Förvaltningsberättelse / Management Report

### Allmän information om verksamheten / General information about operations

Operation Mercy är en internationell biståndsorganisation med huvudkontor i Örebro, Sverige. Vårt syfte är att genom samarbete med andra arbeta för att öka kapaciteten och främja samhällsengagemanget genom bistånds- och utvecklingsprojekt som bidrar till att inge hopp och att förändra både andras och våra egna liv.

*Operation Mercy is an international relief and development organization headquartered in Örebro, Sweden. Our purpose is to work in partnership with others to restore hope, grow capacity, and promote community through relief and development initiatives that help transform lives, including our own.*

### Ekonomi / Finance

I likhet med 2017 fortsatte våra kostnader på det internationella kontoret under 2018 att vara större än våra inkomster och vi tvingades att ta av vårt sparkapital för att betala våra fakturor. Vi behöver fortsätta arbetet att samla in "ospecificerade gåvor" för att täcka våra kostnader kring det administrativa arbetet som utförs på huvudkontoret. Våra insamlade medel för projekten är god även om vi ofta har brist på ekonomiska resurser.

*As in 2017 our expenses in the International Office (IO) in Sweden continued to exceed our income and we again needed to dip into our reserves to cover our bills. We need to continue working at raising 'un-designated funding' to fund the administrative and support work done at IO. Our project funding is in good shape, though even here we are often pressed for resources.*

### Styrelse och Ledning / Board and governance

Styrelsen består av sex ordinarie ledamöter och två adjungerade ledamöter, och representerar en mångfald av kvinnor och män i olika åldrar och med olika nationaliteter. Styrelsen träffades tre gånger under 2018, det konstitutionella styrelsemötet efter årsstämman inräknat. De styrelsemedlemmar som bor i Sverige har haft regelbundet träffat den internationella direktorn mellan styrelsemötena.

*The board consists of six regular members and two non-voting partner members and is diverse in gender, age, and nationality. The board met three times in 2018, including the constitutional board meeting after the annual general meeting. The board members who live in Sweden also met regularly with the International Director between the board meetings.*

### Viktiga händelser under räkenskapsåret / Significant events during the financial year

De områden där Operation Mercy arbetar fortsätter att vara platser med mycket konflikter och stora risker. Fler och fler organisationer lämnar dessa områden både på grund bristande intresse från givare och omvärlden i stort, och ökade risker. Detta gör vårt bidrag ännu mer värdefullt men belyser också de svårigheter som vi och andra organisationer står inför när vi strävar efter att driva kvalitativa och ekonomiskt hållbara verksamheter. Ett exempel är vår sponsor CBM som under 2018 stängde sitt EMR kontor som hade ansvar för arbetet i Mellanöstern och Centralasien.

I efterdyningarna av krisen i Kabul i maj 2017 har Operation Mercy kommit stärkta ur svårigheterna. Våra medarbetare i Afghanistan har återupptagit sina uppgifter i landet och är fortsatt överlätna sitt arbete och det afghanska folket.

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I april slutade vår ländsansvarige för Tadjikistan. Sedan dess har positionen fyllts av olika tillfälliga ledare. Vi har en efterträdare som tar vid i september 2019. Andrea Vogt, tidigare ledare för Tadjikistan har anslutit sig till det internationella huvudkontoret som biträdande internationell direktor och på så vis utökat kapaciteten i teamet på huvudkontoret.

Vi tillsatte en arbetsgrupp som fick i uppdrag att ta fram ett förslag till Operation Mercys "önskade framtid". En fullständig rapport från denna arbetsgrupp presenterades och godkändes av styrelsen i december 2018. I samma styrelsemöte annonserade Dr. Scott Breslin att han efter tio år som internationell direktor för Operation Mercy kommer att sluta under 2019 och bad styrelsen att hitta en efterträdare.

*The areas in which Operation Mercy operates continue to be ones where there are high levels of conflict and risk. Increasingly, other organizations are leaving these areas due to lack of interest from donors and the international community on one hand and increasing risk on the other hand. This makes our contribution even more valuable, while highlighting the difficulties we and other organizations face trying to run quality, as well as financially sustainable, operations. For example, in 2018, our former funding partner CBM closed its EMR office, which was responsible for the Middle East and Central Asia.*

*In the aftermath of the May 2017 crisis in Kabul, Operation Mercy has emerged from the hardship and grown stronger as a result. Our international staff in Afghanistan have resumed their duties in-country and are committed to their work and the Afghan people.*

*Our Tajikistan country director left Tajikistan in April 2018. Since then the position has been filled by a changing group of interim directors. We have identified a successor, who will take up the role in September 2019. Andrea Vogt, the previous country director of Tajikistan, joined the International office as associate international director, adding capacity to the IO team.*

*We conducted a task force, identifying Operation Mercy's "preferred future". A full report from this task force was presented and accepted by the board in December 2018. At this same board meeting Dr. Scott Breslin announced that after ten years as International Director of Operation Mercy he intended to step down in 2019 and asked the board to initiate the process to find his replacement.*

### **Viktiga händelser efter räkenskapsåret / Significant events after the financial year**

Operation Mercy räknar med att en ny internationell direktor kommer att presenteras vid styrelsemötet den 21 maj 2019.

Politiska förändringar i Iran och förändring i personalstyrkan hos Operation Mercy Teheran gör att vi kommer se en minskning av genomförda projekt i landet under 2019.

På grund av regeringens aggressiva genomdrivande av byggnadsplanen i Tadjikistan kommer vi att bli tvungna att sälja vår fastighet i Dushanbe.

Vi räknar med att vår strategiska planeringsprocess (kallad NAV) kommer att vara slutförd senast september 2019.

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*Operation Mercy anticipates the announcement of the new International Director at our board meeting on 21 May 2019.*

*Policy changes in Iran and personnel changes within the Operation Mercy staff in Tehran will result in a decrease in the number of projects being run there in 2019.*

*In Tajikistan, due to an aggressive building plan being implemented by the government, it has been deemed advisable to sell our building in Dushanbe.*

*We anticipate that our strategic planning process (called NAV) will be completed by September 2019.*

## **Resultat / Results**

Våra 314 anställda runt om i världen fortsatte att göra imponerande projektarbeten under 2018 och genom det förbättra livet för över 537 000 projektmottagare i Afghanistan, Iran, Irak, Jordanien, Kazakstan, Makedonien och Tadjikistans genom flera olika sorters utvecklingsprojekt. Vi har också varit involverade i projekt i Egypten, Kirgizistan, Mauretanien, Pakistan och Sudan i partnerskap med likasinnade civila aktörer.

Ungefär 65% av våra projektdeltagare var kvinnor.

Under 2018 har våra internationella volontärer bidragit med 66 285 timmar av professionellt arbete till ett värde av 26 miljoner SEK.

*Our 314 staff around the world continued to do impressive project work in 2018, improving the lives of over 537,000 project beneficiaries in Afghanistan, Iran, Iraq, Jordan, Kazakhstan, Macedonia and Tajikistan through an array of community development projects. In addition, we engaged in projects in Egypt, Kyrgyzstan, Mauritania, Pakistan and Sudan through partnerships with like-minded civil society actors.*

*Approximately 65% of our project participants were women.*

*Our international volunteers donated approximately 66,285 hours of professional services during 2018 thus contributing over 26 million SEK worth of labor.*

*WME*



**Flerårsöversikt / multi-year overview**

	2018	2017	2016	2015	2014
<u>Revenue and Cost Analysis / Intakts- och kostnadsanalys (tkr)</u>					
Gifts / Insamlade medel	8 125	16 241	21 121	22 544	15 199
Remaining balance brought forward / Årets resultat efter förändring av ändamålsbestämda medel	-55	517	-353	230	-496
<u>Financial status / Ekonomisk ställning</u>					
Designated funds / Eget kapital för särskilda ändamål	7 674	7 357	9 383	7 509	7 573
Surplus brought forward / Fritt eget kapital	979	1 034	517	870	640
Solidity / Soliditet, %	63	77	82	75	91

**Equity / Eget kapital**

	Designated funds / Ändamåls- bestämda medel	Profit/loss brought forward / Balanserat kapital	Total equity / Totalt eget kapital
Opening balance / Ingående balans	7 357 337	1 034 034	8 391 371
Reclassification of designated funds / omklassificering av ändamålsbestämda medel	2 251 742	-	2 251 742
Change in designated funds / Årets förändring av ändamålsbestämda medel	-1 934 905	-	-1 934 905
Deficit/surplus for the year / Årets resultat	=	<u>-54 652</u>	<u>-54 652</u>
<b>Closing balance / Utgående balans</b>	<b>7 674 174</b>	<b>979 382</b>	<b>8 653 556</b>

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<b>Profit and loss statement / Resultaträkning</b>	<b>Note / Not</b>	<b>2018</b>	<b>2017</b>
<b>Revenues of the association / Föreningens intäkter</b>	1		
Donations / Gåvor	2, 3	6 528 153	16 241 335
Grants / Bidrag	4, 5	10 322 095	5 211 323
Other income / Övriga verksamhetsintäkter		<u>2 652 928</u>	<u>2 567 144</u>
<b>Total revenues of the association / Summa verksamhetens intäkter</b>		19 503 176	24 019 802
<b>Costs of the association / Föreningens kostnader</b>	3		
Operational costs for projects / Ändamålskostnader		-18 681 879	-24 068 231
Fundraising and marketing costs / Insamlings- och marknadsföringskostnader	6	-65 470	-52 031
Administration costs / Administrationskostnader	6, 7	<u>-2 812 574</u>	<u>-1 469 224</u>
<b>Total costs of the association / Summa verksamhetens kostnader</b>		-21 559 923	-25 589 486
<b>Results of operations / Verksamhetsresultat</b>		-2 056 747	-1 569 684
<b>Results from financial investments / Resultat från finansiella poster</b>			
Other interest income and similar profit/loss items / Övriga ränteintäkter och liknande resultatposter		<u>67 191</u>	<u>61 417</u>
<b>Total income from financial investments / Summa finansiella intäkter</b>		67 191	61 417
<b>Net profit / loss for the year / Årets resultat</b>		<u>-1 989 556</u>	<u>-1 508 267</u>
<b>Change in designated funds / Förändring av ändamålsbestämda medel</b>			
Profit / loss for the year according to the profit and loss statement / Årets resultat enligt resultaträkningen		-1 989 557	-1 508 267
Change in designated funds / Förändring av ändamålsbestämda medel		1 934 905	2 025 470
<b>Remaining balance brought forward / Årets förlust efter fördelning</b>		<u>-54 652</u>	<u>517 203</u>

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<b>Balance sheet / Balansräkning</b>	<b>Note / Not</b>	<b>2018-12-31</b>	<b>2017-12-31</b>
<b>Assets / Tillgångar</b>			
<b>Fixed assets / Anläggningstillgångar</b>			
Equipment / Inventarier, verktyg och installationer	8	<u>605 787</u>	<u>894 027</u>
<b>Total fixed assets / Summa anläggningstillgångar</b>		<u>605 787</u>	<u>894 027</u>
<b>Current Assets / Omsättningstillgångar</b>			
ICH Balance / Fordran ICH		890 497	1 800 403
Prepaid expenses and accrued income / Förutbetalda kostnader och upplupna intäkter		<u>29 397</u>	<u>346 057</u>
<b>Total current assets / totala omsättningstillgångar</b>		<u>919 894</u>	<u>2 146 460</u>
Cash and bank balances / Kassa och bank		<u>12 269 620</u>	<u>7 913 934</u>
<b>Total Current Assets / Summa omsättningstillgångar</b>		<u>13 189 514</u>	<u>10 060 394</u>
<b>Total Assets / Summa tillgångar</b>		<u>13 795 301</u>	<u>10 954 421</u>
<b>Equity and Liabilities / Eget kapital och skulder</b>			
<b>Equity / Eget kapital</b>			
Designated funds / Ändamålsbestämda medel		7 674 174	7 357 337
Surplus brought forward / Balanserat kapital		1 034 034	516 831
Deficit/Surplus for the year / Årets resultat		<u>-54 652</u>	<u>517 203</u>
<b>Total Equity / Summa eget kapital</b>		<u>8 653 557</u>	<u>8 391 371</u>
<b>Current Liabilities / Kortfristiga skulder</b>			
Accounts payable / Leverantörsskulder		40 410	80 547
Liabilities of grants not used / Skuld av erhållna ej nyttjade bidrag	5	2 881 355	392 514
Other liabilities / Övriga skulder		139 938	219 881
Accrued expenses and deferred income / Upplupna kostnader och förutbetalda intäkter		<u>2 080 041</u>	<u>1 870 108</u>
<b>Total Current Liabilities / Summa kortfristiga skulder</b>		<u>5 141 744</u>	<u>2 563 050</u>
<b>Total Equity and Liabilities / Summa eget kapital och skulder</b>		<u>13 795 301</u>	<u>10 954 421</u>

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## Noter / Notes

### Not / Note 1 Redovisnings- och värderingsprinciper / Accounting and valuation principles

Årsredovisningen upprättas med tillämpning av årsredovisningslagen (1995:1554) och Bokföringsnämndens BFNAR 2012:1 Årsredovisning (K3).

*The annual report has been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's (BFN) rule BFNAR 2012:1 Annual report (K3).*

### Resultaträkningen / Statement of financial activities

#### Verksamhetsintäkter / Programme service revenue

Endast det inflöde av ekonomiska fördelar som föreningen erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas, om inget särskilt anges nedan, till verkliga värdet av det som erhållits eller kommer att erhållas.

*Only the inflow of economic benefits that the organization has received or will receive on its own account is recognised as revenue. Unless otherwise indicated below, revenue is measured at the fair value of what has been received or will be received.*

#### Gåvor och bidrag / Donations and grants

En transaktion i vilken föreningen tar emot en tillgång eller en tjänst som har ett värde utan att ge tillbaka motsvarande värde i utbyte är en gåva eller ett erhållit bidrag. Om tillgången eller tjänsten erhålls därför att organisationen uppfyllt eller kommer att uppfylla vissa villkor och om organisationen har en skyldighet att återbetala till motparten om villkoren inte uppfylls, är det ett erhållit bidrag. Är det inget bidrag är det en gåva.

*Any transaction through which the organization receives an asset or a service that has a value and does not provide corresponding value in return is a donation or a grant received. If the asset or service is received because the organization has fulfilled or will fulfill certain conditions and if the organization has an obligation to repay the counterparty if the conditions are not fulfilled, it is considered a grant received. If it is not a grant, it is a donation.*

### Gåvor / Donations

Gåvor redovisas enligt huvudregeln som intäkt när de erhålls. En gåva som intäktsförts redovisas antingen som en tillgång eller en kostnad beroende på om gåvan förbrukas direkt eller inte. Övriga gåvor redovisas som omsättningstillgångar. Gåvor värderas som huvudregel till verkligt värde.

*Donations are, as a main principle, recognised as revenue when received. A donation recognised as revenue is accounted for as an asset or a cost, depending on whether the donation is used directly or not. Other donations are recognised as current assets. Donations are, as a main principle, recognised at fair value.*

14/11/16



### **Bidrag / Grants**

Bidrag redovisas som intäkt när villkoren för att erhålla bidraget har uppfyllts. Erhållna bidrag redovisas som skuld till dess villkoren för att erhålla bidraget uppfylls. Bidrag som erhållits för att täcka vissa kostnader (t.ex. för administration) redovisas samma räkenskapsår som den kostnad bidraget är avsett att täcka. Erhållna bidrag värderas till det verkliga värdet av den tillgång som organisationen fått eller kommer att få.

*Grants are recognised as revenue when the conditions for receiving the grant have been fulfilled. Grants received are recognised as liabilities until the conditions for receiving the grant have been fulfilled. Grants received to cover certain costs (for example, for administration) are recognised in the same fiscal year as the cost the grant is intended to cover.*

### **Leasing / Leasing**

Föreningens samtliga leasingavtal redovisas som operationella, d v s leasingavgiften (inklusive första förhöjd hyra) redovisas linjärt över leasingperioden.

*All the organization's leases are accounted for as operating leases, that is, the leasing charge (including the first increased rent) is accounted for on a straight-line basis over the term of the lease.*

### **Inkomstskatt / Income tax**

Föreningen är befriad från inkomstskatt i sin ideella verksamhet eftersom den uppfyller kraven som samhällsnyttig enligt skattelagstiftningen.

*The organization is released from income tax in its non-profit activities because it fulfills the conditions of being a benefit to society according to the Swedish tax legislation.*

### **Balansräkningen / Balance Sheet**

Tillgångar, skulder och avsättningar värderas till anskaffningsvärde om inget annat anges nedan.

*Assets, liabilities and provisions are measured at acquisition value, unless otherwise indicated below.*

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**Materiella anläggningstillgångar / Property, plant and equipment and intangible non-current assets**

Materiella anläggningstillgångar värderas till anskaffningsvärde minskat med avskrivningar enligt plan. Avskrivning sker linjärt över tillgångens beräknade nyttjandeperiod. Följande avskrivningstider tillämpas:

Datautrustning	3 år
Övriga inventarier	5 år

*Property, plant and equipment and intangible non-current assets are measured at acquisition cost less depreciation according to the register. Depreciation is applied on a straight-line basis over the estimated useful life of the particular asset. The following periods of depreciation are applied:*

Computers	3 years
Other Equipment	5 years

**Fordringar / Receivables**

Fordringar värderas individuellt till det belopp som beräknas inflyta.

*Receivables are measured individually at the amount that is expected to be received.*

**Utländska valutor / Foreign currencies**

Fordringar och skulder i utländsk valuta värderas till balansdagens kurs.

*Receivables and liabilities in foreign currencies are measured at the rates on the balance sheet date.*

**Ändamålsbestämda medel / Designated funds**

I posten Ändamålsbestämda medel i eget kapital redovisas ännu inte förbrukade gåvor och andra ändamålsbestämda medel. Se även noten till eget kapital.

*The heading Designated funds in equity includes donations not yet spent and other Designated funds. See also the Equity note.*

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**Not 2 Donations / Gåvor**

	<u>2018</u>	<u>2017</u>
<i>Donations according to the profit and loss statement / Gåvor redovisade i resultaträkningen</i>		
Undesignated donations / Fria gåvor	892 193	974 120
Donations to designated funds / Ändamålsbestämda gåvor	<u>5 635 960</u>	<u>15 267 215</u>
Total / Summa	<u>6 528 153</u>	<u>16 241 335</u>
<i>Donors / Givare</i>		
Individual donors / Allmänhet (%)	23	37
Organisational donors / Andra organisationer (%)	77	63
<i>Sources / Givare</i>		
Other countries / Andra länder (%)	88	68
Sweden / Sverige (%)	12	32

Erhållna medel från utländska givare har tidigare klassificerats som gåvor men har delvis från 2018 oklassificerats till bidrag.

*Some funding received from foreign donors has previously been recorded as donations, but as of 2018 has partly been reclassified as grants.*

**Not 3 Volunteers / Volontärer**

Merparten av den internationella personalen är volontärer och har donerat 66,285 arbetstimmar under 2018. Föreningen har ingen anställd personal i Sverige. De personer som arbetar på föreningens huvudkontor är anställda av sina respektive givarorganisationer.

*Most of the international staff are volunteers who have donated 66 285 work hours during 2018. The organization has no employees in Sweden. The people that work at the headquarters of the organization are employed by their partner organizations.*

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**Not 4 Grants / Bidrag**

	<u>2018</u>	<u>2017</u>
<i>Public grants / Offentliga bidrag</i>		
Grants from Sida / Bidrag från Sida	3 830 897	4 143 123
Grants from Läkarmissionen / Bidrag från Läkarmissionen	798 045	870 000
Grants from Vatten åt alla / Bidrag från Vatten åt alla	138 100	35 000
Interact Evangeliska Frikyrkan	40 000	163 200
Svenska alliansmissionen	81 868	-
Foreign Grants / bidrag från utlandet	<u>5 433 185</u>	=
	<u>10 322 095</u>	<u>5 211 323</u>

Erhållna medel från utländska givare har tidigare klassificerats som gåvor men har delvis  
from 2018 oklassificerats till bidrag.  
*Some funding received from foreign donors has previously been recorded as donations, but  
as of 2018 has partly been reclassified as grants.*

*Breakdown of Foreign Grants / Fördelning av utländska bidrag*

EO Metterdaad	1 599 124
Hilfe für Mensch und Kirche (HMK)	1 432 579
Kindernothilfe (KNIH)	1 488 438
PC USA	139 196
Pristach Charitable Foundation	35 714
Stichting ORA	56 848
TEAR AU	<u>681 286</u>
	<u>5 433 185</u>

**Not 5 Liabilities of not used grants / Skuld erhållna ej nyttjade bidrag**

	<u>2018</u>	<u>2017</u>
Opening balance / Ingående balans	392 513	388 430
Opening balance 9195 / Ingående balans 9195	1 405 996	-
Received during the year / Erhållet under året	11 419 638	5 215 406
Used during the year / Lanspråktaget under året	<u>-10 336 792</u>	<u>-5 211 323</u>
Closing balance / Summa utgående balans	2 881 355	392 513

**Specification of closing balance / Specifikation av  
utgående balans**

Grants from Sida / Sida-bidrag	1 002 206	376 513
Grants from SRG / Bidrag från SRG	822 352	-
Grants from Trustbridge / Bidrag från Trustbridge	688 073	-
Other received grants / andra erhållna bidrag	<u>368 724</u>	<u>16 000</u>
Total / Summa	2 881 355	392 513

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**Not 6 Other external expenses / Övriga externa kostnader**

	<u>2018</u>	<u>2017</u>
Administration expenses / Administrationskostnader	6 026	284 662
Public relation expenses / Reklam o PR	65 470	52 031
Business travel expenses / Resekostnader	127 062	180 261
Other expenses / Övriga kostnader	<u>2 679 486</u>	<u>1 004 301</u>
	2 878 044	1 521 255

**Not 7 Operational lease agreements / Operationella leasingavtal - leasetagare**

	<u>2018</u>	<u>2017</u>
Future lease fees which shall be charged according to non-terminable lease agreements: / Framtida minimileaseavgifter som ska erläggas avseende icke uppsägningsbara leasingavtal:		
Within 1 year / Förfaller till betalning inom ett år	37 500	38 288
1-5 years / Förfaller till betalning senare än ett men inom fem år	-	36 576
Lease cost during the year / Under perioden kostnadsförda leasingavgifter	37 500	38 288

*The organization has rental for office premises. The agreement carries at 3 years at a time. Right now the agreement carries to 2019-12-31. Cancellation time is 9 months.*  
*/ Föreningen hyr kontorslokaler. Avtalet löper på 3 år i taget och sträcker sig i dagsläget till 2019-12-31. Uppsägningstiden är 9 månader.*

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Not 8 Equipment / Inventarier

	<u>2018-12-31</u>	<u>2017-12-31</u>
Opening acquisition value / Ingående anskaffningsvärde	1 717 221	1 610 151
Purchases for the year / Inköp	117 741	205 135
Sales or disposals for the year / Försäljningar och utrangeringar	<u>-95 570</u>	<u>-98 065</u>
Closing accumulated acquisition value / Utgående ackumulerade anskaffningsvärden	1 739 392	1 717 221
Opening depreciation / Ingående avskrivningar	-823 194	-577 825
Sales or disposals for the year / Försäljningar och utrangeringar	68 633	95 375
Depreciation for the year / Årets avskrivningar	<u>-379 044</u>	<u>-340 744</u>
Closing accumulated depreciation / Utgående ackumulerade avskrivningar	-1 133 605	-823 194
Closing residual value according to plan / Utgående redovisat värde	<u>605 787</u>	<u>894 027</u>

Örebro 2019-05-21

  
Dr. Scott Breslin  
International Director

  
Wim Goudzwaard  
Ordförande / Chairman

  
Susanne Lindholm

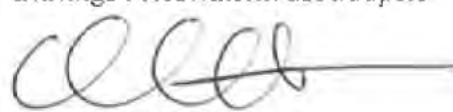
  
Fredrik Karlsson

  
Peter Lindvall

  
Rose-Marie Frebran

Our audit report was presented on 2019-05-21  
Vår revisionsberättelse har lämnats 2019-05-21

Öhrlings PricewaterhouseCoopers

  
Maria Hedin  
Auktoriserad revisor



Appendix II:  
Auditors Report



## Auditor's report

To the annual meeting of Operation Mercy, corporate identity number 826001-5279

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### Report on the annual accounts

#### *Opinions*

We have audited the annual accounts of Operation Mercy for the year 2018.

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 Operation Mercy as of 31 December 2018 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

#### *Basis for Opinions*

We conducted our audit in accordance with 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 Operation Mercy 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.

#### *Responsibilities of the Board of Directors*

The Board of Directors 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 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 are responsible for the assessment of the association'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 intend to liquidate the association, 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 association'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 expressing an opinion on the effectiveness of the association'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.
- Conclude on the appropriateness of the Board of Directors' 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 association'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 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, 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 and secretary-general of Operation Mercy for the year 2018.

We recommend to the annual meeting that the members of the Board of Directors and the secretary-general be discharged from liability for the financial year.

### *Basis for Opinions*

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Operation Mercy 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.

### *Responsibilities of the Board of Directors and secretary-general*

The Board of Directors is responsible for the proposal for appropriations of the association's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the association's type of operations, size and risks place on the size of the association's equity, consolidation requirements, liquidity and position in general.

It is the Board of Directors and secretary-general who is responsible for the association's organization and the administration of the association's affairs.

### *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 or the secretary-general in any material respect has undertaken any action or been guilty of any omission which can give rise to liability to the association.

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

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 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.

Örebro 21<sup>st</sup> of May 2019

Öhrlings PricewaterhouseCoopers AB

Maria Hedlund  
Authorized public accountant

## Revisionsberättelse

Till årsmötet i Operation Mercy, org.nr 826001-5279

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### Rapport om årsredovisningen

#### Uttalanden

Vi har utfört en revision av årsredovisningen för Operation Mercy för år 2018.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av föreningens finansiella ställning per den 31 december 2018 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

#### Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till föreningen enligt god revisionssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

#### Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av föreningens förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera föreningen, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

#### Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfälskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av föreningens interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om föreningens förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det

4/18



finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att en förening inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de betydande brister i den interna kontrollen som vi identifierat.

## Rapport om andra krav enligt lagar och andra författningar

### Uttalande

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Operation Mercy för år 2018.

Vi tillstyrker att föreningsstämman beviljar styrelsens ledamöter och generalsekreteraren ansvarsfrihet för räkenskapsåret.

### Grund för uttalande

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till föreningen enligt god revisionssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för vårt uttalande.

### Styrelsens och generalsekreterarens ansvar

Det är styrelsen och generalsekreteraren som har ansvaret för förvaltningen.

### Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller generalsekreteraren i något väsentligt avseende företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningskyldighet mot föreningen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningskyldighet mot föreningen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för föreningens situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, viktiga åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet.

Örebro den 21 maj 2019

Örklings PricewaterhouseCoopers AB



Maria Hedlund  
Auktoriserad revisor







## **Operation Mercy International Headquarters**

Grusgropsvägen 5  
Hjälmarberget  
702 36 Örebro  
SWEDEN

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Email: [info@mercy.se](mailto:info@mercy.se)

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Organisation number: 826001-5279