
VELUX FONDEN
Financial Statements for 2023
(42nd Financial Statements)

CVR No 61 02 39 17

The Financial Statements
were presented and
adopted at the Annual
Meeting of the Foundation
on 5 March 2024

Christian Gregersen



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Information about the Foundation

The Foundation

VELUX FONDEN
Secretariat
Tobaksvejen 10
2860 Søborg

Website: www.veluxfonden.dk

CVR no. 61 02 39 17
Founded: 2 December 1981
Financial year: 1 January - 31 December

Board of Directors

Lykke Kann Ogstrup Lunde, journalist, Chairperson
Professor Marie Louise Bech Nosch
Professor Anne-Marie Mai
Erik Michael Darre, Surgeon General

Management

Ane Hendriksen, Executive Director
Fredrik Jan Skoglund, Chief Investment Officer

Legal adviser

Christian Gregersen, Attorney
Horten Advokatpartnerselskab
Philip Heymans Allé 7
DK-2900 Hellerup

Auditor

Anders Stig Lauritsen, State Authorised Public Accountant
Rikke Lund-Kühl, State Authorised Public Accountant
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

(Amounts in DKK '000)	2023	2022	2021	2020	2019
KEY FIGURES					
Profit/loss for the year	<u>238,422</u>	<u>315,973</u>	<u>351,190</u>	<u>272,112</u>	<u>224,373</u>
Grants for the year	235,546	310,830	334,737	314,462	251,491
Cancelled grants	<u>(10,746)</u>	<u>(4,218)</u>	<u>(10,387)</u>	<u>(10,361)</u>	<u>(8,146)</u>
Grants after cancellation	<u>224,800</u>	<u>306,612</u>	<u>324,350</u>	<u>304,101</u>	<u>243,345</u>
RATIOS*					
Grants:					
Number of applications received	1,095	1,141	1,121	1,390	1,643
Number of applications granted (grants provided)	512	646	597	614	977
Amounts applied for	1,615,392	1,548,692	1,797,850	2,972,803	1,774,368
Average grant provided	460	481	561	512	257
Number of grants:					
between 0-1 million	462	597	531	555	924
between 1-10 million	49	49	65	57	52
above 10 million	1	1	1	2	1
Expenses					
Activities directly related to grants	14,038	12,806	13,240	13,379	11,722
Administrative expenses	<u>28,208</u>	<u>28,963</u>	<u>23,440</u>	<u>23,427</u>	<u>21,356</u>
Total expenses of the Foundation	<u>42,246</u>	<u>41,769</u>	<u>36,680</u>	<u>36,806</u>	<u>33,078</u>
Indirect grant expenses in proportion to grants**	6.0%	4.1%	4.0%	4.3%	4.7%
Administrative expenses in proportion to grants**	<u>12.0%</u>	<u>9.3%</u>	<u>7.0%</u>	<u>7.4%</u>	<u>8.5%</u>
Administrative expenses in percentage terms**	<u>17.9%</u>	<u>13.4%</u>	<u>11.0%</u>	<u>11.7%</u>	<u>13.2%</u>

* Ratios have been calculated based on Grants for the year.

** The ratios are defined in accounting policies.

Review

Background

VELUX FONDEN is a non-profit foundation established by Villum Kann Rasmussen, MSc in Engineering, in 1981. The Foundation acts within the framework set out by the Trust Deed, the rules of procedure of the Board of Directors and authorisation to Management as well as applicable law. The Foundation strives to live up to generally accepted foundation practice and has adopted the Principles of Good Practice issued by Philea (Philanthropy European Association). Furthermore, the Foundation meets the comply-or-explain principle in accordance with the Danish Recommendations on Foundation Governance prepared by the Committee on Commercial Foundation Governance. The Foundation's Statement of Governance Practices is available on its website, see:

<https://veluxfonden.dk/en/artikel/governance-guidelines-we-follow>

Since 2017, VELUX FONDEN has been a member of Fondenes Videnscenter (Danish knowledge centre for foundations) the purpose of which is to increase the level of information of its members with respect to current, relevant topics and to strengthen knowledge sharing and cooperation among the members, increase the knowledge of Danish foundations and philanthropic associations, their framework conditions and activities and their importance to society in order thus to contribute to promoting their activities in Denmark.

Grant areas

According to the Foundation's mission, the overall purpose of all of VELUX FONDEN's grant areas is 'to work to enhance people's lives and opportunities in a democratic and sustainable society by supporting research and initiatives within or across social conditions, age groups, transitions in adult life, society and culture as well as the marine environment'. Furthermore, according to its Trust Deed, the Foundation must, in its work with the applications, observe the values of integrity, expert knowledge, transparency, arm's length and respect for the applicant.

In 2023, in connection with the adoption of a new strategy towards 2030, the grant areas were consolidated and now constitute: 'Social initiatives', 'Humanities and social science research and culture', 'Conservation of the sea' and 'Transitions and changes of the adult life', the last of which brings together the previous grant areas gerontology, geriatrics, ophthalmology and active senior citizens to promote the evidence and knowledge-based dialogue about the transitions, challenges and opportunities of adult life, which for most people will be longer than before.

The grant area 'Social initiatives' comprises the programmes: 'Communities for all' and 'Mental well-being' and aims at contributing to the rethinking and development of social initiatives to support more people being given the choice to participate in constructive communities.

'Humanities and social science research and culture' uses various means to support initiatives of the programmes: 'Free basic research in the humanities and social sciences', 'Cross-sectoral research-practice collaboration' and 'Literature and humanities in dialogue'. This grant area aims at contributing to new knowledge about people, culture and society in order to strengthen democracy and sustainability.

The Foundation's efforts in the environmental area are included in the grant area 'Conservation of the ocean', which comprises three programmes: 'Restoration of the marine and ecosystem with a focus on climate', 'Combating pollution in the marine environment' and 'Future climate solutions', e.g. carbon capture and storage (CCS)/decommissioning of offshore oil and gas installations'. The aim is to contribute to a healthy marine environment capable of withstanding climate change.

On the basis of three programmes, 'Transitions and changes of the adult life' aims at enhancing society's understanding of transitions and changes of adult life, especially after the age of 50+. The programmes are: 'Research and knowledge about 50+', 'Volunteering 60+' and 'Empowerment of action against sensory loss and dental diseases'.

Review

Focus in 2023

In 2023, VELUX FONDEN completed the work on defining its strategy towards 2030, and by mid-year, the new strategy was published.

The new strategy addresses a wide range of significant societal challenges and opportunities influencing democracy and sustainability in the Danish society. The 2030 strategy is based on the vision: 'The VELUX FOUNDATION aspires to a democratic and sustainable society based on an enlightened and inclusive foundation.' In addition to focusing on the four grant areas, the strategy also focuses on three cross-sectoral initiatives, i.e.: 'Common understanding and operationalisation of the foundation's vision and democratic sustainability', 'Enhanced results dissemination' and 'Current Affairs Pool'. Such interdisciplinary initiatives will strengthen the Foundation's efforts in terms of making grants with advice from experts and practitioners from the Foundation's grant areas. Moreover, the Foundation will continually work to balance the considerations for our democracy and sustainability broadly, i.e. socially, environmentally and culturally. The 'Current Affairs Pool' is intended for projects that are covered by the Trust Deed and the Foundation's positive contribution. These projects are developed by the Board of Directors.

The Foundation's approach to any initiative is to be responsive to stakeholders and society, leave room for new ideas and, through a transparent process, show trust and a sense of curiosity grounded in a solid professional basis.

In addition, the Foundation's 2030 strategy identifies four types of positive contributions to society, including a focus on creating new knowledge and research to strengthen society-supporting institutions and democratic dialogue, and to foster understanding of and sustainable solutions to societal challenges. By demonstrating acumen in respect of collaborations across disciplines and sectors for the purpose of promoting opportunities and synergies among disciplines, institutions, civil society and citizens, the Foundation also contributes positively by strengthening capacity building of individuals, groups, organisations and environments. Finally, through its work, the Foundation intends to make a positive contribution by working towards strengthening communities at the individual level and supporting communities at the organisational level.

In 2023, VELUX FONDEN along with Villum Fonden granted the Building Component Award, which is awarded to one or more individuals who have made an outstanding contribution to the value, importance and practical application of building components in day-to-day life. The award was given to the trio Niels Thorup Madsen, CEO and manufacturer, Jens Jakob Porsmose, geotechnician, and Lars Bo Ibsen, professor at Aalborg University, whose new standards for screw pile foundations provide the construction industry with the prospects of saving tonnes of carbon emissions, costs and time.

Villum Fonden and VELUX FONDEN participated actively in the drafting of a new agreement under which six private foundations and the organisation Universities Denmark have defined a clear financial distribution model to be used in future research grants to universities. The agreement regulates how the Foundations will cover a number of the costs associated with the Foundations' grants for new research projects at the universities from 1 January 2024. The agreement gives the universities an important new ability to prioritise funding for research that was previously used to cover costs associated with foundation grants.

Communication

In 2023, VELUX FONDEN and Villum Fonden each developed their own communication universe and now have distinct websites. Thus, VELUX FONDEN will become increasingly familiar to the outside world, which will, for example, be helpful to applicants.

Every year, in cooperation with Villum Fonden, the Foundation prepares a yearbook providing an insight into the many grants of the two Foundations. The yearbook is available in print and is also available at www.veluxfonden.dk. The website also includes a database which allows users to search for and gain an overview of the Foundation's grants far back in time.

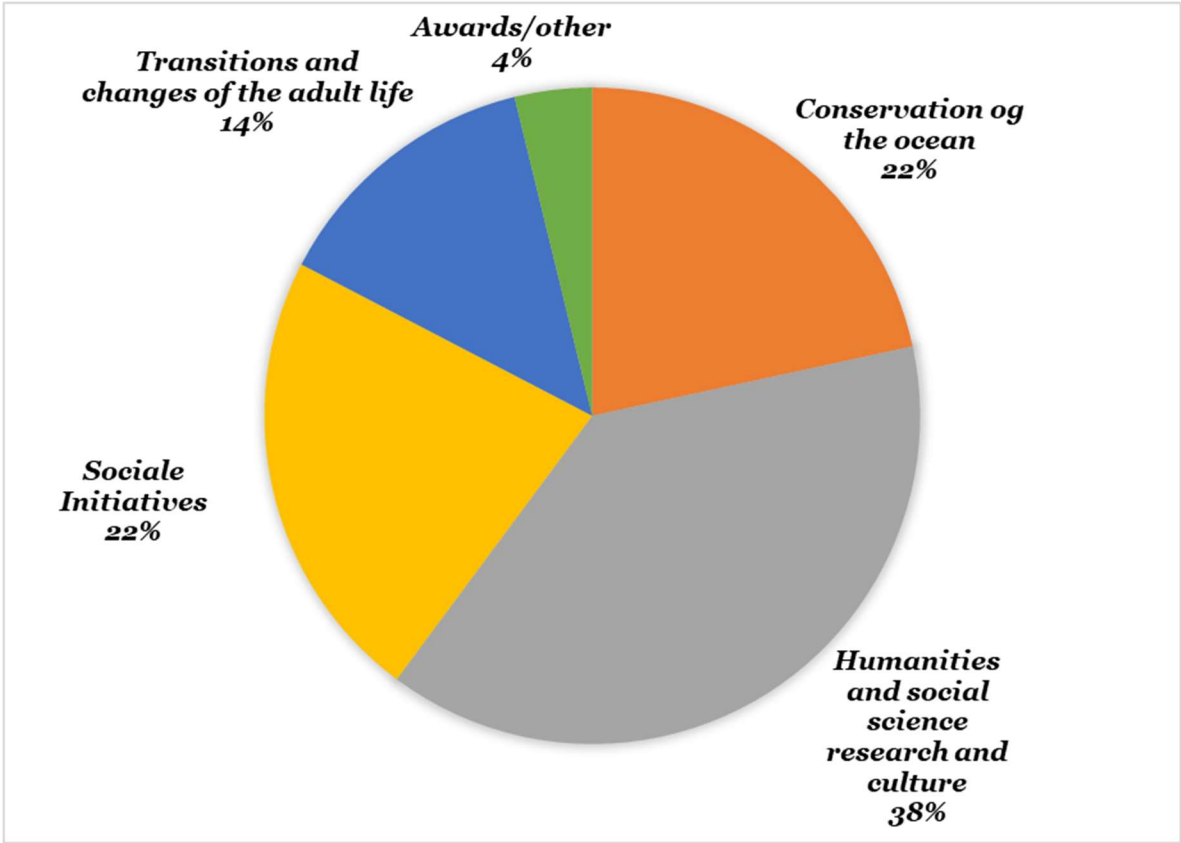
[Projects supported | Velux \(veluxfonden.dk\)](http://www.veluxfonden.dk)

Review

In 2023, the Foundation granted DKK 235,546k (2022: DKK 310,830k). The Foundation’s provisions for later use were increased in 2023 from DKK 372,052k to DKK 385,674k.

Break-down of grants

VELUX FONDEN’s grants break down on grant areas in 2023 as shown in the figure below.



Procedures

Established procedures ensure that grants from the Foundation are provided in accordance with the Trust Deed. This is also ensured by both the legal adviser and the auditor of the Foundation. The procedures include external assessment of all large projects.

The Foundation moreover assesses on a current basis whether the purpose of the grants as well as the agreed consumption of resources are observed. This applies especially to application processes that span several years.

Review

Economy and finances

The total capital of VELUX FONDEN originates from the founder of the Foundation, from return on own investments and from transfer from Villum Fonden.

The grant capacity of the Foundation is based on the return from a considerable portfolio of securities as well as transfer from Villum Fonden. The income of the Foundation totalling DKK 280.7 million for 2023 comprises a transfer for distribution purposes of DKK 160,0 million from Villum Fonden as well as capital income of DKK 120.7 million. Moreover, the Foundation received a transfer of DKK 40 million from Villum Fonden for consolidation of the restricted capital. In addition, securities of the restricted capital showed positive market value adjustments of DKK 95.8 million. (2022: a negative DKK 441.6 million).

The capital of the Foundation is invested in accordance with the guidelines of the Trust Deed and the consent of the Danish Civil Affairs Agency and is managed on a long-term basis with a medium risk profile in accordance with the Foundation's investment policy. The funds are mainly invested in shares, bonds, real assets and private equity shares. The profit generated by the investments is spent on grants and payment of operating expenses.

Sound investments

The capital of the Foundation is invested in a broad range of investments to ensure a high return given the chosen risk profile so that the Foundation may make as many philanthropic distributions as possible. We have extra focus on climate-responsible investments. We use external assistance for the screening of portfolios of corporate bonds and shares and for subsequent dialogue in case any criticisable issues are identified.

The target is for approximately 15% of the restricted capital to be invested in green, so-called 'impact investments' in 2024 that contribute to combatting climate change and increasing resource efficiency, e.g. through the production of renewable energy, energy efficiency and the development of green technologies for the future. Our policy for ethical investments and a list of our green investments are available at our website.

Tax policy of the Foundation

The tax base of the Foundation is based on the return from the Foundation's portfolio of securities and transfers from Villum Fonden. The part of the net income that is not distributed is taxable; however, basically the Foundation aims at distributing the entire net income, which is income less operating expenses and thus not to trigger off any tax payable.

Foreign investments

Part of the Foundation's investments is made in foreign companies, etc. Returns are taxed in Denmark under Danish rules. Moreover, the investments are subject to the tax legislation in the countries concerned, and profits are taxed locally where they are earned.

The Foundation focuses its efforts on ensuring that business partners and the companies in which investments are made comply with current tax rules and international guidelines. The Foundation communicates its tax policy to investment managers before an investment is made. If there is any doubt as to compliance with our policy, the investment is not made.

The Foundation expects that business partners and companies in which investments are made act responsibly and in a transparent manner in the tax area. The Foundation also expects that business partners comply with the OECD principles to avoid aggressive tax planning.

Tax contributions from the Foundation's distributions

The grants of VELUX FONDEN generate considerable payments to the Danish State in the form of direct and indirect taxes on wages, salaries and materials consumed by the grant recipients. Calculations based on the grants distributed for the year show that the Danish Treasury receives approximately 42 øre for each Danish krone distributed by the Foundation. The tax burden on grants to universities receiving VAT refunds is not included in the calculation.

ESG Reporting

VELUX FONDEN and Villum Fonden are both working actively at fostering a sustainable social development through targeted distribution of philanthropic foundation grants and responsible, sustainable investments.

At the same time, sustainability is prioritised in the day-to-day operation of the Foundations' domicile at Tobaksvejen 10 in Søborg, where the Foundations in recent years have been working steadily at ensuring responsible and environmentally friendly operations, both in terms of climate and energy, but also in terms of employee conditions and responsible foundation governance. Sustainable management is also a focal point at the property at Maskinvej 4, which is partly leased to VKR Holding A/S and contains the Villum Window Collection. In 2021, the Foundations also acquired Tobaksvejen 8, which was subsequently amalgamated with Tobaksvejen 10 and Maskinvej 4.

This report presents an overview of the sustainability initiatives implemented in the operation of the Foundations' domicile and Maskinvej 4 in relation to the environment and climate, social aspects and governance. As Tobaksvejen 8 is currently undeveloped, no further reference will be made to it in this report. The report does not include the sustainability of foundation grants and investments.

INFORMATION ABOUT THE FOUNDATIONS' PROPERTIES					
Location	Ownership	Area		Activities	Employees
Tobaksvejen 10 DK-2860 Søborg	Jointly owned by Villum Fonden and VELUX FONDEN	2,158 metres	square	Domicile of the Foundations. Joint management of the activities of Villum Fonden and VELUX FONDEN.	67
Maskinvej 4 DK-2860 Søborg	Jointly owned by Villum Fonden and VELUX FONDEN	2,439 metres	square	80% of the property is leased to VKR Holding A/S and used as a museum, while the remaining 20% consists of meeting rooms used by the Foundations.	N/A

Sustainability work by the Foundations

Sustainability policy and strategy of the Foundations

The Foundations' strategic work on sustainability is carried out by a cross-sectoral sustainability team. The team has been appointed by Management and consists of representatives from the grant areas and administrative functions of the Foundations.

The Foundations' commitment to sustainability is embedded in a policy and strategy introduced in 2021. The sustainability policy establishes the framework for the work with sustainability in the day-to-day operations of the domicile.

The target areas and objectives of the Foundations in terms of sustainability are described in the sustainability strategy, which covers the period up to 2025. The strategy is focused on six key areas: Energy, resources, canteen, diversity, local area and transport. Each of these areas is underpinned by overarching principles and targets, which include calculated CO2 equivalents.

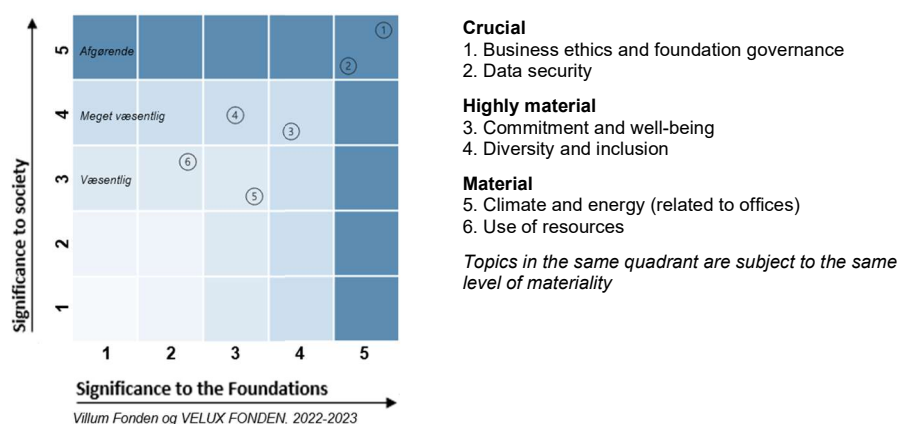
ESG Reporting

In 2023, as planned, the Foundations carried out a mid-term review of the sustainability strategy for the period 2020-2025. The review resulted in a proposal for a new strategy for the period from 2023 to 2027. The finalisation and adoption of the new strategy are, however, not expected to take place until the end of 2024 at the earliest. This is because the Foundations will temporarily vacate Tobaksvejen 10 for most of 2024 due to conversion and refurbishment of the building and outdoor areas. Thus, the new strategy will take into account the changes to the facilities resulting from the refurbishment. At the same time, the Foundations will have the opportunity to adjust the current objectives from a broader perspective and explore opportunities for improvements and extensions of the data base.

ESG materiality assessment

The ESG materiality analysis of the Foundations identifies the environmental, social and governance-related factors relevant to the Foundations' operations. Subsequently, these factors are given a priority based on their significance to the core activities of the Foundations and society at large.

ESG materiality analysis



As the Foundations' focus on the priority areas of the ESG parameters remains unchanged, it has been deemed unnecessary to adjust the most recent materiality assessment completed in 2022. As the assessment shows, the areas of business ethics and foundation governance as well as data security are still considered *crucial* to the Foundations and the surrounding society alike. Next are commitment and well-being as well as diversity and inclusion, which the Foundations consider to be *highly material* to the Foundations and society. Use of resources, climate and energy are specifically related to the Foundations' offices and should, therefore, not be considered broadly, for example in relation to the Foundations' grants or investments. For this reason, they are considered to be *material* to the Foundations and society.

Governance

Managing the Foundations in accordance with their object and by safeguarding their interests is a cornerstone of the Foundations' work. The Foundations maintain high standards of integrity, decency and respect for the surrounding community, at management level and in day-to-day operations alike. This is crucial to ensuring the sustainability of the Foundations, while at the same time contributing to building public trust in both the Foundations and the foundation sector.

Foundation governance

The Foundations wish to meet both their own and the external environment's requirements with respect to accountability and openness of the Foundations' organisation and activities. Consequently, the Foundations have chosen to adopt and report annually on the Danish Business Authority's Recommendations on Foundation Governance to promote openness and transparency about the Foundations' governance.

Moreover, the Foundations have endorsed the Philanthropy Europe Association's principles of good practice and the Danish Code of Conduct for Research Integrity. Last, but not least, the Foundations have implemented the Open Access policy for public sector research funds and foundations in the standards anticipated observed by grant holders.

ESG Reporting

Business ethics

The Foundations find it essential to be a responsible and reliable partner to the grant recipients and other parties with whom the Foundations cooperate. In this respect, the Foundations are making an effort to ensure that issues and risks associated with compliance and business ethics are identified and dealt with effectively.

An important focus area of the Foundations in terms of business ethics is conflicts of interest and impartiality. The Foundations have adopted a policy, Principles of impartiality, which sets out the guidelines for how to avoid impartiality issues and conflicts of interest and how to deal with such should they arise. Principles of impartiality apply to the Foundations' Boards of Directors, working groups, experts and employees. In 2024, the Foundations plan to conduct training in the impartiality policy for selected target groups.

Another important compliance area is awareness of the third parties with whom the Foundations engage. Risk-based due diligence processes help ensure that the Foundations do not engage with persons or organisations that may entail societal and/or reputational or legal risks. This applies not least in relation to money laundering and terrorist financing. In 2023, the Foundations have taken steps towards expanding their due diligence processes in the grant areas. The new processes will be implemented during 2024.

The Foundations have had a whistleblower scheme in place since 2018, which represents a secure channel through which employees, business partners and others may report suspicions of illegal acts. The scheme is operated by a third party, and a procedure for handling reports has been adopted.

Data security

As reflected by the materiality assessment, data security is a priority target area of the Foundations. They have implemented an IT security compliance programme to help ensure safe storage and processing of data. The Foundations collect and process personal data as part of their activities, in particular in connection with grant activities. To ensure compliance with personal data legislation, the Foundations have a GDPR compliance programme in place, which is maintained and updated on an ongoing basis.

BUSINESS ETHICS AND COMPLIANCE

Objectives	Activities completed in 2023	Activities planned for 2024
At least 97% of the target group is to complete compliance training (IT security).	IT security training of all employees in 2023. Completion rate: 100%. Framework for due diligence investigation developed.	IT security training of all employees in 2024. Framework for due diligence investigation of the Foundations' grant areas to be implemented in 2024. Selected target groups to be trained in the Foundations' Principles of impartiality.

Social matters

The Foundations' work with social aspects revolves around creating a working environment in which employees thrive, are committed and feel motivated. The Foundations are focused on being an attractive workplace and make every effort to develop the framework further to the effect that they do not merely promote professional development and cooperation, but also ensure a healthy working environment for the employees.

ESG Reporting

Commitment and well-being

Every two years, the Foundations carry out an employee satisfaction survey. The most recent survey was conducted in November 2022, and, on a scale of 0-100, it showed an overall score of 78. This is a slight decrease compared to 2020, when the score was 80, but the result for 2022 remains within the range and high level of 75-80, which constitutes the Foundations’ goal. Continuous follow-ups on the survey have been made, for example with the help of external consultants. A new survey is scheduled for November 2024.

In addition, the Foundations carry out statutory health and safety risk assessments every other year, most recently in 2023. The result from 2023 shows, among other findings, a high level of satisfaction in terms of the option of working from home, and a high level of satisfaction with the physical working environment, although the office temperatures draw various comments. The overall satisfaction with the psychological working environment is slightly lower, but still high at 75%.

In 2023, sickness absence decreased from a total of 413 days in 2022 to 364 days in 2023, corresponding to average sickness absence per employee of 5.59 days. Adjusted for a single person’s long-term absence due to illness, the average sickness absence is 4.53 days per employee. The absence rate constituted 2.57% (including long-term absence due to illness), which is lower than the most recently calculated national average for private enterprises and organisations of 3.62% (2022 figures have been used as 2023 data has yet to be published by Statistics Denmark). This means that, in 2023, the Foundations reached their sickness absence target of being below the national average.

COMMITMENT AND WELL-BEING

Objectives	Activities completed in 2023	Activities planned for 2024
Employee satisfaction is maintained at 75-80 on a scale of 0-100.	An HR partner has been hired to help strengthen efforts within commitment and well-being.	Residential course focused on cooperation and code of conduct and communication.
Keeping sickness absence below the national average for private enterprises and organisations according to Statistics Denmark (absence rate) (2022: 3.62%).		Increased focus on well-being and prevention of stress.

Diversity and inclusion

Since different living conditions, experience, preferences and competencies provide different perspectives and, thus, a broader and more solid basis for carrying out the Foundations’ activities for the benefit of society, it is the intention of the Foundations to promote diversity and inclusion.

To achieve a more inclusive corporate culture, it is the overall goal of the Foundations to have a staff mix which reflects the surrounding society.

ESG Reporting

INFORMATION ON FOUNDATION STAFF				
Employment status	Age	Length of service	Gender distribution	Gender distribution, HR responsibility
55 full-time employees 9 part-time employees 1 flexi-job employee 2 student assistants	Average: 47 years	Average: 5 years	58% women 42% men	35% women 65% men

In 2023, the Foundations' working group on diversity and inclusion participated in a masterclass on the topic. Against this background, the Foundations will continue their work on establishing a framework for implementing the Foundations' diversity and inclusion principles, and illustrating this outside the organisation. Part of this effort will be translating the principles into concrete actions.

DIVERSITY AND INCLUSION

Objectives	Activities completed in 2023	Activities planned for 2024
At least 40% of employees with HR responsibilities should represent the under-represented gender by 2030.	Monitoring of development with respect to maintaining the share of the under-represented gender in 2023 (35%).	Continued monitoring of development with respect to maintaining the share in accordance with the objective.
A minimum of 5% should hold flexi-job positions or other special arrangement jobs.	The possibilities of increasing the share of flexi-job positions from the current 1.54% were continuously assessed throughout 2023.	Continued assessment of opportunities related to flexi-job employment.

Environmental aspects

The most important environmental impact of the operation of the Foundations' domicile and Maskinvej 4 includes climate footprint, energy consumption as well as resource and waste management.

Climate and energy

As the Foundations' activities are mostly related to the office space of the domicile in Søborg, as well as combined offices and museum at Maskinvej 4, the CO2 footprint is relatively limited. The Foundations do, however, intend to contribute to international climate goals to the extent possible. This also applies to the administrative activities of the Foundations.

In line with the Foundations' sustainability strategy, the focal point is implementation of actions that will reduce the CO2 footprint. Since 2021, the Foundations have been working to realise the measures identified in the strategy and implemented additional initiatives.

The Foundations have, ahead of time, achieved the subgoal of the sustainability strategy with respect to having the domicile transition to district heating by 2022. This was achieved in December 2021, and during the autumn of 2022, Maskinvej 4 also transitioned to district heating. In 2022, another subgoal was met when the Foundations' domicile started buying exclusively green power.

ESG Reporting

CLIMATE AND ENERGY

Objectives	Activities completed in 2023	Activities planned for 2024
30-40% power consumption (kWh) reduction in 2025 compared to 2018.	Mid-term evaluation of the Foundations' sustainability strategy 2020-2025, including climate and energy.	No activities are planned for 2024 as the domicile at Tobaksvejen 10 is being converted and refurbished.
75% reduction in climate footprint from heat consumption (CO2-e) in 2023 compared to 2018.		

In addition to energy improvements, the sustainability strategy identified travel activities as an area in which the carbon footprint may be reduced significantly. To address this, the Foundations have implemented internal guidelines aimed at creating a more sustainable approach to meeting and travel practices by encouraging meetings and modes of transport which minimise CO2 emissions. For example, electric taxis are encouraged as an environmentally friendly option, just as virtual meetings are considered when appropriate.

Resources

It is the Foundations' goal to minimise the resource consumption associated with the operation of the Foundations' domicile and Maskinvej 4. Therefore, work is constantly being performed with respect to reducing daily consumption and optimising recycling processes as well as encouraging purchases through certified suppliers.

The Foundations' canteen plays a key role in this sustainable approach by actively working for sustainability when it comes to choosing raw materials and resource consumption. This is achieved, for instance, by limiting the use of animal food and by reducing food waste through the optimisation of menu and process planning.

The Foundations adhere to national and municipal standards applicable to the sorting of waste. Since 2022, the sorting of waste has been extended to comprise 19 categories.

Data overview 2018-2023

The below data overview shows the Foundations' development on selected parameters related to environmental, social and governance aspects since 2018. As of 2022, the overview also includes data on environmental aspects relating to Maskinvej 4.

ESG Reporting

KPI	2018	2019	2020	2021	2022	2023	Goals
Governance							
Business ethics and compliance							
Completion of IT security compliance training (%)	-	-	-	100%	99.6	100%	At least 97% of the target group is to complete the compliance training.
Social matters							
Commitment and well-being							
Employee satisfaction (score) is measured every other year.	78	-	80	-	78	-	Maintain total employee satisfaction score of 75-80.
Sickness absence (days)	-	-	264	260	413	364	Keeping sickness absence below the national average for private enterprises and organisations according to Statistics Denmark (absence rate) (2022: 3.62%, 2023 figures will be available later in 2024).
Sickness absence per employee (days)	-	-	4.9	4.8	7.2	5.59	
Sickness absence (%)	-	-	2.23	2.18	3.29	2.57	
Diversity and inclusion							
Gender diversity among all employees (%)	-	-	-	46% (M) 54% (F)	48% (M) 52% (F)	42% (M) 58% (F)	At least 40% of employees with HR responsibilities should represent the under-represented gender by 2030.
Gender diversity among employees with managerial responsibilities (%)	-	-	-	-	58% (M) 42% (F)	65% (M) 35% (F)	
Inclusion (%)	-	-	-	2%	2%	1%	A minimum of 5% should hold flexi-job positions or other special arrangement jobs.
Environmental aspects							
Electricity							
Electricity consumption (1,000 kWh)	89.1	88.2	77.0	81.0	78.5	83.6	30-40% power consumption (1,000 kWh) reduction in 2025 compared to 2018.
- Tobaksvejen 10 Maskinvej 4	-	36.5	36.4	32.9	46.7	47.1	

ESG Reporting

KPI	2018	2019	2020	2021	2022	2023	Goals
Heating							
CO2, scopes 1 & 2 (tonnes)*							75% reduction in climate footprint from heat consumption (CO ₂ -e) in 2023 compared to 2018.
Tobaksvejen 10 - Gas (tonnes)*	49.6	50.6	45.90	39.7	-	-	
- District heating (tonnes)*	0	0	0	0	22.6	17.8	
Maskinvej 4 - Gas (tonnes)*	-	63.6	62.7	65.5	76.3	-	
District heating (tonnes)*	0	0	0	0	4.7	22.0	

* CO₂ emissions are calculated using the CO₂ calculator of the Danish Business Authority's Climate Compass.

Management's Statement

The Board of Directors and Management have today considered and adopted the Financial Statements of VELUX FONDEN for 2023.

The Financial Statements are prepared in accordance with the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed.

In our opinion, the transactions comprised by the Financial Statements are in accordance with generally accepted accounting principles applying to foundations, the Danish legislation on foundations and the provisions of the Trust Deed.

The account in Management's Review of the matters addressed by Management's Review complies with generally accepted accounting principles applying to foundations.

Søborg, 5 March 2024

Management

Ane Hendriksen

Fredrik Jan Skoglund

Board of Directors

Lykke Kann Ogstrup Lunde
(Chairperson)

Anne-Marie Mai

Erik Michael Darre

Marie Louise Bech Nosch

Independent Auditor's Report

To the Board of Directors of VELUX FONDEN and the Danish Commercial Foundations Supervisory Authority

Opinion

In our opinion, the Financial Statements for the financial year 1 January - 31 December 2023 have been prepared in accordance with generally accepted accounting principles applying to foundations, the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed.

We have audited the Financial Statements of VELUX FONDEN for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet and notes, including summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Foundation in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by generally accepted accounting principles applying to foundations.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements which comply with generally accepted accounting principles applying to foundations under the Danish Act on Foundations and Certain Associations and the financial reporting provisions of the Trust Deed 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 Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used by Management and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We moreover communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 5 March 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

Anders Stig Lauritsen
State Authorised Public Accountant
mne32800

Rikke Lund-Kühl
State Authorised Public Accountant
mne33507

Income Statement

	Note	2023 (DKK '000)	2022 (DKK '000)
Dividend on shares and investments		92,863	184,129
Interest on bonds		27,940	12,848
Other financials		3,715	(12,874)
Transfer to unrestricted capital from Villum Fonden		160,000	210,000
Capital gains and losses on securities in the unrestricted capital		<u>1,112</u>	<u>(36,361)</u>
Total income		<u>285,630</u>	<u>357,742</u>
Administrative and other expenses		36,189	36,900
Directors' remuneration	2.3	950	1,125
Legal adviser		803	859
Auditor	4	899	419
Expenses concerning asset management	4	<u>8,367</u>	<u>2,466</u>
Total secretariat expenses		<u>47,208</u>	<u>41,769</u>
Profit/loss before tax		238,422	315,973
Tax on profit/loss for the year		<u>-</u>	<u>-</u>
Profit/loss for the year		<u>238,422</u>	<u>315,973</u>
<i>Distribution of profit</i>			
Provisions for later use, beginning of year		372,052	362,691
Transferred taxable capital gain from restricted capital		0	0
Profit/loss for the year		<u>238,422</u>	<u>315,973</u>
Available for distribution		<u>610,474</u>	<u>678,664</u>
<i>Which is distributed as follows:</i>			
Grants for the year		235,546	310,830
Cancelled grants		(10,746)	(4,218)
Provisions for later use		<u>385,674</u>	<u>372,052</u>
Total distribution		<u>610,474</u>	<u>678,664</u>

Balance Sheet 31 December

	Note	Restricted capital (DKK '000)	Unrestricted capital (DKK '000)	2023 total (DKK '000)	2022 total (DKK '000)
Assets					
Properties	5	39,116	0	39,116	36,160
Associates, etc.	6	354,616	0	354,616	354,654
Investments in real assets	7	443,973	51,596	495,569	578,365
Listed shares		1,144,878	144,862	1,289,740	1,245,057
Bonds, etc.	7	910,697	792,636	1,703,333	1,368,284
Bank deposit		58,479	36,988	95,467	235,057
Accrued interest		0	9,704	9,704	5,097
Balance		(11,206)	11,206	0	0
Other assets	7	<u>4,169</u>	<u>41,426</u>	<u>45,595</u>	<u>89,605</u>
Total assets		<u>2,944,722</u>	<u>1,088,418</u>	<u>4,033,140</u>	<u>3,912,279</u>
Equity and liabilities					
Amounts granted, not paid		0	636,648	636,648	705,331
Payables, etc.	8	0	12,338	12,338	8,190
Provisions for later use		0	385,674	385,674	372,052
Capital gains, not realised		0	53,758	53,758	17,467
Equity	1	<u>2,944,722</u>	<u>0</u>	<u>2,944,722</u>	<u>2,809,239</u>
Total equity and liabilities		<u>2,944,722</u>	<u>1,088,418</u>	<u>4,033,140</u>	<u>3,912,279</u>

Contingent assets, liabilities and other financial obligations	9
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Notes

	2023 (DKK '000)	2022 (DKK '000)
Note 1 – Equity		
<i>Restricted capital</i>		
Balance at 1 January	2,479,732	2,386,378
Realised capital gains and losses on bonds, net	(6,665)	(34,543)
Realised capital gains and losses on shares, net	(23,496)	90,488
Realised capital gains and losses on real assets, net	2,038	27,290
Realised capital gains and losses on forward exchange contracts	(2,569)	(29,495)
Amortisation, depreciation and impairment losses	(386)	(386)
Transferred to restricted capital from Villum Fonden	<u>40,000</u>	<u>40,000</u>
Balance at 31 December	<u>2,488,654</u>	<u>2,479,732</u>
Unrealised capital gains and losses on shares, net	389,044	234,671
Unrealised capital gains and losses on real assets, net	36,039	88,315
Unrealised capital gains and losses on bonds, net	26,816	(2,549)
Unrealised capital gains and losses on forward exchange contracts	<u>4,169</u>	<u>9,070</u>
Total unrealised capital gains and losses	<u>456,068</u>	<u>329,507</u>
Total balance at 31 December	<u>2,944,722</u>	<u>2,809,239</u>

Note 2 – Directors' remuneration

In addition to a regular directors' remuneration, the board members receive a fee for participating in working groups. For 2023, the board fee, exclusive of working group fees, amounted to DKK 950k (2022: DKK 1,125k). The total remuneration may be specified as follows:

	Directors' remuneration	Working group fee	Total	2022
	(DKK '000)	(DKK '000)	(DKK '000)	
Lykke Kann Ogstrup Lunde (Chairperson)	380	130	510	475
Erik Michael Darre	190	25	215	300
Marie-Louise Bech Nosch	190	50	240	325
Anne-Marie Mai	190	50	240	325
Minik Thorleif Rosing (former Vice-chair)	0	0	0	207
Total	<u>950</u>	<u>255</u>	<u>1,205</u>	<u>1,632</u>

Note 3 – Remuneration to Management

Management remuneration (Executive Director and Chief Investment Officer) is included in "Administrative and other expenses" and may be specified as follows:

	2023 (DKK '000)	2022 (DKK '000)
Ane Henriksen	2,648	2,522
Fredrik Skoglund*	<u>862</u>	<u>339</u>
	<u>3,510</u>	<u>2,861</u>

*VELUX FONDEN and Villum Fonden share the same Chief Investment Officer whose remuneration is distributed by 25% and 75%, respectively, as reflected above. The 2022 remuneration applies from the Chief Investment Officer's appointment on 1 August 2022.

Note 4 – Fee to auditors

Audit	197	228
Non-audit services	<u>702</u>	<u>191</u>
	<u>899</u>	<u>419</u>
Non-audit services included in "Fee, asset management" and "Administrative and other expenses"	<u>30</u>	<u>11</u>

Notes

	2023 (DKK '000)	2022 (DKK '000)
Note 5 – Properties		
Owner-occupied property, Tobaksvejen 10		
Cost at 1 January	31,237	30,283
Additions for the year	<u>3,342</u>	<u>954</u>
Cost at 31 December	<u>34,579</u>	<u>31,237</u>
Depreciation and impairment losses at 1 January	(4,232)	(3,951)
Depreciation for the year	<u>(281)</u>	<u>(281)</u>
Depreciation and impairment losses at 31 December	<u>(4,513)</u>	<u>(4,232)</u>
Carrying amount at 31 December	<u>30,066</u>	<u>27,005</u>
Museum building, Maskinvej 4		
Cost at 1 January	7,000	7,000
Additions for the year	<u>0</u>	<u>0</u>
Cost at 31 December	<u>7,000</u>	<u>7,000</u>
Depreciation and impairment losses at 1 January	(420)	(315)
Depreciation for the year	<u>(105)</u>	<u>(105)</u>
Depreciation and impairment losses at 31 December	<u>(525)</u>	<u>(420)</u>
Carrying amount at 31 December	<u>6,475</u>	<u>6,580</u>
Tobaksvejen 8 (under reconstruction)		
Cost at 1 January	2,575	2,575
Additions for the year	<u>0</u>	<u>0</u>
Cost at 31 December	<u>2,575</u>	<u>2,575</u>
Depreciation and impairment losses at 1 January	0	0
Depreciation for the year	<u>0</u>	<u>0</u>
Depreciation and impairment losses at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>2,575</u>	<u>2,575</u>
Total carrying amount at 31 December	<u>39,116</u>	<u>36,160</u>

The properties are owned in equal joint ownership with Villum Fonden. The above note reflects the value of VELUX FONDEN's ownership interest.

Note 6 – Associate

VELUX FONDEN (the Foundation) holds 50% of the A shares with voting rights (Villum Fonden holds the remaining 50%) and 17.2% (2022: 17.2%) of the B shares (without voting rights) in VV Private Equity Holding ApS (Villum Fonden holds the remaining 82.8%). The registered office of the company is situated at Tobaksvejen 10, DK-2860 Søborg. The company's total nominal share capital amounts to DKK 63.4 million. The net profit was DKK 15.9 million for 2023 (2022: a negative DKK 18.4 million), and equity at 31 December 2023 constituted DKK 1,634.7 million (2022: DKK 1,618.9 million) of which the share of VELUX FONDEN constituted DKK 2.8 million and DKK 287.3 million, respectively, in 2023 (2022: a negative DKK 0.3 million and DKK 284.5 million, respectively).

The VV Private Equity Holding ApS Group has committed to investing in private equity funds at an additional amount of DKK 695.7 million. (2022: DKK 876.5 million). Payment of the amount will be made under a cash-call principle.

Notes

Note 7 – Alternative investments

As part of its asset management, the Foundation invests in real assets (properties, infrastructure, etc.) unlisted debt funds as well as private equity funds, typically organised as limited partnerships and similar structures (level 3 of the fair value hierarchy). For this type of investment, fair value is not measured on the basis of observations in an active market, but on the basis of information about the fair value from the private equity funds.

When making new investments in private equity funds, the Foundation receives information of the private equity funds' overall valuation principles, which are accepted once the Foundation chooses to invest in a private equity fund. The fair value of the Foundation's investments in private equity funds is based on most recent monthly, quarterly and annual statements received.

The valuation of all investments is based on non-observable inputs. Recognition is based on the formalised valuation reporting process implemented by the private equity fund. Detailed information on valuation model data and underlying assumptions is not received.

The Foundation has committed to investing in such private equity funds at an additional amount of DKK 944.2 million (2021: DKK 1,243.3 million), including commitments in associates. Payment of the amount will be made under a cash-call principle.

Note 8 – Other assets and liabilities

Other assets and liabilities include the principal of forward exchange contracts entered into with the Foundation's bank and totalling USD 52.9 million (DKK 364.1 million) with a fair value of DKK 7.2 million at 31 December 2023 (2022: USD 144.5 million, corresponding to DKK 362 million with a fair value of DKK 13.5 million). The forward exchange contracts were effective until 17 January 2024. Realised forward exchange contracts for the year constituted a negative DKK 2.6 million (2022: a negative DKK 29.5 million) and have been recognised in "Other financials" in the income statement, and in "Realised capital gains and losses, forward exchange contracts" in the restricted capital.

Note 9 – Contingent assets, liabilities and other financial obligations

Contingent liabilities

	2023 (DKK '000)
Rental and lease obligations	
Within 1 year.....	159
Between 1 and 5 years.....	48
After 5 years	0
	<u>199</u>

The Foundation is jointly and severally liable for partnerships owned in equal joint ownership with Villum Fonden.

Besides the commitments referred to in note 7, the Foundation had no other contingent liabilities at 31 December 2023

Notes

Note 10 – Accounting policies

Basis of preparation

The Financial Statements of VELUX FONDEN have been prepared in accordance with generally accepted accounting principles applying to foundations, the Danish Act on Foundations and Certain Associations as well as the financial reporting provisions of the Trust Deed.

The accounting policies remain unchanged compared to last year. The Financial Statements for 2023 are presented in Danish kroner.

Recognition and measurement

As a general rule, income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. The accounting policies for each item in the income statement describe the recognition procedure in detail.

Moreover, all expenses are recognised in the income statement. Depreciation and impairment of the properties of the Foundation are recognised directly in the restricted capital.

Assets and liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset or liability will flow to or out of the Foundation, and the value of the asset or liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

DKK is used as presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Income statement

Dividends

Dividends from shares and investment units are recognised as income in the income statement when received.

Interest

Interest on bank deposits and securities is recognised in the income statement and comprises receivable, undue interest calculated under the accruals concept.

Grants received

Transfer from Villum Fonden is recognised when the grant is received.

Market value adjustments

Realised and unrealised capital gains and losses on securities and share of profit or loss from investments and real assets in the restricted capital are not recognised in the income statement, but are generally transferred to the restricted capital of the Foundation. In financial years with positive taxable income originating from such capital gains, it may be decided to transfer these gains, completely or partially, to the unrestricted capital.

Notes

Investments in associates

Investments in associates are recognised and measured under the equity method.

The item “Associates, etc.” in the balance sheet includes the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

Securities

Listed shares and investment units are recognised at the listed market price at the balance sheet date.

Bonds, etc. are recognised at the listed market price at the balance sheet date.

Alternative investments recognised under "Investments in real assets" and "Bonds, etc.", include unlisted private equity funds measured at estimated fair value at the balance sheet date. Fair value is calculated on the basis of statements received from private equity funds, which recognise the underlying investments at fair value.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as “Other assets” and “Payables, etc.”, respectively.

Changes to the fair values of derivative financial instruments relating to assets in the unrestricted capital are recognised in the income statement.

Changes to the fair values of derivative financial instruments relating to assets in the restricted capital are recognised directly in the restricted capital.

Deferred tax assets and liabilities

Tax legislation allows tax deduction of provisions for later distribution. This means that the Foundation may reduce any positive taxable income to zero by recognising a tax provision for later distribution in the statement of taxable income.

As the tax provision for later distribution is not recognised, a deferred tax liability may arise. The deferred tax liability is not recognised in the Annual Report as it is not considered probable that it will become subject to taxation due to Foundation’s intention of continuing to distribute any income earned in accordance with the object of the Foundation. Such distributions are deductible from the Foundation's taxable income and will thus not result in a tax liability for the Foundation.

Equity

The Foundation's restricted equity consists in part of original capital contributed by the founder, and in part of subsequent contributions in the form of gifts, inheritance donations and other contributions, the strengthening of the position of the Foundation by means of distribution of net profit, as well as market value adjustments of securities, etc. of the restricted assets.

The Foundation’s available capital consists of provisions for future distribution in accordance with distribution of net profit.

Notes

Grants

Grants which, in accordance with the object of the Foundation, have been adopted in the financial year are deducted from the available capital through the distribution of profit.

Amounts granted, not paid

Grants which, in accordance with the object of the Foundation, have been adopted and announced to the recipient but not paid at the balance sheet date are deducted from the available capital through the distribution of profit and are recognised as a liability.

Financial ratios

The many grant areas of the Foundation deliberately apply different philanthropic approaches and have very different uses of internal and external resources depending on the procedures that we consider contribute the best to the implementation of the strategy of the individual area. The variations in the use of resources are seen, among other things, in connection with our dialogue with applicant environments, assessment of applications, evaluation of projects and programmes, project and strategy development as well as project follow-up. Therefore, several financial ratios are calculated for secretariat expenses.

Besides calculating the administrative expenses in percentage terms by dividing all secretariat expenses by the other grants of the Foundation, the Foundation has calculated two additional ratios for the Foundation's administrative expenses in percentage terms to illustrate the difference between expenses related to grant activities and general administrative expenses – i.e. expenses related to finance, communication, IT, management, etc. Indirect grant expenses comprise expenses for project development, experts, task groups as well as foundation advisers.

The ratios 'Indirect grant expenses in proportion to grants', 'Administrative expenses in proportion to grants' and 'Administrative expenses in percentage terms' are defined as follows:

Indirect grant expenses in proportion to grants

The ratio is calculated by dividing indirect grant expenses by 'Grants for the year'.

Administrative expenses in proportion to grants

The ratio is calculated by dividing administrative expenses by 'Grants for the year'.

Administrative expenses are calculated as 'Secretariat expenses' with deduction of 'Indirect grant expenses'.

The allocation between administrative expenses and indirect grant expenses is subject to elements of estimation.

Administration share

The ratio is calculated by dividing secretariat expenses in total by 'Grants for the year'.