

## STRØMME FOUNDATION - ACTIVITY ACCOUNT

	Note	Strømme Foundation 2023	Strømme Foundation 2022	Consolidated 2023	Consolidated 2022
<b>Funds acquired</b>					
Public sector grants - Norway	1	127,446,034	130,878,729	127,446,034	130,878,729
Public sector grants - Foreign	1	20,564,324	18,480,898	20,564,324	18,480,898
Grants from other organisations	1	25,242,870	8,860,521	25,242,870	8,860,521
Private donations	2	57,057,860	48,993,133	57,057,860	48,993,133
Corporate sector		27,138,110	21,900,334	27,138,110	21,900,334
Financial income	3	15,185,572	-139,544	15,185,572	-139,544
Other income		189,941	536,725	189,941	536,725
<b>Total funds acquired</b>		<b>272,824,712</b>	<b>229,510,795</b>	<b>272,824,712</b>	<b>229,510,795</b>
<b>Funds spent</b>					
<b>Cost of fund acquisition</b>					
Fundraising cost	4	-20,740,845	-20,816,962	-20,740,845	-20,816,962
Other acquisition cost	4	-1,898,512	-1,887,569	-1,898,512	-1,887,569
<b>Total cost of fund acquisition</b>		<b>-22,639,357</b>	<b>-22,704,531</b>	<b>-22,639,357</b>	<b>-22,704,531</b>
<b>Purpose cost</b>					
Support to development partners/projects	5	-164,918,871	-159,145,262	-164,918,871	-159,145,262
Programme follow-up at regional offices		-43,729,026	-39,616,193	-43,729,026	-39,616,193
Programme follow-up from Kristiansand		-14,807,673	-13,080,368	-14,807,673	-13,080,368
Information activities in Norway		-9,310,271	-9,727,813	-9,310,271	-9,727,813
<b>Total purpose cost</b>	4	<b>-232,765,840</b>	<b>-221,569,636</b>	<b>-232,765,840</b>	<b>-221,569,636</b>
<b>Administration cost</b>	4	<b>-8,801,950</b>	<b>-8,649,854</b>	<b>-8,801,950</b>	<b>-8,649,854</b>
<b>Total funds spent</b>	4, 13	<b>-264,207,148</b>	<b>-252,924,021</b>	<b>-264,207,148</b>	<b>-252,924,021</b>
VAT compensation		3,264,099	2,735,354	3,264,099	2,735,354
Result Microfinance (MF)				-10,521,741	-3,120,835
Result from investments in other companies				-218,057	93,293
<b>The year's activity result</b>	12	<b>11,881,663</b>	<b>-20,677,871</b>	<b>1,141,865</b>	<b>-23,705,414</b>
<b>Additions/reductions in purpose capital</b>					
Change in purpose capital for programme activities		4,835,646	33,151,904	4,617,588	33,245,197
Change in purpose capital for microfinance		-8,000,000	-61,552,665	-18,521,741	-64,673,500
Transferred to / (from) other purpose capital		15,046,017	7,722,889	15,046,017	7,722,889
<b>Total additions/reductions in purpose capital</b>	12	<b>11,881,663</b>	<b>-20,677,871</b>	<b>1,141,865</b>	<b>-23,705,414</b>

## STRØMME FOUNDATION BALANCE SHEET AS OF 31.12.23

ASSETS	Note	Strømme Foundation 2023	Strømme Foundation 2022	Consolidated 2023	Consolidated 2022	Note
<b>Long-term assets</b>						
<b>Fixed assets</b>						
Property		291,394	333,024	291,394	333,024	
Office furniture and equipment		236,544	256,875	236,544	256,875	
<b>Total fixed assets</b>	6	<b>527,938</b>	<b>589,899</b>	<b>527,938</b>	<b>589,899</b>	
<b>Financial assets</b>						
Investments in subsidiaries	7	37,329,847	37,329,847	-	-	
Investments in other companies	7	200,000	200,000	959,288	825,866	
Investments in microfinance		-	-	59,077,233	75,468,649	19
Loan to subsidiaries	7	-	8,000,000	-	-	
Overfinanced pension schemes	8	2,462,671	2,602,556	-	-	
<b>Total financial assets</b>		<b>39,992,518</b>	<b>48,132,403</b>	<b>62,499,192</b>	<b>78,897,071</b>	
<b>Total long-term assets</b>		<b>40,520,456</b>	<b>48,722,302</b>	<b>63,027,130</b>	<b>79,486,970</b>	
<b>Inventory</b>		<b>30,277</b>	<b>54,284</b>	<b>30,277</b>	<b>54,284</b>	
<b>Receivables</b>						
Trade Debtors		1,685,631	1,735,526	1,685,631	1,735,526	
Inter-company receivables	7	252,957	240,059	-	-	
Other short-term receivables	9	24,144,598	10,564,537	24,144,598	10,564,537	
<b>Total receivables</b>		<b>26,083,186</b>	<b>12,540,122</b>	<b>25,830,229</b>	<b>12,300,063</b>	
<b>Investments in current financial assets</b>	10	<b>98,080,999</b>	<b>83,532,696</b>	<b>98,080,999</b>	<b>83,532,696</b>	
<b>Bank and cash</b>	11	<b>78,245,928</b>	<b>82,711,935</b>	<b>78,245,928</b>	<b>82,711,935</b>	
<b>Total current assets</b>		<b>202,440,389</b>	<b>178,839,038</b>	<b>202,187,432</b>	<b>178,598,979</b>	
<b>TOTAL ASSETS</b>		<b>242,960,845</b>	<b>227,561,340</b>	<b>265,214,562</b>	<b>258,085,949</b>	

## STRØMME FOUNDATION BALANCE SHEET AS OF 31.12.23

PURPOSE CAPITAL AND LIABILITY	Note	Strømme Foundation 2023	Strømme Foundation 2022	Consolidated 2023	Consolidated 2022	Note
<b>Purpose capital (PC)</b>						
<b>Founding capital</b>		3,326,092	3,326,092	3,326,092	3,326,092	
<b>Acquired purpose capital</b>						
PC with restrictions (SF projects)	12	41,552,038	36,716,393	41,552,038	36,716,393	
PC with restrictions (Microfinance)	12	37,329,847	45,329,847	24,240,732	40,396,129	
Other purpose capital	12	116,087,793	101,041,776	151,919,598	136,740,158	
<b>Total acquired purpose capital</b>		<b>194,969,678</b>	<b>183,088,015</b>	<b>217,712,368</b>	<b>213,852,680</b>	
<b>Total purpose capital</b>	12	<b>198,295,770</b>	<b>186,414,107</b>	<b>221,038,460</b>	<b>217,178,772</b>	20
<b>Liability</b>						
<b>Long-term debt</b>						
Staff gratuities in regional offices		4,157,921	7,671,739	4,157,921	7,671,739	
Legacy obligations		150,000	150,000	150,000	150,000	
<b>Total long-term debt</b>		<b>4,307,921</b>	<b>7,821,739</b>	<b>4,307,921</b>	<b>7,821,739</b>	
<b>Short-term debt</b>						
Creditors		4,443,009	2,491,940	4,443,009	2,491,940	
Public duties and taxes		2,439,874	2,701,392	2,439,874	2,701,392	
Owed to employees		2,545,631	2,213,625	2,545,631	2,213,625	
Inter-company debt	7	236,016	-	-252,957	-240,056	
Deferred project income	9	29,998,957	24,622,544	29,998,957	24,622,544	
Other account payable		693,666	1,295,994	693,665	1,295,994	
<b>Total current liability</b>		<b>40,357,154</b>	<b>33,325,494</b>	<b>39,868,180</b>	<b>33,085,438</b>	
<b>Total liability</b>		<b>44,665,075</b>	<b>41,147,233</b>	<b>44,176,102</b>	<b>40,907,177</b>	
<b>TOTAL PURPOSE CAPITAL AND LIABILITY</b>		<b>242,960,846</b>	<b>227,561,340</b>	<b>265,214,562</b>	<b>258,085,949</b>	

Kristiansand 13. June 2024

Arvid Grundkjøn  
Chairperson of the Board

Kristin Tofte Andresen  
Board Member

Vidar Haukeland  
Board Member

Arild Hestås  
Board Member

Adelheid Firing Hvambdal  
Board Member

Celeste de la Huerta  
Board Member

Erik Lunde  
Secretary General

**STRØMME FOUNDATION CASHFLOW**  
(The indirect method)

	Note	Strømme Foundation 2023	Strømme Foundation 2022	Consolidated 2023	Consolidated 2022
<b>The year's activity result</b>		<b>11,881,663</b>	<b>-20,677,871</b>	<b>1,141,865</b>	<b>-23,705,414</b>
<b>Adjustment of microfinance group</b>		<b>-</b>	<b>-</b>	<b>18,757,757</b>	<b>3,261,617</b>
Share of result from other companies		-	-	218,057	-93,293
Ordinary depreciation and write offs	6	61,961	61,961	61,961	61,961
Difference between pension cost and payments	8	139,885	182,334	139,885	182,334
<b>Posts in the activity account without liquidity effect</b>		<b>201,846</b>	<b>244,295</b>	<b>419,903</b>	<b>151,002</b>
Proceeds from sale of fixed assets	6	-	8,754	-	8,754
Acquisition of fixed assets	6	-	-374,654	-	-374,654
Change in loan to subsidiary	7	8,000,000	2,000,000	-	-
Change in long-term receivables		-	-	-	-
Change in long-term debt		-3,513,817	1,238,834	-3,513,817	1,238,834
<b>Investments, disposals and financing</b>		<b>4,486,183</b>	<b>2,872,934</b>	<b>-3,513,817</b>	<b>872,934</b>
Change in inventory		24,007	11,293	24,007	11,293
Change in receivables/other current assets		-13,543,064	2,009,895	-13,530,165	1,921,578
Change in creditors/other short-term debt		1,655,247	-2,414,166	1,406,328	-466,635
Change in deferred project income		5,376,413	-4,542,985	5,376,413	-4,542,985
<b>Other changes</b>		<b>-6,487,397</b>	<b>-4,935,963</b>	<b>-6,723,417</b>	<b>-3,076,749</b>
<b>Total changes in liquidity during the year</b>		<b>10,082,295</b>	<b>-22,496,605</b>	<b>10,082,295</b>	<b>-22,496,605</b>
Opening balance of cash and current financial assets 1.1.		166,244,632	188,741,237	166,244,632	188,741,237
<b>Closing balance of cash and current financial assets 31.12</b>		<b>176,326,927</b>	<b>166,244,632</b>	<b>176,326,927</b>	<b>166,244,632</b>
<b>Specification:</b>					
Investment in current financial assets	10	98,080,999	83,532,696	98,080,999	83,532,696
Bank and cash	11	78,245,928	82,711,935	78,245,928	82,711,935
<b>Closing balance of cash and current financial assets 31.12</b>		<b>176,326,927</b>	<b>166,244,632</b>	<b>176,326,927</b>	<b>166,244,632</b>

## ACCOUNTING PRINCIPLES APPLIED

The financial statements of the Strømme Foundation (SF) are prepared in accordance with the Norwegian Accounting Act and the "Accounting Standard for Not-for-Profit organisations", produced by The Norwegian Accounting Standards Board. This means that, in place of a traditional profit and loss account, there is an activity account which is meant to give the reader a better understanding of how Strømme Foundation has used the resources at its disposal. SF is not liable for direct taxation.

### Allocation of costs

The purpose of Strømme Foundation is to lift people out of poverty by:

Managing raised funds and public grants in a way that ensures that recipients gain real influence over their own situations through participation in the developmental process, to strengthen human dignity, and to stimulate the ability of recipients to help themselves.

Active information work in Norway about development projects and about North-South perspectives in general.

Providing aid and assistance through local partner organisations, and other regional organisations in co-operation with local authorities.

### The Regional Offices

SF has three regional offices; in West Africa (Mali); East Africa (Uganda) and Asia (Sri Lanka), plus seven country offices in Burkina Faso, Niger, South Sudan, Tanzania, Bangladesh, Nepal and Myanmar.

The full cost of these offices is allocated as purpose cost.

### Support for development programmes from Kristiansand

Costs of the "International Department" are allocated to activity and thereby purpose costs. The department's function is to co-ordinate, support, evaluate and monitor all programme work, as well as liaising with public and institutional funding bodies.

### Other support functions in Kristiansand

These consist of the 'Secretary General', the Administration-, Finance- and ICT- department. The basis of allocation starts with salaries, which are allocated according to an estimate of the amount of time spent on different activities. Costs that cannot be reasonably and consistently allocated to activity, are classified as administration costs. Thus, support costs relating to the Board of SF, general memberships, consultancy, and about 60 % of staff costs in the stated departments are classified as administration costs. Note 4 below shows in summary how the allocation has been made.

### Fundraising and information activities

All expenditure directly connected to personnel employed as fundraisers, and to solely fundraising activity, is classified 100 % as fundraising cost. This includes all direct marketing costs and other costs associated with our main fundraising products "Friend at Heart", "Bridge-builder", "Poverty-fighter" and "Job Creator". Efforts to raise funds from other organisations are also included here.

All expenditure on personnel and activity whose prime purpose is connected to information and public education is allocated to purpose activity.

### Transactions in foreign currency

The conversion of the regional accounts from local currency to Norwegian kroner follows the prevailing exchange rates that are monthly updated in the common financial system. Accounting summaries from the offices still on separate financial system is recorded in Kristiansand monthly at rates corresponding to the fund transfer rates from here or the rates of institutional grants received in the regions.

SF enters into forward exchange contracts in foreign currency to reduce the currency exposure connected to money transfers abroad. The currency hedging is classified as securing of cash flow according to the NRS 18 "Financial assets and obligations". Gain and loss related to forward exchange contracts are recorded directly under financial posts relative to the market rate at the settlement date. These exchange rates serve as basis for the transfers to the regions and therefore affect programme costs in the activity accounts.

Foreign currency income is in general recorded at the spot rate on the day of receipt.

### Income

Income is entered in the accounts according to the gross method. Costs are entered as they accrue, and income when it is realised. Bequests or donations are recorded as income when there is indisputable confirmation of receipt. Gifts and grants are registered at face value and sales net after deduction of VAT.

SF follows special guidelines concerning earmarked funds, which ensures that these funds cannot be used for activities other than those for which they were donated without specific approval. The Board has set regulations for the handling of earmarked funds when a project is closed. Unused earmarked funds are shown as purpose capital with restrictions on the balance sheet. Grants that are not spent by the end of the year are not shown as income, but as short-term debt in the accounts.

## Classification and valuation of balance sheet items

Current assets and short-term liabilities contain items due for payment within one year after acquisition. Other items are classified as fixed / financial assets or long-term liabilities.

Current assets are valued at the lowest of procurement cost and actual value. Other accounts receivable are included on the balance sheet at face value. Items in foreign currency are valued at year-end exchange rates. Short-term liabilities are recorded at the nominal amount at the time of accrual.

Fixed / financial assets are valued at procurement cost, but are depreciated to actual value if the fall in value is not expected to be temporary. Long-term debt is entered at the nominal amount at the time of establishment.

## Fixed assets

The fixed assets are entered in the balance sheet and depreciated over their life span if the life span is more than 3 years and the cost is higher than NOK 50 000. Maintenance of fixed assets is charged to operating costs, while renovation or upgrading is added to the cost value and is depreciated along with the asset.

At the regional offices all fixed assets are charged to result at the time of procurement.

All leasing contracts are classified as operational and accounted for as costs.

## Shares in subsidiaries and other companies

Shares in subsidiaries and other companies are recorded at historic cost.

## Short-term investments

Short-term investments (shares- and bonds units considered to be current assets) are valued at the lowest of procurement cost and actual value in the balance sheet. Received interest and dividend from the companies are entered as other financial income.

## Pensions

For the time being, the Foundation has both a defined benefit and a defined deposit pension scheme.

### Defined benefit pension

Pension costs and the pension obligations are calculated according to the principle of linear earning, based on estimated factors for the discount rate; future regulation of salary, pensions and contributions from social security, future earnings on the pension fund as well as the actuarial conditions concerning death rate, voluntary resignations, etc. The pension fund is valued according to actual value and is deducted from the net pension obligations on the Balance Sheet. Changes in the obligation due to changes in the pension plans are allocated over the expected remaining contribution period. The same applies to estimate deviations to the extent they exceed 10% of the greater of the gross pension obligations and the pension funds. Arrangements with net obligation are shown as liability and arrangement with net over-financing shown as financial asset.

### Defined deposit pension

The payments to the pension fund company are calculated as a fixed percentage of the members' salaries. The deposits are accounted for as personnel cost. The Foundation has no obligations beyond the annual payments.

### Gratuity obligations at regional offices

At regional-/country offices SF as well as the employees make regular deposits into public gratuity funds. These funds are not on the SF balance sheet. In addition to that contributions are set aside for a final payment to employees when they leave, according to the local legislation. The obligations are valued at year end rates.

## Cash flow

The cash flow is calculated using the indirect method. Cash and cash equivalents consist of cash, bank deposits and other short term liquid investments which can immediately be converted to cash without material exchange risk.

## Consolidation principles

The consolidated accounts includes those companies where Strømme Foundation directly or indirectly has deciding influence. The consolidated accounts are prepared as if the group were one economic unit. Transactions and outstanding balances between the companies in the group are eliminated. The consolidated accounts are prepared according to uniform principles. Purchased subsidiaries are accounted for in the consolidated accounts based on SF's procurement costs. The costs of acquisition are linked to identifiable assets and debt in the subsidiary, which is stated at actual value in the consolidated accounts at the time of purchase.

Investments in microfinance are valued according to the equity method in the consolidated accounts. The equity method requires that a proportion of the relevant companies' result, reduced by depreciation on possible excess values, is charged to the activity account in the consolidated accounts. Both the purpose capital and the mother company's lending to the microfinance activity are incorporated in the account line 'Investments in microfinance'.

## NOTES FOR 2023

### Note 1 - Institutional grants

Public sector grants - Norway	Purpose	2023	2022
Norwegian Agency for Dvlpm. Coop. (NORAD)	Development Programmes	103,010,961	103,066,196
Norwegian Agency for Dvlpm. Coop./Atlas Alliance	Inclusion of disabled, Africa	8,288,496	14,941,780
Norwegian Agency for Dvlpm. Coop. (NORAD)	Information support, Norway	416,601	505,230
Norwegian Ministry of Foreign Affairs (MFA)	Development programme in Uganda	11,389,966	8,287,626
Norwegian Agency for Exchange Cooperation (Norec)	Exchange programme Act Now	4,175,034	3,077,897
Kristiansand municipality	Ukraine - crisis mitigation activities	-	1,000,000
Innovation Norway	EduAnywhere - Mali	164,977	-
<b>Total</b>		<b>127,446,034</b>	<b>130,878,729</b>

The grants from NORAD and MFA requires a self contribution of minimum 10 %, and includes 7 % administration support.

Public sector grants - Foreign	Purpose	2023	2022
United Kingdom Aid	Education for girls, South Sudan	8,618,068	5,733,213
Global Affairs Canada (GAC)	Speed School Programme, Burkina Faso	5,165,660	5,792,624
Unicef	Speed School Programme, Mali	6,780,596	6,955,061
<b>Total</b>		<b>20,564,324</b>	<b>18,480,898</b>

Grants from other organisations	Purpose	2023	2022
Läkarmissionen, Sweden	Saving-/credit groups and youth empowerment, Uganda/South Sudan	-340,000	-
Eriks Foundation, Sweden	Speed Schools, Mali, Community Dvlp., South Sudan	1,323,699	1,161,264
Education for All Foundation, Qatar	Speed Schools, Mali, Burkina Faso, Niger	-	-457,779
Education for All Foundation, Qatar	Rising programme, Uganda	6,645,140	1,495,693
Operation Dayswork, Norway	Master of ones own life, Uganda	6,911,190	3,331,292
Hei Verden, Norway	Inclusive Education, Bangladesh	391,000	510,000
Turing Foundation, The Netherlands	Green Jobs, Mali	1,079,000	1,329,000
The Norwegian Geotechnical Institute	Green Jobs, Mali	8,532,841	1,491,050
Strømme Micro Credit, Sri LANKA	Partner sustainability, Sri Lanka	700,000	-
<b>Total</b>		<b>25,242,870</b>	<b>8,860,521</b>

### Note 2 - Private donations

Donor Category	2023	2022
Individual donations	5,989,234	5,390,362
Fixed-term donations (Friend at Heart, Bridge Builder, Job Creator etc.)	42,275,949	39,131,825
Events, schools and artists	1,641,572	1,977,832
Testamentary donations	7,151,105	1,318,377
Disasters and rehabilitation	-	1,174,737
<b>Total</b>	<b>57,057,860</b>	<b>48,993,133</b>

### Note 3 - Financial income / cost

Category	2023	2022
Other interest income	3,109,821	1,811,739
Other financial income	12,655,570	5,240,112
Other financial cost	-579,820	-7,191,395
<b>Total</b>	<b>15,185,572</b>	<b>-139,544</b>

In 2023 'Other financial income' consists of realised yield from investments in current financial assets and net exchange gain on currency hedging (see Note 16). Net exchange loss in the regions and write down of current financial assets are included under 'Other financial cost'.

### Note 4 - Cost allocation

Department	Total	Administration	Fundraising	Other acquisition	Purpose cost
General Secretariat, Administration, Finance & ICT	16,281,990	6,718,919	2,261,611	798,157	6,503,304
Communication/Marketing	29,136,300	1,579,223	17,975,425	596,546	8,985,106
Programme/International	10,140,961	503,809	503,809	503,809	8,629,534
Development projects/partners	164,918,871	-	-	-	164,918,871
Regional-/country offices	43,729,026	-	-	-	43,729,026
<b>Total</b>	<b>264,207,148</b>	<b>8,801,950</b>	<b>20,740,845</b>	<b>1,898,512</b>	<b>232,765,840</b>

## Key indicators

	2023	2022	2021	2020	2019
Percentage spent on purpose	88.1 %	87.6 %	89.8 %	87.7 %	87.3 %
Percentage spent on administration	3.3 %	3.4 %	3.4 %	3.7 %	4.0 %
Fundraising percentage (to purpose)	75.4 %	70.6 %	80.0 %	78.4 %	80.0 %

Percentage spent on purpose = Total purpose cost : Total funds spent

Percentage spent on administration = Administration cost : Total funds spent

Fundraising percentage = Private donations and Corporate sector income minus Fundraising cost : Total private donations and Corporate sector income

The criteria for membership in the Norwegian Control Committee for Fundraising is that a minimum of 65 % of the funds raised is used on the organisation's purpose over time.

## Note 5 - Support to development partners/projects

Country/Region	2023	2022
Nepal	13,941,610	13,091,192
Bangladesh	10,149,661	15,167,465
Sri Lanka	7,259,580	797,521
Myanmar	4,614,444	5,901,495
<b>Asia</b>	<b>35,965,296</b>	<b>34,957,673</b>
Uganda	37,432,355	20,365,865
Tanzania	12,775,338	9,127,716
South Sudan	15,861,958	13,361,796
Kenya	3,333,398	3,922,231
<b>East Africa</b>	<b>69,403,049</b>	<b>46,777,608</b>
Mali	23,531,281	27,522,259
Niger	15,179,634	27,103,931
Burkina Faso	13,148,432	16,451,728
<b>West Africa</b>	<b>51,859,347</b>	<b>71,077,918</b>
Act Now	4,175,034	3,080,350
Cross-cutting issues	400,000	833,413
Programme digitalisation	1,097,129	1,518,300
Global evaluations	1,859,016	-
Ukraine crisis mitigation	160,000	900,000
<b>Global</b>	<b>7,691,179</b>	<b>6,332,063</b>
<b>Total</b>	<b>164,918,871</b>	<b>159,145,262</b>

## Note 6 - Fixed assets

	Property	Furniture and equipment	Total
Cost price 01/01	374,654	351,838	726,492
Acquisitions 2020	-	-	-
Disposals 2020	-	-	-
Cost price 31/12	374,654	351,838	726,492
Accumulated depreciation 31/12	83,260	115,294	198,554
<b>Book value 31/12</b>	<b>291,394</b>	<b>236,544</b>	<b>527,938</b>
The year's ordinary depreciation	41,630	20,331	61,961
Depreciation rates	0 %	2-10 %	20-30%

## Note 7 - Investments in subsidiaries and other companies, and inter-company receivable/payable

Subsidiaries	Number	Owner share	Book value in SF	Result 2023	Equity 31/12/23
Strømme Micro-finance AS	10,500	100	37,329,847	-5,681,822	61,266,263
<b>Total investments in subsidiaries</b>			<b>37,329,847</b>	<b>-5,681,822</b>	<b>61,266,263</b>

Strømme Micro Finance AS (SMF), with its main office in Kristiansand, is a wholly-owned subsidiary of SF.

The 'Loan to subsidiaries' of NOK 8.0 mill is repaid in 2023.

At end of 2023, SF had NOK 0.0 mill outstanding from SMF.



Other companies	Number	Owner share	Book value in SF	Result 2023	Equity 31/12/23
Hald International School AS	200	33	200,000	-654,172	2,272,864
<b>Total investments in other companies</b>			<b>200,000</b>	<b>-654,172</b>	<b>2,272,864</b>

## Note 8 - Pension obligations

Employees who were 57 years and younger were from March 2015 moved from the defined benefit pension scheme to a defined deposit-based solution. At the end of 2022 there were 1 employee and 17 pensioners in the old pension scheme. For the employees currently on the defined deposit pension scheme, there are no obligations beyond those paid during the year. Total cost related to the defined deposit-based pension scheme was NOK 1.3 mill in 2023 (1.2 mill in 2022). SF has signed an agreement for AFP-plan through the Common National scheme of AFP's.

Actuarial calculations have been applied for calculating the obligations and costs in connection with the defined benefit pension plans. The following assumptions have been used for the calculations:

	2023	2022
Discounting rate	3.10%	3.00%
Expected dividend	4.80%	4.70%
Salary adjustments / year	3.50%	3.50%
Yearly G-regulation / inflation	3.25%	3.25%

	Secured system 2023	Secured system 2022
Gross pension obligations at 31/12 calculated at	15,283,928	14,790,738
- Value of pension funds at 31/12 calculated at	-14,502,795	-14,419,754
+ Deferred obligation in case of (loss) / profit	-2,939,479	-2,651,928
= Calculated net pension obligations as of 31/12	-2,158,346	-2,280,944
+ Social Insurance contributions	-304,327	-321,613
= Net pension obligation as of 31/12	-2,462,673	-2,602,557
The year's pension accrual	66,238	69,504
+ interest cost	430,738	271,266
+ administration cost	161,963	158,254
- Return on capital	-675,350	-430,288
= Net pension cost	-16,411	68,736
+ Social Insurance contributions	-2,314	9,692
+ Actuarial loss (gain)	1,215,613	964,047
= Total pension cost	1,196,888	1,042,475

Actual yield on the pension funds was 3.0 % in 2023 (1.2 % in 2022).

## Note 9 - Other short term receivables and deferred project income

Other short-term receivables' includes prepaid project transfers of NOK 18.2 mill, prepaid supplier invoices of NOK 1.6 mill, outstanding amounts for implemented activities from public sector, Norway NOK 1.7 mill, foreign NOK 0.3 mill, from other organisations NOK 1.0 mill, and other outstanding abroad NOK 1.3 mill.

Deferred project income' consists of unspent funds received from public sector grants, Norway by NOK 7.3 mill, public sector grants, Foreign NOK 1.4 mill, grants from other organisations NOK 4.7 mill, from corporate sector NOK 2.9 mill, and SF microfinance funds in Bangladesh NOK 13.7 mill.

## Note 10 - Investments in current financial assets

Category	Cost Price 01/01/23	Book value 01/01/23	Additions 2023	Disposals 2023	Change in writeoffs	Book value 31/12/23	Market value 31/12/23
Market-based equity funds	46,901,992	42,684,503	17,130,913	-10,114,481	4,113,169	53,814,103	55,562,670
Primary Capital certificates	953,436	953,436	28,769	0	0	982,205	2,604,181
Real estate portfolio	5,000,000	4,679,812	0	0	-507,308	4,172,504	4,172,198
Market-based bonds	26,925,970	26,437,406	5,553,571	-5,012,903	369,589	27,347,663	28,052,636
Market-based interest funds	8,727,396	8,777,540	5,634,901	-2,578,653	-69,264	11,764,524	11,723,610
<b>Total</b>	<b>88,508,793</b>	<b>83,532,696</b>	<b>28,348,154</b>	<b>-17,706,037</b>	<b>3,906,185</b>	<b>98,080,999</b>	<b>102,115,295</b>

## Note 11 - Liquidity and restricted funds

Category	2023	2022
Free funds	55,178,856	52,792,561
Project/Grant accounts with restrictions	7,809,548	11,454,540
Security for currency trading frame	10,441,680	10,339,798
Employees' tax deducted account	921,887	993,735
Other restricted funds	3,893,957	7,131,302
<b>Total</b>	<b>78,245,928</b>	<b>82,711,935</b>

## Note 12 - Changes in purpose capital (PC)

Category	31/12/22	Change in 2023	31/12/23
Founding Capital	3,326,092	-	3,326,092
PC for specific projects	3,306,848	4,835,646	8,142,493
PC for programme activities	33,409,545	-	33,409,545
PC for microfinance	45,329,847	-8,000,000	37,329,847
Other purpose capital	101,041,776	15,046,017	116,087,793
<b>Total Purpose Capital</b>	<b>186,414,107</b>	<b>11,881,663</b>	<b>198,295,770</b>

## Note 13 - Operational costs presentation

The Accounting Standard for Not-for-Profit organisations require the disclosure of the expenditures by type in addition to the activity accounts. Notes 13, 14 and 15 contain such a breakdown.

Category	2023	2022	Note
Project transfers to local partners	148,514,813	142,661,128	
Project costs on behalf of local partners	10,244,543	11,100,364	
Salary and personnel costs, Norway	28,087,991	25,839,790	14, 8
Salary and personnel costs in regions/external programmes	31,974,752	29,101,801	14
Travel costs, Norway	2,908,695	3,202,095	
Travel costs inclusive of vehicles in regions/external programmes	5,310,285	4,545,204	
Office, ICT, consultant and other operating costs, Norway programmes	12,333,722	11,215,513	
	11,787,212	10,440,508	
Fundraising campaigns, Norway	13,045,133	14,817,616	
<b>Total operational cost</b>	<b>264,207,148</b>	<b>252,924,021</b>	

## Note 14 - Salaries and personnel expenses / other allowances

Category	2023	2022
Salaries	20,703,648	19,658,666
Social security payments	3,527,765	3,127,255
Pension costs	2,558,911	2,093,008
Other personnel costs	1,297,667	960,862
<b>Sum salaries and personnel expenses</b>	<b>28,087,991</b>	<b>25,839,790</b>
Salaries and allowances at Regional Offices/external programmes	31,974,752	29,101,801
<b>Total</b>	<b>60,062,743</b>	<b>54,941,591</b>

In Norway, 31.5 man-labour years were performed in 2023, which was the same as in 2022. In the regional offices 11.5 man-labour years were performed, compared to 109.5 in 2022.

In 2023 the total salary of the Secretary General (SG) was NOK 936 362, other allowances NOK 29 436 and pension contributions NOK 93 085. The SG has no bonus scheme.

The Executive Board and Advisory Board members have received no remuneration other than actual travelling costs.

With the exception of salaries and travel claims, there are no financial transactions with employees or connected persons in SF Norway. Outstanding loans to employees in the Regional Offices totalled NOK 31 328 at the year end, compared to NOK 34 202 at the end of 2022.

## Note 15 - Audit fees

Category	2023	2022
Statutory Audit Fees - Norway	301,000	205,000
Other certification fees - Norway	525,000	348,500
Technical support accounts - Norway	45,000	49,500
Audit fees for the regional offices	478,195	640,017

The fees are stated exclusive of VAT. Total fees in 2023 to the group auditor in Kristiansand were NOK 871 000.

## Note 16 - Currency Hedging

Currency contracts materialised in 2023 gave a net gain of NOK 4.7 mill. This is recognised under financial items.

At the end of the financial year, SF had forward currency contracts with a face value of USD 18.4 mill which terminate in 2024 and 2025. The handling of these contracts is shown in the accounting principles. The real value of the contracts was NOK -0.02 mill at the end of the year, which is not accounted for.

## Note 17 - Events after balance date

The evolution towards a multipolar world, exacerbated by Russia's ongoing conflict with Ukraine, has had significant repercussions on global economic activities, alongside shifts in security dynamics across multiple countries and continents. These changes increase our operational risk in several countries, and can potentially impact our funding prospects, both from public sector sources and private markets. Notably, Ukraine has emerged as the largest beneficiary of Norwegian official development assistance.

Despite Norway's robust economy and record-high revenues from oil and gas, the Norwegian currency remains weak. This presents a challenge for SF, as the majority of our private and institutional funding is denominated in Norwegian kroner.

In April 2024, SF entered into a new five-year framework agreement with Norad worth 565 million NOK. This lays a solid foundation for our ongoing operations.

At the time of declaring the financial statements, the Board considers that the current situation has not affected the organization's ability of continued

## CONSOLIDATED ACCOUNTS (STRØMME FOUNDATION, SMF AS GROUP)

### Note 18 - Consolidated salaries and personnel expenses / other allowances

Category	2023	2022
Salaries in Norway	21,562,887	20,454,290
Social Security	3,648,918	3,241,895
Pension costs	2,611,284	2,171,665
Other Personnel costs	1,297,667	971,882
Sum salaries and personnel costs in Norway	29,120,756	26,839,731
Salaries and allowances in Regions / outside Norway	32,139,423	29,276,682
<b>Total</b>	<b>61,260,179</b>	<b>56,116,413</b>

#### Audit Fees (exclusive of VAT):

Statutory Audit Fees - Norway	451,404	311,000
Other certification fees - Norway	525,000	401,000
Technical support accounts - Norway	45,000	49,500
Other services (legal fees) - Norway	0	
Audit fees in the regions	504,861	698,526

Beyond Strømme Foundation, the table above includes figures for the Microfinance Group. In addition to the employees stated in Note 14, there are 2 employees in the group. Approximately 1,15 manyears are charged to microfinance in Norway.

The Secretary General in SF is Chairperson of the Board of SMF AS, and the salary is disclosed in Note 14.

Audit fees paid to the group auditors in Norway in 2023 are NOK 1 021 404 exclusive of VAT. The audit fees in the regions totalled NOK 504 861.

### Note 19 - Investments in microfinance

method.

The year's changes in the Microfinance investments:	2023	2022
Book value 01/01	75,468,649	84,469,059
Share of result	-10,521,741	-3,120,835
Currency exchange differences	2,366,343	-5,738,793
Change in loan	-8,236,016	-140,782
<b>Book value 31/12</b>	<b>59,077,235</b>	<b>75,468,649</b>

### Note 20 - Purpose capital (PC) - Group

Category	Purpose Capital 31/12/2022	The years result	Currency exchange differences	Purpose Capital 31/12/2023
Founding capital	3,326,092			3,326,092
PC for specific projects	3,306,847	4,835,646		8,142,493
PC for programme activities	33,409,545			33,409,545
PC for microfinance activities	40,396,129	-18,521,741	2,366,342	24,240,730
Other purpose capital	136,740,158	14,827,960		151,568,118
<b>Total purpose capital</b>	<b>217,178,772</b>	<b>1,141,865</b>	<b>2,366,342</b>	<b>220,686,978</b>