

The Foundation for the Sweden-Latvia Cooperation Fund
Registration nr 802481-2565

Annual report 2019

The board submits the following annual report

Administrative report

General

The Foundation for the Sweden-Latvia Cooperation Fund (Stiftelsen Samarbetsfonden Sverige-Lettland) (hereafter – the Fund) is based in Stockholm and operates under Swedish law.

The Fund shall promote cooperation between Sweden and Latvia by fostering mutual exchange and sharing of knowledge about culture and social relations between the peoples of both countries, including promotion of the Latvian language in Sweden and vice versa. Exchange and cooperation between young people to promote social coherence, creativity, innovation and entrepreneurship are specially emphasized.

The Fund initiative was announced by Ms Margot Wallström, the Swedish Minister of Foreign Affairs on behalf of the Swedish Government on 26 May 2018. An interim committee was formed by Ms M.Wallström, the Swedish Minister of Foreign Affairs, consisting of Mr Anders Ljunggren, Mr Pär Nuder and Mr Carl Bildt. The committee had the responsibility to form the Fund, and equivalent corresponding foundations for promoting cooperation with Estonia and Lithuania. The Swedish Government took decisions on a legal basis for the Fund and, after approval by the Swedish Parliament, the Riksdag, allocated an

initial capital of ten million SEK in December 2018. In May 2019, the Government of Latvia supported Latvia's partnership in the Fund. In December 2019, the Government of Latvia decided to contribute with 230 000 Euro to the Fund's restricted capital (this corresponds to 2 408 790 SEK according to the day's exchange rate). The capital is managed by the Kammarkollegium in accordance firstly with the agreement between the member of the interim board, Mr Anders Ljunggren and Kammarkollegium, and thereafter between the Fund and Kammarkollegium.

The Board of the Fund consists of eight members, four are appointed by the Government of Sweden: Mr Anders Ljunggren, Ms Daina Millers-Dalsjö, Ms Lena Wolmner and Mr Staffan Nordström, and four members by the Government of Latvia: Mr Margērs Krams, Mr Ēriks Eglītis, Ms Līga Lejiņa, Ms Dace Vilsone. The founding meeting of the Board took place through video conference on 13 June 2019. It took over the responsibility of all further activities and elected Mr Anders Ljunggren as the Chair and Mr Margērs Krams as vice-chair. The Board decided to appoint Mr Lars Erik Engberg the Fund's auditor, from Allegretto Revision AB.

Purpose promotion

In order to promote the purpose, the Board has had two board meetings, other than the first constitutional meeting in June. The first was held in Stockholm October 1st and the second in Riga November 27th. Ms Austra Krēsliņa has been engaged to work with the responsibilities of the secretariat.

One of the highly prioritized tasks during the year has been to develop a system for applications and to establish rules for allocation of grants to actors who are potential parts of promoting the purpose of the Fund. The work has resulted in an internet-based application system on the home page www.swelatfund.org. In a relatively short period of time the Fund has put a system into place, enabling grants for actors in both Sweden and Latvia during the first half of 2020.

In order to reach the purpose of the Fund it has been important to seek support from the private corporate sector and private donors. This has been done, to a large extent together with the Cooperation funds Sweden-Lithuania and Sweden-Estonia. The first contact taken has been with large companies, with extensive operations in Sweden as well as all three Baltic States. The results of these efforts will become visible in 2020.

Regarding information, firstly, the home page is crucial as a tool for reaching out to relevant actors, who can fulfill the purpose of the Fund. Secondly the Fund organized two information meetings during 2019, on November 27th at the Embassy of Sweden in Latvia and on December 18th at the Estonian house in Stockholm.

Significant events during the fiscal year

Starting the beginning of January until the constitutional meeting June 13th an interim committee designated by the Minister of Foreign Affairs of Sweden was working to secure the creation of the Cooperation Fund Sweden-Latvia.

A constitutional board meeting was held June 13th.

Rules for grant allocation and an application system were developed and published on the home page www.swelatfund.org.

Multi-year overview

The year 2019 was the first year of operations for the Fund, the year when it was established and given a board with representatives from both Sweden and Latvia. During 2020 and ahead the conditions for fulfilling the purpose of the Fund using the capital donated by the Governments of Sweden and Latvia are good. Grants will be allocated in 2020 based on the application system which was developed in 2019.

Key figures kSEK	2019
Net turnover	368
Profit after financial items	358
Balance sheet total	12 793

Profit and loss statement	Note	2019	
Fund's revenues			
Dividends	2	218 420	
Other revenues		150 000	
Fund's revenues total		368 420	
Fund's costs			
Other external costs	3	-158 955	
Other costs, personnel expences		-4 331	
Fund's costs total		-163 286	
Net operation result		205 134	
Financial posts			
Capital gains on the sale of securities	4	153 013	
Financial posts total		153 013	
Result after financial posts		358 147	
Profit of the year		358 147	

Balance sheet	Note	2019-12-31	
Assets			
Fixed assets			
<u>Financial fixed assets</u>			
Other long-term securities	5, 6	12 712 439	
Fixed assets total		12 712 439	
Current assets			
Cash at bank and in hand		80 563	
Current assets total		80 563	
Assets total		12 793 002	
Equity and liabilities			
Equity	7		
Restricted equity			
Restricted equity at the beginning of the fiscal year		10 000 000	
Changes in restricted equity		2 582 316	
Restricted equity at the end of the fiscal year		12 582 316	
Current equity			
Current equity at the beginning of the fiscal year		-	
Transferred to and from restricted equity		-173 526	
Appropriations granted and reversed (grants)		-	
Profit/loss of the year		358 147	
Equity at the end of the fiscal year		184 621	
Equity total		12 766 937	
Current liabilities			
Accruals and deferred income	8	26 065	

Remainig liabilities total		26 065	
Equity and liabilities total		12 793 002	

Annotations

Note 1 Accounting and valuation principles

The annual report has been prepared in accordance with the Annual Accounts Act (årsredovisningslagen, ÅRL 1995:1554) and the general advice of the Swedish Accounting Standards Board's (Bokföringsnämndens allmänna råd, BFNAR 2016: 10) on annual accounts of smaller companies.

Consortia at Kammarkollegium are constructed using the same principles as for mutual funds but is not supervised by Finansinspektionen (Sweden's financial supervisory authority, FI) and is not covered by the law on mutual funds (Lagen om värdepappersfonder, 2004:46). The consortia are managed in the same way as mutual funds, which means the assets are owned jointly by the holders and each share has the same market value and the same right to the consortium's capital. In terms of bookkeeping the shares are handled in the same way as shares in mutual funds where dividends from consortia consist of direct returns. Neither realized, nor unrealized changes of value are distributed.

Acquisition costs for shares in share consortia are the market value at the time of acquisition and redemption, respectively, however, not more than one so-called nominal value which is determined for one year at a time and corresponds to the market value immediately after the dividend has been paid. If the market value at the acquisition and redemption date exceeds the nominal value, the difference is regarded as accrued interest. Sale of shares is always carried out at the market price of the day of sale.

Current assets in the balance sheet are valued at the lower of cost and market value on the balance sheet date. Fixed assets are valued at cost or according to the same principle as current assets in cases where the decline in value can be assumed to be permanent (4 kap § 5 ÅRL). However, Kammarkollegium applies a portfolio valuation for consortium customers, which means a collective valuation at the end of the respective customer's holdings in the consortia. The valuation method reduces the risk of impairment/reversals in case of temporary fluctuations in the market.

Equity is divided in restricted and nonrestricted equity. The restricted equity of the Fund is usually not available for distribution of grants and consists of Fund capital (the original

donation and potential later donations) as well as accumulated capitalization, capital gains and write-downs. Everything else is the foundation's free, or nonrestricted, equity. Granted grants are accounted for as liabilities and is reported against nonrestricted equity.

Disposition of the profit for the year is done as follows: the part of the profit for the year relating to capital gains/losses and any write-downs are transferred to restricted equity. Restricted equity also includes the amount that, according to the statutes, is to be used for capitalization. The remainder of the profit for the year is reported as unrestricted equity and is available for distribution.

All amounts are SEK unless otherwise stated. Rounding differences may occur.

Note 2 Profit from financial fixed assets

	2019	
Dividend Räntekonsortiet	2 052	
Dividend Aktiekonsortiet Sverige	31 708	
Dividend Aktieindexkonsortiet Utland	44 835	
Dividend Aktieindexkonsortiet Äpplet	40 821	
Dividend Företgatsobligationskonsortiet	2 713	
Dividend Stiftelsekonsortiet Giva	73 403	
Dividend Företagsobligationskonsortiet FRN	3 857	
Dividend Fastighetskonsortiet Slottet	19 031	
Total	218 420	

Project aid for start-up costs	150 000	
Total	150 000	

Note 3 Other external costs

	2019	
Management costs, Kammarkollegium	19 802	
Other management costs	126 653	
Auditor cost	12 500	
Total	158 955	

Note 4 Capital gains from sales of securities

	2019	
Realization result on sale Aktieindexkonsortiet Utland	37 356	
Realization result on sale Aktiekonsortiet Sverige	73 814	
Realization result on sale Aktieindexkonsortiet Äpplet	35 160	
Realization result on sale Företagsobligationskonsortiet	5 027	
Realization result on sale Företagsobligationskonsortiet FRN	1 656	
Total	153 013	

Note 5 Other long-term securities

	2019-12-31	
Acquisition value	-	
This year's acquisition	17 739 275	
This year's sales	-5 026 836	
Closing value accumulated acquisitions	12 712 439	
Closing book value	12 712 439	

Note 6 Securities

	Acquisition value	Book value	Market value
Shares Räntekonsortiet	149 070	149 070	148 040
Shares Aktiekonsortiet Sverige	1 043 814	1 043 814	1 123 165
Shares Aktieindexkonsortiet Utland	3 465 356	3 465 356	3 790 489
Shares Aktieindexkonsortiet Äpplet	1 231 160	1 231 160	1 408 908
Shares Företagsobligationskonsortiet	805 593	805 593	807 152
Shares Stiftelsekonsortiet GIVA	3 115 000	3 115 000	3 296 332
Shares Företagsobligationskonsortiet FRN	517 656	517 656	519 631
Shares Fastighetskonsortiet Slottet	2 384 790	2 384 790	2 874 007

Amount at the end of the year	12 712 439	12 712 439	13 967 724
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Note 7 Change in equity

	Restricted equity	Unrestricted equity	Equity total
Amount at the beginning of the year	10 000 000	-	10 000 000
Capital contribution	2 408 790	-	2 408 790
Profit of the year	-	358 147	358 147
Transfers to/from restricted equity			
- capital gain	153 013	-153 013	-
- provision according to the statutes (capitalization 10 %)	20 513	-20 513	-
Amount at the end of the year	12 582 316	184 621	12 766 937

Note 8 Accrued expenses and prepaid income

	2019-12-31	
Management costs	13 565	
Auditors costs	12 500	
Total	26 065	

Stockholm April 7th 2020

My audit report has been submitted ____ - ____ - ____.