

STRØMME FOUNDATION - ACTIVITY ACCOUNT

	Note	Strømme Foundation 2022	Strømme Foundation 2021	Consolidated 2022	Consolidated 2021
Funds acquired					
Public sector grants - Norway	1	130 878 729	132 146 764	130 878 729	132 146 764
Public sector grants - Foreign	1	18 480 898	23 094 493	18 480 898	23 094 493
Grants from other organisations	1	8 860 521	9 854 234	8 860 521	9 854 234
Private donations	2	48 993 133	52 344 089	48 993 133	52 344 089
Corporate sector		21 900 334	17 700 895	21 900 334	17 700 895
Financial income	3	-139 544	4 169 344	-139 544	4 169 344
Other income		536 725	988 615	536 725	988 615
Total funds acquired		229 510 795	240 298 434	229 510 795	240 298 434
Funds spent					
Cost of fund acquisition					
Fundraising cost	4	-20 816 962	-14 038 391	-20 816 962	-14 038 391
Other acquisition cost	4	-1 887 569	-2 145 413	-1 887 569	-2 145 413
Total cost of fund acquisition		-22 704 531	-16 183 805	-22 704 531	-16 183 805
Purpose cost					
Support to development partners/projects	5	-159 145 262	-161 912 312	-159 145 262	-161 912 312
Programme follow-up at regional offices		-39 616 193	-34 007 517	-39 616 193	-34 007 517
Programme follow-up from Kristiansand		-13 080 368	-11 837 069	-13 080 368	-11 837 069
Information activities in Norway		-9 727 813	-6 207 292	-9 727 813	-6 207 292
Total purpose cost	4	-221 569 636	-213 964 191	-221 569 636	-213 964 191
Administration cost	4	-8 649 854	-7 990 740	-8 649 854	-7 990 740
Total funds spent	4, 13	-252 924 021	-238 138 735	-252 924 021	-238 138 735
VAT compensation		2 735 354	2 686 272	2 735 354	2 686 272
Result Microfinance (MF)				-3 120 835	-10 704 434
Result from investments in other companies				93 293	-296 371
The year's activity result	12	-20 677 871	4 845 971	-23 705 414	-6 154 834
Additions/reductions in purpose capital					
Change in purpose capital for programme activities		33 151 904	131 498	33 245 197	-164 873
Change in purpose capital for microfinance		-61 552 665	-	-64 673 500	-10 704 434
Transferred to / (from) other purpose capital		7 722 889	4 714 473	7 722 889	4 714 473
Total additions/reductions in purpose capital	12	-20 677 871	4 845 971	-23 705 414	-6 154 834

STRØMME FOUNDATION BALANCE SHEET AS OF 31.12

ASSETS	Note	Strømme Foundation 2022	Strømme Foundation 2021	Consolidated 2022	Consolidated 2021	Note
Long-term assets						
Fixed assets						
Property		333 024	-	333 024	-	
Office furniture and equipment		256 875	285 960	256 875	285 960	
Total fixed assets	6	589 899	285 960	589 899	285 960	
Financial assets						
Investments in subsidiaries	7	37 329 847	37 329 847	-	-	
Investments in other companies	7	200 000	200 000	825 866	732 573	
Investments in microfinance		-	-	75 468 649	84 797 428	19
Loan to subsidiaries	7	8 000 000	10 000 000	-	-	
Overfinanced pension schemes	8	2 602 556	2 784 890	-	-	
Total financial assets		48 132 403	50 314 737	78 897 071	88 314 891	
Total long-term assets		48 722 302	50 600 697	79 486 970	88 600 851	
Inventory		54 284	65 577	54 284	65 577	
Receivables						
Trade Debtors		1 735 526	1 180 202	1 735 526	1 180 202	
Inter-company receivables	7	240 059	328 375	-	-	
Other short-term receivables	9	10 564 537	13 041 439	10 564 537	13 041 439	
Total receivables		12 540 122	14 550 017	12 300 063	14 221 642	
Investments in current financial assets	10	83 532 696	88 816 191	83 532 696	88 816 191	
Bank and cash	11	82 711 935	99 925 046	82 711 935	99 925 046	
Total current assets		178 839 038	203 356 832	178 598 979	203 028 456	
TOTAL ASSETS		227 561 340	253 957 529	258 085 949	291 629 308	

STRØMME FOUNDATION BALANCE SHEET AS OF 31.12

PURPOSE CAPITAL AND LIABILITY	Note	Strømme Foundation 2022	Strømme Foundation 2021	Consolidated 2022	Consolidated 2021	Note
Purpose capital (PC)						
Founding capital						
		3 326 092	3 326 092	3 326 092	3 326 092	
Acquired purpose capital						
PC with restrictions (SF projects)	12	36 716 393	3 564 488	36 716 393	3 564 488	
PC with restrictions (Microfinance)	12	45 329 847	106 882 512	40 396 129	110 808 424	
Other purpose capital	12	101 041 776	93 318 886	136 740 158	128 923 976	
Total acquired purpose capital		183 088 015	203 765 886	213 852 680	243 296 888	
Total purpose capital	12	186 414 107	207 091 978	217 178 772	246 622 980	20
Liability						
Long-term debt						
Staff gratuities in regional offices		7 671 739	6 432 905	7 671 739	6 432 905	
Legacy obligations		150 000	150 000	150 000	150 000	
Total long-term debt		7 821 739	6 582 905	7 821 739	6 582 905	
Short-term debt						
Creditors		2 491 940	3 738 112	2 491 940	3 738 112	
Public duties and taxes		2 701 392	2 625 786	2 701 392	2 625 786	
Owed to employees		2 213 625	2 006 193	2 213 625	2 006 193	
Inter-company debt	7	-	1 859 222	-240 056	-	
Deferred project income	9	24 622 544	29 165 529	24 622 544	29 165 529	
Other account payable		1 295 994	887 802	1 295 994	887 802	
Total current liability		33 325 494	40 282 645	33 085 438	38 423 423	
Total liability		41 147 233	46 865 550	40 907 177	45 006 328	
TOTAL PURPOSE CAPITAL AND LIABILITY		227 561 340	253 957 529	258 085 949	291 629 308	

Kristiansand 15. June 2023

Arvid Grundkjøn
Chairperson of the Board

Kristin Tofte Andresen
Board Member

Vidar Haukeland
Board Member

Ole Morten Stavland
Board Member

Adelheid Firing Hvambdal
Board Member

Carol Azungi Dralega
Board Member

Knut Arild Hareide
Board Member

Erik Lunde
Secretary General

STRØMME FOUNDATION CASHFLOW
(The indirect method)

	Note	Strømme Foundation 2022	Strømme Foundation 2021	Consolidated 2022	Consolidated 2021
The year's activity result		-20 677 871	4 845 971	-23 705 414	-6 154 834
Adjustment of microfinance group		-	-	3 261 617	26 933 689
Share of result from other companies		-	-	-93 293	296 371
Ordinary depreciation and write offs	6	61 961	58 087	61 961	58 087
Difference between pension cost and payments	8	182 334	-401 852	182 334	-401 852
Posts in the activity account without liquidity effect		244 295	-343 765	151 002	-47 395
Proceeds from sale of fixed assets	6	8 754	6 068 589	8 754	6 068 589
Acquisition of fixed assets	6	-374 654	-86 756	-374 654	-86 756
Change in loan to subsidiary	7	2 000 000	18 000 000	-	-
Change in long-term receivables		-	-	-	-
Change in long-term debt		1 238 834	-1 100 841	1 238 834	-1 100 841
Investments, disposals and financing		2 872 934	22 880 991	872 934	4 880 991
Change in inventory		11 293	-13 068	11 293	-13 068
Change in receivables/other current assets		2 009 895	-3 397 150	1 921 578	-3 287 971
Change in creditors/other short-term debt		-2 414 166	-1 500 609	-466 635	160 952
Change in deferred project income		-4 542 985	-6 133 862	-4 542 985	-6 133 862
Other changes		-4 935 963	-11 044 689	-3 076 749	-9 273 949
Total changes in liquidity during the year		-22 496 605	16 338 508	-22 496 605	16 338 505
Opening balance of cash and current financial assets 1.1.		188 741 237	172 402 730	188 741 237	172 402 730
Closing balance of cash and current financial assets 31.12		166 244 632	188 741 237	166 244 632	188 741 235
Specification:					
Investment in current financial assets	10	83 532 696	88 816 191	83 532 696	88 816 191
Bank and cash	11	82 711 935	99 925 046	82 711 935	99 925 046
Closing balance of cash and current financial assets 31.12		166 244 632	188 741 237	166 244 632	188 741 237

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 six country offices in Burkina Faso, Niger, South Sudan, 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 2022

Note 1 - Institutional grants

Public sector grants - Norway	Purpose	2022	2021
Norwegian Agency for Dvlpm. Coop. (NORAD)	Development Programmes	103 066 196	107 803 641
Norwegian Agency for Dvlpm. Coop. /Atlas Alliance	Inclusion of disabled, Africa	14 941 780	8 874 366
Norwegian Agency for Dvlpm. Coop. (NORAD)	Information support, Norway	505 230	720 000
Norwegian Ministry of Foreign Affairs (MFA)	Development programme in Uganda	8 287 626	10 410 176
Norwegian Agency for Exchange Cooperation (Norec)	Exchange programme Act Now	3 077 897	2 839 218
The Norwegian Research Council (FR)	Research on Speed School programme, Niger	-	1 499 363
Kristiansand municipality	Ukraine - crisis mitigation activities	1 000 000	-
Total		130 878 729	132 146 764

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

Public sector grants - Foreign	Purpose	2022	2021
The European Union, EU	Speed School Programme, Mali	-	12 885 855
United Kingdom Aid	Education for girls, South Sudan	5 733 213	3 832 316
The Nordic Development Fund (NDF)	Climate mitigation/Food security, Uganda	-	1 330 000
Global Affairs Canada (GAC)	Speed School Programme, Burkina Faso	5 792 624	881 952
Unicet	Speed School Programme, Mali	6 955 061	1 551 330
Total		18 480 898	20 481 452

Grants from other organisations	Purpose	2022	2021
Läkarmissionen, Sweden	Saving-/credit groups and youth empowerment, Uganda/South Sudan	-	-153 056
Eriks Foundation, Sweden	Speed Schools, Mali, Community Dvlpm., South Sudan	1 161 264	1 113 452
Education for All Foundation, Qatar	Speed Schools, Mali, Burkina Faso, Niger	-457 779	7 657 202
Education for All Foundation, Qatar	Rising programme, Uganda	1 495 693	-
Operation Dayswork, Norway	Master of ones own life, Uganda	3 331 292	721 637
Hei Verden, Norway	Inclusive Education, Bangladesh	510 000	465 000
Turing Foundation, The Netherlands	Green Jobs, Mali	-	50 000
The Norwegian Geotechnical Institute	Green Jobs, Mali	1 329 000	-
Strømme Micro Credit, Sri LANKA	Partner sustainability, Sri Lanka	1 491 050	-
Total		8 860 521	9 854 234

Note 2 - Private donations

Donor Category	2022	2021
Individual donations	5 390 362	6 814 594
Fixed-term donations (Friend at Heart, Bridge Builder, Job Creator etc.)	39 131 825	38 992 034
Events, schools and artists	1 977 832	2 244 312
Testamentary donations	1 318 377	3 870 593
Disasters and rehabilitation	1 174 737	422 555
Total	48 993 133	52 344 089

Note 3 - Financial income / cost

Category	2022	2021
Other interest income	1 811 739	761 568
Other financial income	5 240 112	7 464 475
Other financial cost	-7 191 395	-4 056 698
Total	-139 544	4 169 344

In 2022 '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	15 831 962	5 963 820	2 286 952	796 016	6 785 173
Communication/Marketing	30 525 331	2 295 770	18 334 878	506 157	9 388 526
Programme/International	7 805 273	390 264	195 132	585 395	6 634 482
Development projects/partners	159 145 262	-	-	-	159 145 262
Regional-/country offices	39 616 193	-	-	-	39 616 193
Total	252 924 021	8 649 854	20 816 962	1 887 569	221 569 636

Key indicators

	2022	2021	2020	2019	2018
Percentage spent on purpose	87,6 %	89,8 %	87,7 %	87,3 %	89,3 %
Percentage spent on administration	3,4 %	3,4 %	3,7 %	4,0 %	2,8 %
Fundraising percentage (to purpose)	70,6 %	80,0 %	78,4 %	80,0 %	77,8 %

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	2022	2021
Nepal	13 091 192	16 320 171
Bangladesh	15 167 465	11 891 576
Sri Lanka	797 521	2 634 820
Myanmar	5 901 495	3 892 548
Asia	34 957 673	34 739 116
Uganda	20 365 865	18 344 009
Tanzania	9 127 716	6 394 519
South Sudan	13 361 796	10 248 399
Kenya	3 922 231	2 321 186
East Africa	46 777 608	37 308 112
Mali	27 522 259	37 719 398
Niger	27 103 931	26 674 442
Burkina Faso	16 451 728	20 199 804
West Africa	71 077 918	84 593 644
Act Now	3 080 350	2 839 190
Fafo - Vision 2030	-	1 609 828
Cross-cutting issues	833 413	161 052
Programme digitalisation	1 518 300	661 370
Ukraine crisis mitigation	900 000	-
Global	6 332 063	5 271 440
Total	159 145 262	161 912 312

Note 6 - Fixed assets

	Property	Furniture and equipment	Total
Cost price 01/01	-	487 021	861 675
Acquisitions 2020	374 654	-	374 654
Disposals 2020	-	135 183	135 183
Cost price 31/12	374 654	351 838	726 492
Accumulated depreciation 31/12	41 630	88 310	129 940
Book value 31/12	333 024	263 528	596 552
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 2022	Equity 31/12/22
Strømme Micro-finance AS	10 500	100	37 329 847	-7 705 856	66 971 343
Total investments in subsidiaries			37 329 847	-7 705 856	66 971 343

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

The 'Loan to subsidiaries' consists 31/12/22 of an interest-free subordinated loan to Strømme Micro Finance AS of NOK 8.0 mill without defined repayment schedule. As we are gradually phased out of the microfinance business, the loan is anticipated to be cleared.

At end of 2022, SF had NOK 0.2 mill outstanding from SMF.

Other companies	Number	Owner share	Book value in SF	Result 2022	Equity 31/12/22
Hald International School AS	200	33	200 000	279 879	2 927 036
Total investments in other companies			200 000	279 879	2 927 036

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 3 employees and 15 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 1.2 mill in 2022 (1.1 mill in 2021). 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:

	2022	2021
Discounting rate	3,00 %	1,90 %
Expected dividend	4,70 %	3,10 %
Salary adjustments / year	3,50 %	2,75 %
Yearly G-regulation / inflation	3,25 %	2,50 %

	Secured system 2022	Secured system 2021
Gross pension obligations at 31/12 calculated at	14 790 738	14 659 171
- Value of pension funds at 31/12 calculated at	-14 419 754	-13 964 461
+ Deferred obligation in case of (loss) / profit	-2 651 928	-3 135 454
= Calculated net pension obligations as of 31/12	-2 280 944	-2 440 744
+ Social Insurance contributions	-321 613	-344 145
= Net pension obligation as of 31/12	-2 602 557	-2 784 889
The year's pension accrual	69 504	66 825
+ interest cost	271 266	221 944
+ administration cost	158 254	129 622
- Return on capital	-430 288	-366 161
= Net pension cost	68 736	52 230
+ Social Insurance contributions	9 692	7 364
+ Actuarial loss (gain)	964 047	229 826
= Total pension cost	1 042 475	289 420

Actual yield on the pension funds was 1.2 % in 2022 (4.0 % in 2021).

Note 9 - Deferred project income

Other short-term receivables' includes outstanding amounts for implemented activities from public sector, Foreign NOK 0.3 mill, and from other organisations NOK 0.5 mill.

Deferred project income' consists of unspent funds received from public sector grants, Norway by NOK 9.7 mill, public sector grants, Foreign NOK 3.5 mill, grants from other organisations NOK 4.1 mill and from corporate sector NOK 7.3 mill.

Note 10 - Investments in current financial assets

Category	Cost Price 01/01/22	Book value 01/01/22	Additions 2022	Disposals 2022	Change in writeoffs	Book value 31/12/22	Market value 31/12/22
Market-based equity funds	50 831 216	50 782 031	1 095 452	-5 024 676	-4 168 304	42 684 503	43 497 444
Primary Capital certificates	953 436	953 436	0	0	0	953 436	2 491 236
Real estate portfolio	0	0	5 000 000	0	-320 188	4 679 812	4 681 693
Market-based bonds	28 722 567	28 515 524	153 259	-2 000 000	-231 377	26 437 406	26 790 320
Market-based interest funds	8 565 201	8 565 201	212 339	0	0	8 777 540	8 820 709
Total	89 072 419	88 816 191	6 461 050	-7 024 676	-4 719 869	83 532 696	86 281 402

Note 11 - Liquidity and restricted funds

Category	2022	2021
Free funds	52 792 561	63 312 652
Project/Grant accounts with restrictions	18 428 890	25 446 669
Security for currency trading frame	10 339 798	10 109 037
Employees' tax deducted account	993 735	903 643
Other restricted funds	156 952	153 045
Total	82 711 935	99 925 046

Note 12 - Changes in purpose capital (PC)

Category	31/12/21	Change in 2022	31/12/22
Founding Capital	3 326 092	-	3 326 092
PC for specific projects	3 564 488	-257 641	3 306 848
PC for programme activities	-	33 409 545	33 409 545
PC for microfinance	106 882 512	-61 552 665	45 329 847
Other purpose capital	93 318 886	7 722 889	101 041 776
Total Purpose Capital	207 091 979	-20 677 871	186 414 107

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	2022	2021	Note
Project transfers to local partners	142 661 128	128 410 455	
Project costs on behalf of local partners	11 100 364	14 337 370	
Salary and personnel costs, Norway	25 839 790	23 506 029	14, 8
Salary and personnel costs in regions/external programmes	29 101 801	35 471 679	14
Travel costs, Norway	3 202 095	762 385	
Travel costs inclusive of vehicles in regions/external programmes	4 545 204	4 630 228	
Office, ICT, consultant and other operating costs, Norway programmes	11 153 552	11 057 437	
Office, ICT, consultant and other operating costs, Norway programmes	10 440 508	12 833 984	
Fundraising campaigns, Norway	14 817 616	7 071 081	
Depreciation and write offs, Norway	61 961	58 087	6
Total operational cost	252 924 021	238 138 735	

Note 14 - Salaries and personnel expenses / other allowances

Category	2022	2021
Salaries	19 658 666	18 507 914
Social security payments	3 127 255	2 905 931
Pension costs	2 093 008	1 375 057
Other personnel costs	960 862	717 127
Sum salaries and personnel expenses	25 839 790	23 506 029
Salaries and allowances at Regional Offices/external programmes	29 101 801	35 471 679
Total	54 941 591	58 977 708

In Norway, 31.5 man-labour years were performed in 2022, compared to 29.5 in 2021. In the regional offices 109.5 man-labour years were performed, compared to 117 in 2021.

In 2022 the total salary of the Secretary General (SG) was NOK 830 967, other allowances NOK 24 856 and pension contributions NOK 84 585. 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 34 202 at the year end, compared to NOK 10 773 at the end of 2021.

Note 15 - Audit fees

Category	2022	2021
Statutory Audit Fees - Norway	205 000	274 000
Other certification fees - Norway	348 500	372 941
Technical support accounts - Norway	49 500	18 500
Other services - Norway	0	99 900
Audit fees for the regional offices	640 017	346 809

The fees are stated exclusive of VAT. Total fees in 2022 to the group auditor in Kristiansand were NOK 603 000.

Note 16 - Currency Hedging

Currency contracts materialised in 2022 gave a net gain of NOK 3.6 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 12.2 mill which terminate in 2022 and 2023. The handling of these contracts is shown in the accounting principles. The real value of the contracts was NOK 1.2 mill at the end of the year, which is not accounted for.

Note 17 - Events after balance date

Russia's continued war against Ukraine has from its beginning made impact on economic activities around the globe, in addition to changed security situations in many countries and continents. This can affect our funding opportunities, both from the public sector and private markets. Ukraine is now the largest recipient of Norwegian official development assistance.

Even though Norway's economy remains strong, and its revenues from oil and gas is record high, the Norwegian currency is very weak. The value of the Norwegian krone has continued to fall in the first months of 2023. Since most of SF's private and institutional funding is in Norwegian kroner, it has been necessary to further reduce programme activity in 2023.

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

CONSOLIDATED ACCOUNTS (STRØMME FOUNDATION, SMF AS GROUP)

Note 18 - Consolidated salaries and personnel expenses / other allowances

Category	2022	2021
Salaries in Norway	20 454 290	19 268 991
Social Security	3 241 895	3 020 730
Pension costs	2 171 665	1 434 281
Other Personnel costs	971 882	729 463
Sum salaries and personnel costs in Norway	26 839 731	24 453 465
Salaries and allowances in Regions / outside Norway	29 276 682	36 857 802
Total	56 116 413	61 311 266
Audit Fees (exclusive of VAT):		
Statutory Audit Fees - Norway	311 000	341 000
Other certification fees - Norway	401 000	422 441
Technical support accounts - Norway	49 500	18 500
Other services (legal fees) - Norway	0	99 900
Audit fees in the regions	698 526	439 795

Beyond Strømme Foundation, the table above includes figures for the Microfinance Group. In addition to the employees stated in Note 15, there are 3 employees in the group, 1 of which are in Norway (1.0 manyear).

The Secretary General in SF is Chairperson of the Board of SMF AS, and the salary is disclosed in Note 15.

Audit fees paid to the group auditors in Norway in 2022 are NOK 761 500 exclusive of VAT. The audit fees in the regions totalled NOK 698 526.

Note 19 - Investments in microfinance

SF has organised the microfinance activities through the subsidiary group SMF AS. In the consolidated accounts, SMF AS is included according to the equity method.

The year's changes in the Microfinance investments:	2022	2021
Book value 01/01	84 469 059	112 194 777
Share of result	-3 120 835	-10 704 434
Currency exchange differences	-5 738 793	-463 650
Change in loan	-140 782	-16 229 255
Book value 31/12	75 468 649	84 797 438

Note 20 - Purpose capital (PC) - Group

Category	Purpose Capital 31/12/2021	The years result	Currency exchange differences	Purpose Capital 31/12/2022
Founding capital	3 326 092			3 326 092
PC with restrictions (SF projects)	3 564 488	-257 641		3 306 847
PC with restrictions (Microfinance)	110 808 433	-64 673 500	-5 738 793	40 396 140
Other purpose capital	128 923 975	7 816 182		136 740 157
Total purpose capital	246 622 988	-57 114 959	-5 738 793	183 769 237



To the General Meeting of Stromme Foundation AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Stromme Foundation AS, which comprise:

- the financial statements of the parent company Stromme Foundation AS (the Company), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Stromme Foundation AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2022, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other 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 opinion.

Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the



Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to: <https://revisorforeningen.no/revisjonsberetninger>

Kristiansand, 19 June 2023
PricewaterhouseCoopers AS

Kai Arne Halvorsen
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.