

Annual Report 2020

Björkåfrihet



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1 DIRECTORS' REPORT

The first few months of 2020 were characterised by investment, positive changes and confidence in the future. Björkåfrihet moved its sorting and storage facilities and main office in Gothenburg to new and bigger premises in the Aröd industrial park. The move was a major boost to our ability to grow and develop, and also brought about an improvement in our work environment.

The rest of the year was impacted by the coronavirus pandemic, and the Board and staff have fought for the organisation's survival. Björkåfrihet has had to take significant measures such as furloughing, a stop on purchases and cuts in aid. Unfortunately, this was not enough, and we have also had to give notice and terminate about twenty full-time contracts of employment.

Income fell drastically during the year. However, we have been able to substantially reduce expenditure too, which means that, considering the circumstances, our financial results for the year look relatively healthy.

Due to the pandemic, Björkåfrihet has been forced to cut down on its commitments to its partner organisations and has had to make difficult choices, at a time when more and more people are in vulnerable situations and the gulf between social classes globally is widening. Knowing how necessary our work on the environment and solidarity is has given us the strength to fight on. We'll be back, because we're needed!

1.1 GENERAL INFORMATION ABOUT THE ORGANISATION

Björkåfrihet is a not-for-profit association whose corporate ID number is 829500-1112. Björkåfrihet's registered office is in Gothenburg.

Vision and object

Björkåfrihet is an autonomous, active organisation that works determinedly and independently to end deprivation and the causes of deprivation within a socialist tradition. Deprivation and its causes are complex but are not the consequence of any laws of nature. They are structural and financial, have developed historically and express themselves in political distribution of power and resources, a situation that cannot be resolved through charity. The object of the association is to work to eradicate these problems by focusing on sustainable development, international solidarity and social responsibility in the labour market.

Significant partnerships

Since 2018, Björkåfrihet has been a completely independent organisation. Before this, it was part of the international Emmaus movement, under its previous name, Emmaus Björkå. However, it has formed many different partnerships and important relationships.

Björkåfrihet is a member of ForumCiv, which brings together Swedish civil society organisations working with aid funding.

In Sweden, Björkåfrihet works with over 40 municipalities to undertake daily collections of items donated for re-use. The organisation also works in partnership with the municipalities, the Swedish Public Employment Service and the Swedish Prison and Probation Service to employ people experiencing various forms of hardship and to enable them to work to promote sustainability and solidarity.

Björkåfrihet is involved in several research projects looking at reuse and recycling. The organisation also works with many other public, ideologically-driven and private players on re-use and how it can be increased in the community. Alongside similar parties in the Ideell Second Hand network, Björkåfrihet seeks to establish a positive dialogue with political decision-makers and authorities around the role of voluntary sector second-hand organisations in society.

1.2 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SINCE THE END OF THE YEAR

Important changes in the organisation

In February, the organisation moved its biggest work site – its storage and sorting facilities and main office in Gothenburg – from Ångpannegatan 6 to Aröds Industriväg 27. The new premises are bigger and more suited to our activities, giving us the potential for future development and growth and at the same time improving the working environment for our employees.

In February, Gesica Tawakkoli Gunmalm was appointed as the new director of our second-hand operation. Two new heads of unit also began work with us during the year.

Due to the way in which the pandemic impacted our sales and finances, the organisation had to give notice and terminate staff contracts or reduce employees' hours. These changes have affected all units.

In addition, after a few years of legal uncertainty, the Björkåfrihet brand became ours in 2020, and as a result the process of changing the organisation's name was finally completed.

Important events in the external environment

Both Sweden and the rest of the world have been impacted by the coronavirus pandemic, which, in addition to taking millions of people's lives, has led to many people losing their jobs and livelihoods. An estimated 15 million people now live in extreme poverty as a direct result of the pandemic.

Due to the pandemic, less attention has been given to climate change. However, robust action taken by politicians across the world and changes in people's habits and routines has shown us that we as a society can effect major change. This will be necessary if we are to avoid reaching the threshold for emissions that would bring change to the conditions for all life on earth.

The occupational forces that Björkåfrihet and its partners are combatting have made their contempt for international law even clearer. When Morocco decided to break the cease-fire with the Polisario Front, the Sahrawi liberation movement, Polisario pulled out of the peace settlement and Western Sahara is now in a state of war. Shortly afterwards, the US president, Donald Trump, decided to recognise Morocco's right to Western Sahara in exchange for Morocco resuming diplomatic relations with Israel. That meant that – in violation of international law – they were the first country in the world to take such a position.

Significant events since the end of the financial year

Since the end of the financial year, the pandemic has continued to have an impact on the organisation. However, the actions we took in 2020 have meant the situation is stable and we are prepared for further restrictions and impact on sales.

1.3 PROMOTION OF OUR OBJECT DURING THE YEAR

1.3.1 Solidarity projects and programmes

Björkåfrihet's international solidarity projects involve partnerships with local organisations. A partnership is initiated by drawing up an agreement that is signed by both parties. The agreement determines how funds are to be used, anti-corruption procedures, requirements for financial and narrative reporting, etc. and has a project plan, target matrix and budget appended.

During the course of a partnership project, Björkåfrihet's employees are in constant contact with its partner organisations by means of monitoring visits, video meetings, email and telephone. This, combined with regular reporting and external reviews, enables us to monitor how far we are meeting our objectives and the effects of our projects. We can also see how we have managed our finances, whether the budget has been adhered to and whether we have undertaken the activities planned. All projects supported with project funding must meet performance targets.

The effects of project support to be reported on relate solely to the support provided by Björkåfrihet, either self-financed or in the form of earmarked donations and support from other organisations. Effects resulting from other funding available to the recipient are not included in the reports.

Björkåfrihet's initiatives are targeted at civil society and aim to improve people's ability to organise and mobilise so that they can demand their rights for themselves. Over the years we have worked in partnership with like-minded organisations in Palestine, Lebanon, Western Sahara, Algeria and Sweden.

In 2020, as part of the fight for a free and democratic Palestine, we supported local grassroots organisations focusing on health care, education, mobilisation and leadership within civil society. During the year we undertook pilot projects with two new partners in the West Bank. Our six partner organisations work in Palestinian refugee camps in Lebanon and in the West Bank and Gaza.

In 2020, as part of the fight for a free and democratic Western Sahara, we supported two local grassroots organisations that focus on media activism. Our two partner organisations work in Sahrawi refugee camps in Algeria and in occupied Western Sahara.

Björkåfrihet's international programme is called Seeds of Independence and comprises two strands: *Seeds of independence – Structural change* and *Seeds of independence – Health care and rehabilitation*.

In Sweden, Björkåfrihet partners with organisations that work with refugees and undocumented migrants.

Financial overview of solidarity projects in 2020

Area	SEK thousand
Support in Sweden	823
Support in Palestine/Lebanon	3,122
Support in Western Sahara/Algeria	598

International: Seeds of independence – Structural change

2020 was the final year of the first cycle of Björkåfrihet's Seeds of Independence programme, which started in 2018. The aim of the programme is to strengthen new generations of Palestinian and Sahrawi civil society players that can contribute to the fight against occupation and lead their respective countries in the future following independence. In 2020, seven organisations were involved in the programme, five Palestinian and two Sahrawi, that between them cover five different regions: the West Bank, Gaza, Palestinian refugee camps in Lebanon, occupied Western Sahara and Sahrawi refugee camps in Algeria. Each organisation runs its own project within the programme. Björkåfrihet is responsible for coordination and joint activities.

Human Call Association

Human Call Association (HCA) is one of the bigger Palestinian grassroots organisations in Lebanon. Their project within the programme focuses on leadership training for young people from various Palestinian civil society organisations across the country. During the third year of the project, the participants in the training have completed their courses and been examined. HCA has also run information sessions on themes such as health, the environment and human rights for people in the refugee camps.

Nuwat Social Solidarity Centre

Nuwat Social Solidarity Centre (Nuwat) is based at the Ein el-Helweh Palestinian refugee camp in Lebanon. They run a cultural centre with a focus on leisure activities for children and young people. Their project within the programme focuses on empowering and mobilising young people in Palestinian civil society. They also take action to build their own capacity and strengthen the position of young people within their own organisation. During 2020, Nuwat's volunteers and employees underwent training in digital technology in order to be able to work remotely more efficiently, and workshops on lobbying and advocacy have been run for young people in the refugee camps. Several informational videos have been produced about Covid-19, which have been widely distributed on social media. Due to the ongoing pandemic, some planned project activities had to be cancelled.

Union of Palestinian Women's Committees

The Union of Palestinian Women's Committees (UPWC) has its main office in Ramallah in the West Bank but has local offices throughout the West Bank and Gaza. It is a broad-based women's organisation whose goal is to ensure the inclusion of women in all

aspects of society. Their project within the programme focuses on strengthening their own organisation, giving young people more space and influence in the organisation and undertaking advocacy work. During 2020, the pandemic had a major impact on UPWC's work, but they managed to restructure the organisation and adjust to the situation successfully. UPWC worked intensively on updating and developing its social media channels and website and as a result increased its numbers of followers and visitors substantially during the year. They also launched a digital campaign seeking to get a law passed against domestic violence and organised workshops on women's economic and political participation in society for their young members.

Badil

In 2020, Björkåfrihet embarked on a partnership with Badil, a resource centre for Palestinian refugees and people who have been internally displaced. They are based in the West Bank but focus on Palestinian refugees throughout the world. They generate knowledge of the situation of refugees both currently and in the past. They use this knowledge to advocate for refugees' rights, including the right of return and the right to self-determination. They also collaborate with local grassroots organisations on mobilisation and on improving living conditions in the areas hardest hit by occupation and militarisation. During the year, a pilot project saw eight short films produced by eight different civil society and youth organisations from different parts of Palestine. The films focused on various themes relating to the situation of young Palestinians today.

Palestine Institute of Public Diplomacy (PIPD)

In 2020, Björkåfrihet began a partnership with the Palestine Institute of Public Diplomacy (PIPD), which is a relatively new group based in Ramallah in the West Bank. They engage in advocacy work through online campaigns, and focus on the right to self-determination and the injustices of the current situation. Their material is usually in English and they target an international audience. During the year, we undertook a small pilot project with PIPD, resulting in the production and dissemination of campaign materials on social media.

Equipe Media

Equipe Media is a media activist network in the occupied area of Western Sahara. The network documents and disseminates information about human rights violations perpetrated there. The project focuses on outward-facing work and on enhancing the organisation's capacity. During 2020, the organisation continued its work of documenting and disseminating information about human rights violations in occupied Western Sahara and took part in courses in English and editing for members of the network.

Saharawi Voice

The work of Saharawi Voice focuses on the refugee camps in Algeria. Their aim is to raise awareness of the situation and humanise the image of the refugees. They work mainly with photography and film, and the project that Björkåfrihet is supporting is focused on outward-facing campaigns and media workshops in the refugee camps. The pandemic had a major impact on the project, with planned workshops and capacity-building activities having to be cancelled. However, a large number of videos and posts

concerning the situation in Western Sahara and in the Sahrawi refugee camps were produced and disseminated via social media. Saharawi Voice has been an important source of information since the cease-fire between Western Sahara and Morocco broke down. They also launched a digital campaign about the situation in the refugee camps during the coronavirus pandemic.

Voices Through the Wall

During 2020, Björkåfrihet finished a one-year project in which it partnered with both the Sahrawi media groups, Saharawi Voice (based in the refugee camps) and Equipe Media (based in occupied Western Sahara), and the Swedish film collective RåFILM. The project was supported by the Swedish Institute. The main activities in 2020 were two weeks spent in the Sahrawi refugee camps, during which work was undertaken on documentary films and skills development, and the digital release of the documentary film "3 Stolen Cameras", about the situation of Sahrawis living under occupation.

International: Seeds of independence – Health care and rehabilitation

Health care

During 2020, Björkåfrihet provided support for the Human Call Association (HCA), which runs a hospital in the Ein el-Helweh refugee camp in southern Lebanon. The hospital is the only one to be open 24 hours a day in a large camp that is often the scene of confrontations. During the year, HCA was also involved in work in the aftermath of the major explosion in Beirut in August. The project funded by Björkåfrihet has helped to subsidise health care for those patients unable to pay for themselves and contributed to the hospital's running costs.

The Union of Health Work Committees (UHC) runs a hospital and several clinics around Gaza. During 2020, Björkåfrihet provided support for UHC to enable it to purchase ultrasound equipment for the Al-Awda hospital and to improve primary care at the health centre of the same name. A further project has been started that aims to guarantee electricity supplies to two of UHC's facilities through the installation of photovoltaic systems.

Rights for people with disabilities

During 2020, Björkåfrihet completed a pre-study aimed at identifying a new partner that works with people with disabilities, and agreed to enter into a partnership with Mousawat. The organisation runs activities in all Palestinian refugee camps and has its main office in Mar Elias, Beirut. Its clinics offer health care and rehabilitation (physiotherapy, speech therapy, etc.). People without disabilities pay full price and so subsidise the cost for people with disabilities. They also work on increasing access and opportunities for independent living. The planned pilot project was postponed due to the adverse financial consequences of the pandemic.

International: Other

Education

During 2020, a modest amount of support was provided to a pre-school in the village of Kharbata Bani Hareth in the West Bank of Palestine, which is run by Peace Home for Children and Motherhood. The partnership ended in December 2019, and the support provided in 2020 was to cover salaries so that staff could write the final report on the project.

Sweden: Right of asylum

Björkåfrihet's work in Sweden aims both to support vulnerable people in our own community and to shape opinion so as to eradicate the causes of poverty and oppression. Our focus is on the right of asylum.

During 2020, Björkåfrihet made monthly financial contributions to several groups working on the right of asylum, i.e. Asylgruppen i Malmö (the Asylum Group in Malmö), the Ingen människa är illegal (No-one is illegal) network in Göteborg and Rosengrenska kliniken (the Rosengren Clinic) in Göteborg. These groups give financial support to undocumented migrants to cover costs of accommodation, food, help with health and medical care and legal advice. Because of the pandemic's impact on Björkåfrihet's financial situation, the contributions were suspended in April and reintroduced in September. We also gave material support in the form of vouchers for some of our shops through the Asylum Group, No-one is illegal and the Rosengren Clinic.

1.3.2 Environment

Collection activities

During 2020, Björkåfrihet collected 2,755,748 kg of clothes, shoes and textiles. The organisation also received 1,080,067 kg of re-usable items. In total, therefore, the organisation handled 3,835,815 kg of material from collections via our own units and our partner organisations during the year. This is less than in 2019. In the past year, our collection activities were affected by the pandemic in that the organisation was forced to furlough staff and suspend collection at a large number of recycling centres and other locations. Our partners have on the whole been very understanding about this. During 2020, we also chose to permanently stop the collection of textiles in Halmstad and Ljungby that Björkåfrihet was previously responsible for.

On 1 January 2020, permission from Gothenburg municipality for the collection of textiles via donation bins on publicly owned land expired. This reduced the number of collection points by 40 per cent.

West

During the first wave of the pandemic between March and August, the organisation was forced to deprioritise travel in areas geographically furthest away in the West region. We

suspended our partnership with Avfall Östra Skaraborg and discontinued all our own collection activity in Halmstad and Ljungby. Collection in municipalities such as Borås, Alingsås and Stenungsund was halted during the period when staff were furloughed. Collection at the Borås and Linnégatan shops was paused.

A 35 % fall in textiles and re-usable items compared to 2019 bears witness to the circumstances during the first wave of the pandemic and its consequences.

South

Collection at the shops in Malmö (Heleneholm and City branches) was severely limited between March and August, while staffing of the Norra Hamnen recycling centre was put on hold. The emptying schedule was reduced to a minimum and the collection of re-usable items was deprioritised in favour of textiles collection. The units in the South region coped very well with the difficulties during the year and collected 2 % more textiles than in 2019. The fact that the volume of re-usable items was only 20 % less than in 2019 points to a strong year for the region.

Collections through partnerships with municipalities

The municipal units that Björkåfrihet partners with were severely impacted by the ongoing pandemic. Many were forced to put their textiles collection activities on hold. This led in some cases to the collection bins being taken away and in other cases some collection activity was handled by our collections operation in West region. In some municipalities, other entities got involved to help with collections locally. Despite this, collection of textiles by municipal partners was up by 5 % on 2019.

Environment-related advocacy work

2020 saw the start of activity for the Delegation for Circular Economy, a panel of experts appointed by the Swedish Government. The delegation is chaired by Åsa Domeij and reports to the Swedish Agency for Economic and Regional Growth. The panel draws on reference groups and panels of experts in the current focus areas of public procurement, plastics and design for circularity. Björkåfrihet is in dialogue with the delegation and has made itself available to advise on relevant issues.

During the year, the Skatt på modet (Tax on fashion) enquiry (SOU 2020:20) was out for consultation. Björkåfrihet and the industry network for not-for-profit, second-hand traders, Ideell Second Hand, submitted comments on the enquiry to the Swedish Ministry of Finance. Björkåfrihet does not see a problem with increased taxation on imports of new textiles into the country, but the enquiry includes aspects that contradict Sweden's nationally adopted circular economy action plan and the EU waste directive (2008/98/EG). The enquiry proposes that all handling of materials for remake and upcycling should be subject to a tax on chemicals and that organisations in the ideologically-driven sector should be taxed if an importer or manufacturer passed materials on to them. The response to the enquiry questioned these specific points. The enquiry's proposals are currently on hold.

On 10 December, the Producentansvar för textil (Producer responsibility for textiles) enquiry (SOU 2020/72) presented its proposal. The enquiry obtained information from both Björkåfrihet and Ideell Second Hand. The proposal is favourable to Björkåfrihet in

the first instance. Both Björkåfrihet and Ideell Second Hand have consultative status in respect of the proposal put forward by the enquiry.

Research and development

Support from the Nordic Council of Ministers enabled the research project SATIN – Towards a sustainable circular system of textiles in the Nordic region to be launched in August. This is a two-year project covering the Nordic countries and sectors including transport, logistics, properties, textiles collection and waste. The project owner in Sweden is the Swedish National Road and Transport Research Institute.

The Tex.IT project, which is working to develop systems for digital information carriers (RFID tags) in items of clothing, is continuing for another year. The project owner is the Swedish research institute RISE. The project is of interest to Björkåfrihet in relation to sorting, logistics and sales.

Wargo Text is an ongoing project in which Björkåfrihet is represented on the project steering group. The main focus here is our knowledge of materials, design and sorting.

In autumn 2020, lectures were given by Björkåfrihet employees as part of online training and conferences organised by Nordiska Textilakademin (The Nordic Textiles Academy), Science Park Borås and the Swedish Environmental Protection Agency.

1.3.3 Social responsibility in the labour market

Björkåfrihet seeks to help people affected by various types of limitations to enjoy a working day that is stimulating and sustainable. This means that the way in which we, together, earn the financial resources that are then paid out as aid is, in itself, an important part of our work to achieve our object. During 2020, around 300 people daily had some form of employment organised by or in partnership with Björkåfrihet.

Partnerships with municipalities

Björkåfrihet has worked on employment in partnership with municipalities in western and southern Sweden since 1989. The organisation currently has active partnerships in this area in around twenty municipalities. These employ people primarily in daily activities (people with cognitive impairments) but also in employment activation schemes. Through Björkåfrihet's partnerships, people who themselves need help in their day-to-day lives get opportunities to help others by contributing to the organisation's solidarity work.

The main activity in the context of partnership working with municipalities is the various aspects of our second-hand business – collection, sorting and sales in Björkåfrihet's "Companion" shops. The participants themselves manage collection from around 150 of Björkåfrihet's 500 collection bins, sorting and sales in their own second-hand shops. The surplus from sales at these shops goes to Björkåfrihet's solidarity and aid projects. Because of the pandemic, and the fact that many of the participants belong to at-risk groups, most of the shops had to be closed for most of the year.

Some of the organisation's municipal partners have previously produced baby parcels that have been sent to mothers-to-be in the Sahrawi refugee camps in Algeria. With

shrinking aid budgets as a result of the pandemic, the decision was made to stop sending the parcels. Production of the parcels has also stopped as a result.

Other goods made from re-used textiles are also produced as part of the daily activities of organisations that Björkåfrihet partners with. We support these organisations with advice, visual materials and promotion.

Vocational integration and work experience

During the year, our work on vocational integration and work experience for individuals outside the labour market was put on hold. This was because, to enable us to manage the pandemic, we had to halt recruitment and postpone the employment of a work experience coordinator. Trainees who were on work experience with the organisation before the outbreak of the pandemic have continued their placements.

1.3.4 PR work and visibility

With an interface both with the public and with decision-makers, Björkåfrihet is well placed both to undertake awareness raising and to nurture its brand. The overall focus areas for our outward-facing work are raising awareness of the areas in which we work, propagating the organisation's values and approach to sustainability and social justice issues and promoting the organisation and its brand – in so doing providing a better basis for the organisation to work on its objects. In the shadow of the pandemic, the organisation decided to do less public information and advocacy work in Sweden, partly due to having fewer working hours available and partly because, for much of the year, the pandemic also made it difficult for other messages to be heard in the media landscape.

The second-hand campaigns envisaged for April, May and June were cancelled and run later in the year instead. One of these campaigns was to launch a remake collection produced by Björkåfrihet in partnership with the Swedish School of Textiles in Borås and XV Production. The other was a special collection produced by the design duo Rave Review. One of the most important aims of both campaigns was to enhance the image of second-hand clothing so that it is seen as a valid, serious and sustainable fashion alternative.

Window displays

Compared to other environmental and social justice organisations, Björkåfrihet's second-hand shops lend it an almost unique platform in the public realm. For a number of years, therefore, the organisation has been using its window displays for advocacy and awareness raising. This too had to be given much lower priority because of the coronavirus pandemic. In the latter part of 2020, we launched a campaign in which we put out a call for designers and artists to undertake four themed displays during 2021. There was a positive response and the campaign got a good deal of publicity, resulting in a large number of applications.

Digital presence

Like our shops, our digital presence is a very important aspect of our work to increase people's understanding of what we do and our object. During 2020, the reach of our digital campaigns increased slightly. One example of a campaign is the call for window display designers. We also launched a new website at the beginning of October.

Other external events

In 2020, the events that Björkåfrihet is normally involved in as a partner or participant were cancelled due to the pandemic. New partnerships that had been agreed with the International Science Festival in Gothenburg and the Gothenburg Book Fair were also cancelled.

Membership funding pot

Björkåfrihet's members are able to apply for funds from the membership funding pot to help them reach out on issues that are aligned with the organisation's values. This aspect of our work was also curtailed due to the action taken to manage the pandemic's effects on our finances but also because planned activities were cancelled. As a result, no funds were distributed from the membership pot during the year.

1.4 RESULTS AND POSITION

For the first two months of the year, the organisation's financial outcomes were well in line with the budget. With the arrival of the pandemic in mid-March, we experienced a drastic reduction in income from retail sales, export sales and our partnerships with municipalities.

We quickly realised that we would have to take extensive measures to mitigate the consequences. We introduced a stop on purchasing and recruitment and applied for reductions on and deferment of rental payments. For a particular period, we stopped all payments of aid that were not externally funded, and for the rest of the year we cut down substantially on budgeted expenditure. We furloughed staff and applied for restructuring support and to defer social security contributions and taxes. We gave notice and terminated contracts of employment.

State support provided important income and the other measures we put in place gave us the required results in terms of expenditure. In view of the circumstances, therefore, our financial results look relatively positive.

During the year, the organisation received a major bequest, which has been recorded in the balance sheet under designated funds. Some of this was used during the year to support projects and partly compensated for the reduced resources otherwise available for this work.

1.5 FUTURE DEVELOPMENTS

In 2021, the organisation will be focusing on continuing its implementation of goal oriented management. Work on this came to a stop in 2020, when our focus instead was on urgent measures to mitigate the consequences of the coronavirus pandemic.

Substantial cuts have been made to aid, both in 2020 and also in 2021. In 2021, we will be working to ensure we can gear up again from 2022 onwards and resume our development work in Sweden and internationally.

We have been looking for some time at opportunities for increasing our sales activity and extending our sales channels. However, plans to open a new second-hand shop in 2020 were postponed due to the pandemic. We plan instead to open a new shop during 2021. We will also need to undertake additional work to broaden our commercial activity in the future. As part of this, the organisation is also looking at e-commerce opportunities.

Björkåfrihet is actively seeking new outlets for the sale of collections of surplus textiles and is involved in several project groups working on the development of textile fibre recovery. A further focus is on reducing the organisation's waste costs by finding new ways to sort material fractions that could be of interest to new external partners.

Future need for help

The needs in the regions where Björkåfrihet works are set to increase, as a consequence not only of the coronavirus pandemic but also of conflict escalation, people being forced to flee and the climate crisis. We believe states are failing in their responsibilities and that civil society organisations will continue to play an important role.

Morocco has been occupying Western Sahara since 1975. Since the UN negotiated a cease-fire in 1991, a status quo has been maintained. In autumn 2020, the cease-fire was broken when Morocco attacked civil Sahrawis in the agreed buffer zone. As a result, Polisario, the organisation recognised by the UN as representing the Western Sahara state, withdrew its support for the peace agreement, and war has officially broken out. When the US president, Donald Trump, announced that the US recognised Morocco's right to Western Sahara in exchange for Morocco resuming diplomatic relations with Israel, protests were not slow in coming. The decision has come in for extensive criticism and was a major setback both for international law and the Sahrawi people. Greater support will need to be given to the Sahrawis for their efforts to counter the Moroccan occupation.

Violation of the human rights of the Palestinian population in Gaza and the West Bank continues. The number of illegal Israeli settlements continues to grow, while more and more Palestinian activists and civilians, including children, are being imprisoned or killed. The blockade of Gaza is being allowed to continue, despite reports from the UN of serious humanitarian consequences. At the same time, frustration is growing among Palestinians who, for generations, have been living in difficult circumstances in refugee camps in neighbouring countries.

In Sweden, the stringent asylum laws continue to be implemented, which in practice means that both the right of asylum and the UN Convention on the Rights of the Child have been disregarded. Björkåfrihet's partner organisations within the asylum justice

movement are noticing an increased need for help as a result of this, and our continued support is important.

1.6 OTHER NON-FINANCIAL INFORMATION

1.6.1 Members

As at 31 December 2020, the association had 52 members, which is 57 members fewer than in the previous year. Membership numbers have been decreasing consistently for several years. Regular membership costs SEK 200 per year, but those who need and want to have the option to pay between SEK 50 and SEK 500 for their membership. Membership confers the right to vote at the association's Annual General Meeting.

Member groups

Björkåfrihet has no district-level or local associations. However, members who wish to can get involved in issues that they are interested in by organising themselves into working groups. In addition to working groups, all members also have the opportunity to apply for funds from the organisation's membership pot, which has been established to enable more people to highlight issues that are aligned with Björkåfrihet's values.

Volunteers and volunteer work

Volunteers have been regularly involved to a limited extent in the ongoing work in our shops and sorting facilities.

The value of this voluntary work has not been recognised in the income statement.

1.6.2 Employees

In 2020, Björkåfrihet had an average of 143 employees. Of these, 61 per cent were women and 39 per cent were men. The duties of employees relate to day-to-day operations, including everything from collections, sorting and sales to project management and other administration.

During the year, the organisation was a member of the employers' organisation KFO (which merged at the start of 2021 with Idea to form a new organisation, Fremia) and has collective agreements with two trade unions – Handels, the Commercial Employees' Union, and Unionen.

Due to the ongoing pandemic, the organisation had to reduce employee numbers during the year by the equivalent of 24 full-time posts. Staffing was initially reduced by not filling temporary posts and through voluntary resignations. Ultimately some staff had to be made redundant. In total, 9.77 full time equivalent posts were made redundant during the autumn, partly by making entire posts redundant and partly by making parts of posts redundant. Some of the redundant posts were reinstated during the autumn.

Between April and September, almost all staff were furloughed to some extent.

The coronavirus pandemic also meant that the organisation's units were not able to hold physical staff meetings from April onwards. Meetings are usually held ten times a year.

During the year, information normally sent out in advance of staff meetings was sent out electronically. Instead of staff meetings, several units have held morning meetings for smaller numbers of people, at which employees have discussed issues such as the working environment. During the year, ongoing information on how the restrictions and changes in law in the community affected the organisation was sent out to all staff electronically.

1.6.3 Management

Board of Directors

As of the Annual General Meeting of 6 September 2020 (the regular AGM is normally held in April but was postponed due to the pandemic), the Board of Directors of the association consisted of a chair, seven members and one deputising member. The Chair was Mikela Lundahl Hero. The Board members were Johanna Söderman Wigh, Johanna Lindblad, László Sall Vesselényi, Stina Sewén, Madelene Ruthberg, Marlene Midtvedt and Petra Lindberg. The deputising member was Mohammed Smesem.

Stina Sewén resigned in December.

The Board held 13 meetings in 2020, of which two were extraordinary meetings called because of the effects of the pandemic on the organisation. All meetings were minuted.

All Board activity was based on the Board's rules of procedure. The Board managed and minuted all attendance at Board meetings, including that of employees and/or co-opted members, and any conflicts of interest that arose.

In 2020, Board members received remuneration for the first time, in line with the decision of the 2019 AGM. SEK 1,000 was paid per month to every Board member, including deputising members, who attended Board meetings in that month that had been agreed in advance. In addition to this, a further SEK 1,000 per month was paid to the Chair and SEK 500 per month to the Vice Chair that was not conditional on attendance at meetings. Members have also had travel costs reimbursed.

Management Team

During the year, the organisation was led by two Managing Directors: Gesica Tawakkoli Gunmalm, responsible for our second-hand operation, and Kristin Ivarsson, responsible for international work and PR. In addition to the Managing Directors, the Management Team during the year comprised Helga Bennysdóttir (HR Director), Sara Lindgren (Operational Director), Sara Edestrand (Sales Director), Anette Niklasson (Financial Director) and Pelle Hällje (Communications Officer). Pelle left the management team in October to take leave of absence.

Nomination Committee

As of the AGM in September 2020, the Nomination Committee comprised Pelle Hällje (convener) and Helga Bennysdóttir.

Auditors

Auditor: Inger Sjöberg, certified public accountant, Ernst & Young, Gothenburg.

Internal auditor: at the AGM in September 2020 the post of internal auditor was left vacant.

1.6.4 Other information

90 accounts

Björkåfrihet's activity is verified by Svensk Insamlingskontroll (Swedish Fundraising Control) and the organisation has two official '90 accounts', PlusGiro 90 01 71-0 and BankGiro 900-1710.

Representation on other boards

Björkåfrihet has no representatives on any other organisation's board of directors.

Advocacy and sector involvement

Björkåfrihet is a member of the Ideell Second Hand network, which represents the interests of not-for profit second hand organisations with '90 accounts' in discussions with decision-makers and authorities. Björkåfrihet does not itself undertake lobbying work but does engage actively in public advocacy, with everything from window displays and member activities to trade fairs and opinion pieces in the daily newspapers.

Björkåfrihet is a member of CSR Västsverige, a network that works mainly on sustainability issues and in particular social development within ideologically-driven, public and private organisations.

Since 2020, Björkåfrihet has been a member of Avfall Sverige, a stakeholder body for organisations operating within the field of waste management.

Contact details

Telephone: +46 (0)31-23 30 80

Email: info@bjorkafrihet.se

Address: Aröds industriväg 27, 422 43 Hisings Backa, Gothenburg, Sweden

Internet

Björkåfrihet can be found online at www.bjorkafrihet.se, facebook.com/bjorkafrihet and www.instagram.com/_bjorkafrihet_.

Shops

During 2020, Björkåfrihet operated five shops under its own auspices. A number of other shops were also run through partnerships with municipalities and the addresses of these are listed at www.bjorkafrihet.se/kompisbutiker.

Lantmannagatan 59B	214 48 Malmö, Sweden	+46 (0)40-92 35 40
Linnégatan 9	413 04 Gothenburg, Sweden	+46 (0)31-775 35 40
Södra Förstadsgatan 14	211 43 Malmö, Sweden	+46 (0)40-97 10 15
Ålgårdsgatan 5-9	506 30 Borås, Sweden	+46 (0)33-12 48 60
Ångpannegatan 5	417 05 Gothenburg, Sweden	+46 (0)31-51 81 16

2 MULTI-YEAR OVERVIEW

SEK thousand

From the balance sheet	2016	2017	2018	2019	2020
Cash and bank balances	21,415	17,000	11,672	14,141	13,776
Fixed assets	6,482	6,472	5,503	4,247	3,568
Current assets	16,165	17,369	20,995	19,804	22,742
Total assets	44,062	40,841	38,170	38,192	40,086
Current liabilities	5,250	5,338	2,511	3,585	8,905
Holiday pay liability	4,979	6,121	6,745	6,320	6,671
Trade payables	1,772	4,045	3,326	3,955	3,515
Long-term liabilities	320	0	0	0	0
Equity	31,741	25,337	25,588	24,332	20,995
Total liabilities and equity	44,062	40,841	38,170	38,192	40,086

From the income statement	2016	2017	2018	2019	2020
Income from activities	97,895	91,389	102,696	109,367	92,948
Staff expenses	-53,772	-61,137	-61,508	-65,838	-56 836
Other expenses	-25,797	-27,897	-29,700	-35,519	-32,743
Depreciation/amortisation	-1,815	-1,997	-1,851	-1,867	-2,036
Financial income/expenses	190	185	-44	208	-118
Profit/loss before cash support	16,701	543	9,593	6,351	1,214
Cash support	-6,761	-6,947	-9,203	-7,895	*-3 921
Profit/loss	9,940	-6,404	390	-1,544	-2,707

**During 2020, the organisation utilised SEK 632 thousand from designated funds to supplement the cash support.*

Key ratios	2016	2017	2018	2019	2020
Quick ratio	215 %	137 %	152 %	143 %	108 %
Equity ratio	72 %	62 %	67 %	64 %	53 %

Definitions of key ratios

Quick ratio – Cash & Bank + Current assets less stocks/inventories as a percentage of current liabilities

Equity ratio – Equity as a percentage of total capital

3 INCOME STATEMENT

SEK thousand	Not e	2020	2019
<u>Income from activities</u>			
Membership fees		9	19
Funds raised		2,614	192
Sales	1	78,315	103,409
Project grants	2	3,217	3,597
Wage subsidy received etc.		878	1,422
Other income from activities	3	7,915	728
Total income		92,948	109,367
 <u>Cost of activities</u>	 4, 5		
Project costs related to object	6, 7	-9,903	-13,450
Cost of collection		-84,546	-96,577
Administrative costs		-1,087	-1,092
Total costs		-95,536	-111,119
 Profit/loss from activities		-2,588	-1,752
 <u>Result from financial investments</u>			
Interest income and similar profit/loss items		258	431
Interest expenses and similar profit/loss items		-376	-223
Total result from financial investment		-118	208
 Profit/loss after financial items		-2,706	-1,544
 Profit/loss for the year		-2,706	-1,544

4 BALANCE SHEET

SEK thousand	Not e	31/12/2020	31/12/2019
ASSETS			
Fixed assets			
<i>Tangible fixed assets</i>			
Land and buildings	8	327	346
Equipment	9	3,241	3,901
		<hr/>	<hr/>
		3,568	4,247
Total fixed assets		3,568	4,247
Current assets			
<i>Stock/inventories</i>			
Goods for resale		15,904	14,076
<i>Current receivables</i>			
Trade debtors		1,963	997
Other receivables		3	430
Tax receivables		862	31
Prepaid expenses and accrued income	10	4,010	4,270
		<hr/>	<hr/>
		6,838	5,728
<i>Current investments</i>			
Cash and bank balances		13,776	14,141
Total current assets		36,518	33,945
Total assets		40,086	38,192

Continuation of balance sheet

SEK thousand	Not e	31/12/2020	31/12/2019
EQUITY AND LIABILITIES			
Equity			
Accumulated capital		23,530	25,073
Designated funds		171	803
Profit/loss for the year		-2,706	-1,544
		20,995	24,332
Current liabilities			
Trade creditors		3,515	3,955
Other liabilities	12	6,888	1,130
Accrued expenses and deferred income	11	8,688	8,775
		19,091	13,860
Total equity and liabilities		40,086	38,192

Changes in equity (thousand)

	Designated funds	Accumulated capital	Profit/loss for the year	Total
Amount at start of year	803	25,074	-1,544	24,333
Reclassification of previous year's result		-1,544	1,544	0
Profit/loss for the year			-2,706	-2,706
Utilised designated funds	-632			-632
	171	23,530	-2,706	20,995

5 CASH FLOW STATEMENT

	01/01/2020 - 31/12/2020	01/01/2019 - 31/12/2019
<u>Operating activities</u>		
Profit/loss from activities	-2,588	-1,752
Adjustments for items not included in the cash flow		
Depreciation/amortisation	2,036	1,866
Retained interest	258	431
Interest paid	-376	-223
Cash flow from operating activities before changes in working capital	-670	322
Change in stock/inventories	-1,828	-488
Change in current receivables	-1,110	1,679
Change in current liabilities	5,235	1,278
Cash flow from operating activities	1,627	2,792
<u>Investment activities</u>		
Acquisition of tangible fixed assets	-1,361	-610
Cash flow from investment activities	-1,361	-610
<u>Financing activities</u>		
Change in designated funds	*-632	288
Cash flow from financing activities	-632	288
Cash flow for the year Increase/Decrease in cash and cash equivalents	-365	2,469
Cash and cash equivalents at the beginning of the year	14,141	11,672
Cash and cash equivalents at year end	13,776	14,141

* A sum of SEK 632 thousand from designated funds has been utilised to supplement the cash support.

The cash flow statement has been prepared using the indirect method. The cash flow reported only covers transactions involving inward or outward payments.

The organisation defines cash and cash equivalents as cash funds and credit available from banks and other credit institutions.

6 SUPPLEMENTARY INFORMATION

Accounting and valuation principles

Björkåfrihet's accounting and valuation principles are in accordance with the Swedish Annual Accounts Act and the general guidelines of the Swedish Accounting Standards Board (K3).

This is the seventh time the organisation has applied BFNAR 2012:1 Annual Report and Consolidated Accounts (K3).

As the value of the buildings is a very small amount, it has not been subdivided into components.

The accounting principles are also based on the Guidelines for Annual Reports produced by FRIL (the voluntary organisations' fundraising council).

Björkåfrihet uses an income statement classified by function.

Income reporting

Income is shown at the fair value of what has been or will be received.

Grants from other organisations are shown in terms of the amounts that have been utilised. Unutilised amounts are shown as liabilities.

Project costs related to object

Project costs are costs that are directly related to the vision and mission in Björkåfrihet's constitution. They include costs for our aid projects, information, awareness raising and material aid.

The item includes the salary costs and administrative costs for the staff working on these projects and shared costs allocated across all strands of our work.

Cost of collection

Collection costs include all aspects of our second-hand business, starting with the collection of clothing and other items and finishing with these being sold in our shops. Amongst these are costs associated with the handling of the items such as transport, sorting, price labelling, export sales, retail sales and marketing. Collection costs also include expenditure on staffing and facilities in connection with collection.

Administrative costs

Administrative costs are costs necessary for the administration of Björkåfrihet.

These include some of the salary costs for the organisation's Directors and the administrative staff (finance, HR, IT etc.) and allocated shared costs.

Receivables

Receivables are recognised as the payment expected in each individual case.

Valuation of stock/inventories

Donated goods are measured at their sale value less sales overheads and obsolescence.

Fixed assets

Tangible and intangible fixed assets are measured at cost less depreciation/amortisation according to plan. Assets are depreciated/amortised systematically over their estimated economic life.

The following depreciation/amortisation periods have been applied:

Buildings	30 years
Premises in another party's property	5-20 years
Equipment and vehicles	3-10 years

Accounting principle for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash flow reported only covers transactions that involved inward or outward payments. The organisation defines cash and cash equivalents as cash funds and credit available from banks and other credit institutions.

7 NOTES TO THE INCOME STATEMENT AND BALANCE SHEET

Note 1. Sales

	2020	2019
Retail sales	68,629	87,532
Sales through partnerships with municipalities	2,218	3,850
Wholesale sales	7,468	12,027
Total	78,315	103,409

Note 2. Project grants

	2020	2019
Forum Syd	3,217	3,261
Swedish Institute	0	336
Total	3,217	3,597

Amounts of external grants taken up as income during the year correspond to the amounts of project costs during the year. Unutilised portions of grants received are shown as liabilities.

The sum above includes grants for administration.

Note 3. Other income from activities

	2020	2019
Restructuring support	1,657	0
Short-term support	2,218	0
Compensation for sick pay expenses	1,096	240
Other income from activities	2,944	488
Total	7,915	728

Note 4. Staffing**Salaries, other remuneration and social security expenses**

	2020	2019
Salaries (senior management)	1,018	998
Salaries and other remuneration (other employees)	40,178	45,946
Social security expenses including labour market insurances	15,003	17,947
Other staffing expenses	637	947
Total	56,836	65,838

Average number of employees

	2020		2019	
		Of whom men		Of whom men
Average number of employees	143	56	149	60

Board members and senior management

	2020		2019	
	Numbers at accounting year-end	Of whom men	Numbers at accounting year-end	Of whom men
Board members	7	2	7	2
Other senior management	2	0	2	1

Note 6. Leasing

Björkåfrihet primarily leases office, retail and warehousing premises and lorries and trucks. Leasing charges charged to expenses amount to SEK 14,323 thousand (previous year SEK 15,172 thousand).

Leasing charges fall due in the future as follows:

	2020	2019
Within 1 year	3,221	6,276
Within 1-5 years	5,913	4,068
Later than 5 years	1,605	0

Total	10,739	10,344
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Note 7. Project costs related to object

	2020	2019
Support in Sweden (<i>previously refugee support in Sweden</i>)	-823	-1,497
Support in Palestine/Lebanon (<i>previously Organisations in the Middle East</i>)	-2,499	-4,059
Support in Mozambique/Western Sahara/Algeria (<i>previously Organisations in Africa</i>)	-598	-2,339
Partnerships with municipalities	-1,004	-997
Other including staffing costs	-4,979	-4,558
Total	-9,903	-13,450

Note 8. Cash support

A sum of SEK 632 thousand from designated funds has been utilised to supplement the cash support.

Note 9. Land and buildings

	2020	2019
Accumulated cost		
Opening cost	560	560
Closing accumulated cost	560	560
Opening depreciation/amortisation	-214	-196
Depreciation/amortisation in the year	-18	-18
Closing residual value according to plan	-233	-214
Closing residual value according to plan	327	346

Note 10. Equipment and vehicles

	2020	2019
Accumulated cost		
Opening cost	21,513	20,903
Purchases in the year	1,361	610
Closing accumulated cost	22,874	21,513
Opening depreciation/reversal of disposal	-17,616	-15,768
Depreciation/amortisation in the year	-2,018	-1,848

Closing accumulated depreciation/amortisation	-19,634	-17,616
Closing residual value according to plan	3,241	3,898

Note 11. Prepaid expenses and accrued income

	2020	2019
Prepaid rental payments	2,566	2,946
Other prepaid expenses	1,432	1,293
Other accrued income	12	31
Total	4,010	4,270

Note 12. Current liabilities

	2020	2019
Tax deduction at source (PAYE)	713	960
Gift vouchers and credit notes	150	170
Deferred social security contributions and PAYE	6,025	0
Total	6,888	1,130

Note 13. Accrued expenses and deferred income

	2020	2019
Social security contributions and payroll tax	963	1,221
Holiday pay	6,672	6,320
Grants received but not utilised	0	34
Upfront payments wholesale sales	0	69
Other items	1,053	1,131
Total	8,688	8,775

	31/12/2020	31/12/2019
<u>Pledged assets</u>		
Floating charge	7,300	7,300
Contingent liabilities	None	None

Gothenburg 08/04/2021

Mikela Lundahl Hero
Chair

László Sall Vesselényi
Member

Petra Lindberg
Member

Johanna Söderman Wigh
Member

Marlene Midtvedt
Member

Johanna Lindblad
Member

Mohammed Smesem
Deputising member

Our auditor's report was submitted on 08/04/2021.

Ernst & Young AB

Inger Sjöberg

Authorised public accountant