EISCAT Scientific Association
Registered as a Swedish non-profit organisation
Organisation number: 897300-2549

Annual financial report for the year 2018-01-01 – 2018-12-31

The EISCAT Council and the Director for the Association submits herewith the annual report for 2018.

ADMINISTRATION REPORT

Ownership, organisation and objective

The EISCAT Scientific Association was established in 1975 through an agreement between six European organisations. Japan joined in 1996 and the Peoples Republic of China in 2007.

The EISCAT Associates at 2018-12-31 are: China Research Institute of Radiowave Propagation (Peoples Republic of China), National Institute of Polar Research (Japan), Norges forskningsråd (Norway), Suomen Akatemia (Finland), UK Research and Innovation (United Kingdom of Great Britain and Northern Ireland) and Vetenskapsrådet (Sweden).

The now running EISCAT Agreement came into force 2017-06-20, with all Associates making long term funding commitments to the Association. The Association has its formal seat in Kiruna, Sweden, and is registered as a non-profit organisation.

The aim of the Association is to make significant progress in the understanding of physical processes in geospace, in the high latitude atmosphere, and in the coupling between the high and low latitudes and altitudes. For this purpose, the Association has developed, constructed, and now operates, a number of radar facilities at high latitudes. At present, these comprise a system of stations at Tromsö (Norway), Kiruna (Sweden), Sodankylä (Finland), and Longyearbyen (Svalbard). A new system, EISCAT_3D, is currently being constructed.

The Association is fully funded by the Associates, but additional operations may also be funded by short term additional contributions from both Associate and non-Associate bodies. Depending on the available funding, scientific priorities and operational targets are adjusted on an annual basis.

The EISCAT Council is charged with the overall administration and supervision of the Association's activities. The Council appoints a Director, who is responsible for the daily management and operation of the facilities of the Association.

Operation and scientific development

The EISCAT Radars delivered a full programme of operations for the user community and operated reliably throughout the year.

The various EISCAT radars operated for a total of 2 202 accounted hours (2 480 hours in 2017).

Common Programmes amounted to 48% (54%) of the operations. Special Programmes amounted to 45% (41%) and other operations amounted to 7% (5%) of the total hours.

IRAP-CNRS (France), KASI (South Korea), KOPRI (South Korea) and IRA-NASU (Ukraine) have Affiliate agreements and totally 57 hours (10 hours) were affiliates accounted. The Peer-Review Programme made it possible for user groups from P. R. of China, Germany and USA

to run experiments, at no cost, on the systems. Peer-Review time amounted to 99 accounted hours (82 hours).

Future operation and scientific development
All systems are ready for users. These comprise now of the EISCAT Svalbard Radar, Heating and the UHF and VHF radars with the possibility to run the VHF in tristatic mode by using the antennas in Kiruna and Sodankylä for reception.

The EISCAT_3D construction is in full motion. The EISCAT_3D system will replace the current UHF and VHF radar systems. The new system comprises of three phased arrays working together. These will be built in Finland, Norway and Sweden.

The new EISCAT_3D system will be ready for users towards the end of 2021. The old UHF and VHF radar systems will be decommissioned at that time.

Project activities
A new European Commission funded EOSC-Hub "Integrating and managing services for the European Open Science Cloud" project started 2018-01-01.

EISCAT is currently also participating in the AARC2, COOP_Plus and ENVRI_Plus EC-funded projects.

EISCAT_3D project
The now ongoing EISCAT_3D Stage 1 (E3DS1) construction project is well on its way. Three industry contracts were signed during the year and site infrastructure works was planned to start in 2018. Due to geotechnical survey findings at the chosen site in Norway, that work is delayed. The industry contracts relate to deliveries of the antenna system (contractor East China Research Institute of Electronic Engineering – ECRIEE), the receiver system (contractor DA-Design Oy, Finland) and the transmitter system (contractor DA-Design Oy, Finland). Towards the end of 2018, the procurement for the transmitter control system was initiated. The EISCAT_3D construction is fully funded by the EISCAT Associates where Finland, Norway, Sweden and UK have committed substantial amounts. Also P. R. of China and Japan are aiming for funding to EISCAT_3D. The EISCAT_3D project office is co-located with Headquarters and the project team comprises of management, support and engineering expertise. Further staff, particularly IT experts and software developers, will be recruited in 2019.

The work of the Council and its committees
The Council had two ordinary meetings, in May 2018, Stockholm, Sweden and in November 2018 Beijing, P. R. of China. The meetings were chaired by Prof. Hiroshi Miyaoka. At the end of the year, Prof Miyaoka handed over the chairpersonship to Prof. Ingrid Mann. Prof. Mann will be the Council Chairperson for two years, 2019-2020.

The regular Council committees, the Administrative and Finance Committee (AFC) and the Scientific Advisory Committee (SAC) both had two meetings each during the year. The committees meet usually about 1-2 months before the Council meetings.

Budget development during the year

The EISCAT users schedule time on the systems based on research interests and some groups study effects caused by sun activity. Since the solar magnetic activity cycle is currently on minimum level the experiment demand was a bit lower than in other years. This in turn lead to less operations than the nominal target of 2 500 hours.

Less operating hours mean lower costs for operating the systems. Additionally, the radars have functioned well without machinery breakdowns.

In summary, operating costs were below budgeted. The regular grants became higher than budgeted due to favourable exchange rates. The funding agencies commit usually in their own local currencies whereas EISCAT accounts the income in SEK. In total, the year ended in a net profit.

The long-term budget plan

The long-term budget plan is challenging during the transition period where the old systems need to continue operate while EISCAT_3D constructions are done in parallel. In 2021-2022, when EISCAT_3D becomes operational, the old systems being replaced by the new one will be decommissioned. EISCAT_3D will also cost more to operate than the existing systems. Most Associates have though agreed to substantially increase their annual contributions to cover the additional operating costs. The budget plan needs to consider these stages where available staff resources and system availability have to be carefully balanced to manage all requirements.

The result for 2018 and profit/loss handling

The year ended in a net profit of 1 933 kSEK and it is planned to put the amount in the designated funds reserve for use in subsequent years.

PROFIT AND LOSS ACCOUNTS

in thousands of Swedish Crowns

	Note 1	*2018*	*2017*
Income from operations			
Grants received	Note 2	119 127	46 774
Revenue from operations	Note 3	96	89
Other income from operations	Note 4	762	306
		119 984	47 169
Expenses from operations			
Operation costs	Note 5	-6 481	-14 557
Administration costs		-4 102	-4 581
Personnel costs	Note 6	-24 066	-21 884
Depreciation of fixed assets		-5 116	-2 174
		-39 765	-43 197
Operating profit/loss		**80 220**	**3 972**
Financial items			
Interest income		28	12
Other financial income and cost		-1 479	263
		-1 451	275
Net profit/loss for the year		**78 769**	**4 247**

Changes in designated funds	Note 7		
Net profit/loss for the year		78 769	4 247
Use of designated investment funds		-72 047	500
Use of designated funds from previous years		790	11
Allocation of designated funds received during the year, but not used		-5 579	-1 130
Net profit/loss for the year after redistributions		**1 933**	**3 627**

BALANCE SHEET

in thousands of Swedish Crowns

		2018	*2017*
ASSETS			
Fixed assets			
Tangible fixed assets	Note 8		
Buildings		5 059	1 808
Radar systems		87 311	4 279
Equipment and tools		2 261	2 831
		94 631	8 918
Current assets			
Receivables		84 555	24 519
Prepayments and accrued income	Note 9	3 691	2 258
Cash at bank and in hand	Note 10	131 223	76 109
		219 470	102 885
Total assets		**314 101**	**111 804**
CAPITAL AND LIABILITIES			
Capital			
Funds invested	Note 11	94 631	8 918
Designated funds	Note 12	29 395	20 978
Net income for the year after redistribution		1 933	3 627
		125 959	33 524
Current liabilities			
Accounts payable, trade		8 818	5 020
EISCAT_3D build grants received but not used	Note 13	174 823	55 435
External project grants received but not used	Note 14	3 907	17 445
Other liabilities		595	379
		188 142	78 280
Total capital and liabilities		**314 101**	**111 804**

STATEMENT OF CASH FLOWS

in thousands of Swedish Crowns

	2018	*2017*
Operating activities		
Operating result before financial items	80 220	3 972
Transfer from funds invested	5 116	2 174
Interest received	28	12
Currency exchange rate changes	-1 479	263
Extra ordinary income and cost	0	0
Increase/decrease of receivables	-60 037	-22 134
Increase/decrease of prepayments and accrued income	-1 434	6 273
Increase/decrease of creditors and liabilities	109 862	50 905
Cash flow from operations	**132 277**	**41 465**
Investment activities		
Investments in tangible assets	-77 163	-1 674
Cash flow from investment activities	**-77 163**	**-1 674**
Cash flow for the year	**55 114**	**39 791**
Liquid assets at the beginning of the year	**76 109**	**36 318**
Liquid assets at the end of the year	**131 223**	**76 109**

NOTES	2018	2017

Note 1 *Accounting principles*

The accounting and valuation principles applied are consistent with the provisions of the Swedish Annual Accounts Act and generally accepted accounting principles (for 2017 onwards, bokföringsnämnden allmänna råd och vägledningar, BFNAR 2012:1 K3).

All amounts are in thousands of Swedish kronor (SEK) unless otherwise stated.

Income

Received grants are reported as income in the period when they were claimed or received. Conditional grants are recognised as income when the associated conditions have been met. Income and revenue from operations, which include own-account funds, are reported as income when they were claimed or received. Grants and other income in foreign currencies have been accounted in the amounts estimated to be received, based on individual assessment.

Employee benefits

Ongoing remuneration to employees, either direct employed or provided via host agreements, in the form of salaries, social security, contributions to pension schemes and staff related insurances are accounted as personnel costs. Other remunerations, in cash, like travel subsistences or as benefits in-kind, like clothing, training and health care are also accounted as personnel costs. Overhead cost on host provided personnel is considered as external services accounted as administration cost.

Financial income

Dividends and interest income are accounted when credited the account.

Receivables

Receivables are stated at the amounts estimated to be received, based on individual assessment.

Receivables and payables in foreign currencies

Receivables and payables in foreign currencies are valued at the closing day rate. Where hedging measures have been used, such as forwarding contracts, the agreed exchange rate is applied. Gains and losses relating to operations are accounted for under other financial income and cost.

Bank accounts in foreign currencies

Bank balances in foreign currencies are valued at the closing day rate.

Fixed assets

Tangible fixed assets are stated at their original acquisition values after deduction of depreciation according to plan. Assets are depreciated systematically over their estimated useful lives. The following periods of depreciation are applied: Buildings 5 - 50 years, Radar systems 3 - 30 years and Equipment and tools 1 - 5 years.

Note 2 *Grants received*

The Associates contributed to the operation during the year in accordance with the EISCAT agreement. The Affiliates contributed according to agreed annual commitments. Income from European Commission (EC) funded projects were also accounted as received grants. The E3DS1 project started 2017-09-01 and the resulting projects costs were covered by the funding agencies (see also Note 13). All received project grants are first accounted as prefinancing. Project costs are thereafter covered by withdrawals from prefinancing and at that time accounted as income from operations.

	2018	2017
Associates	23 348	22 522
Affiliates	811	796
Project grants, EC	3 078	19 458
Project grant, E3DS1	91 890	1 625
Project grant, VR-OG	0	2 374
	119 127	46 774

Accumulated Associate contributions status as of 2018-12-31

Annual contributions included and for 2018, Japan, Sweden and UK were credited for providing EISCAT_3D and E3DS1 project related funds. These sums are used for EISCAT's ownership and time-share calculation

Associate P. R. of China	41 407	37 245
Associate Finland	89 419	85 559
Associate Japan	95 772	80 057
Associate Norway	183 670	178 203
Associate Sweden	191 915	163 597
Associate UK	310 164	238 187
Previous Associates	382 168	382 168
	1 294 516	1 165 016

Note 3 *Revenue from operations*

The Association can, at rates related to the costs involved and as available, sell observation hours to Associates, Affiliates and other parties. Income from such selling of time are considered to be revenue. In 2018, 8 experiment hours were provided to time-buyers.

Income from time-buyers	96	89

Note 4 *Other income from operations*

The Association supports visiting users by offering site accommodation and equipment hosting for either campaign brought instruments or for longer deployments. Educational support is done by providing teachers and/or other resources (like laboratory support). Associates and/or user-groups contribute occasionally to system improvements by funding, of own interest, certain repairs or hardware changes.

Accommodation	124	143
Instrument hosting agreements	21	21
Educational support	19	18
Other income	597	123
	762	306

Note 5 *Operations*

The annual operating target for all systems together is about 2 500 active (high power mode) hours. For 2018, the budget assumed 2 468 hours and the outcome became 2 072 hours. Passive hours come in addition. Such hours have a minimal effect on cost since the systems do not draw more electricity than in an off mode. Accounted hours are usually lower than the sum of operating hours since some systems have a charge rate that is less than 1-to-1.

Active hours (high-power), per system	*Hours*	*Hours*
EISCAT Svalbard Radar	897	865
UHF system	880	727
VHF system	199	558
Heating system	97	146
	2 072	2 295
Passive hours (receive only)		
Kiruna receiver system	151	444
Sodankylä receiver system	151	444
	302	889

	2018	2017
Accounted hours	*Hours*	*Hours*
Common programmes	1 049	1 356
Special programmes	986	1 012
Other hours	167	113
	2 202	2 480
Distribution of special programme hours between Associates		
Associate P. R. of China	110	107
Associate Finland	156	174
Associate Japan	174	169
Associate Norway	216	278
Associate Sweden	147	193
Associate UK	184	93
	986	1 012
Distribution, other hours		
Affiliates	57	10
EISCAT staff and tests	4	13
Per-reviewed campaigns	99	83
Time-buyers	8	8
	167	113

Note 6 *Personnel costs and average number of employees*

The Association employs directly Headquarters and most project staff, currently about 12 positions, including the Director. Of these, three are on shorter-term project employments. The Headquarters is located in Kiruna, Sweden. The personnel working at the Kiruna (Sweden), Sodankylä (Finland), Svalbard and Tromsø (Norway) sites are normally not employed by the Association. Instead, the personnel are provided via site contracts by the Swedish Institute of Space Physics (Kiruna site staff), Oulu University (Sodankylä staff) and the Arctic University of Norway (Tromsø and Svalbard staff). The Association refunds all expenses related to the provided staff, as well as an additional overhead.

	2018	2017
Personnel costs in total		
Salaries and emoluments paid to the Director	1 978	1 920
Other personnel, employed and provided via site contracts	14 598	13 322
Social security contributions amounted to	6 917	6 274
of which for pension costs	*3 248*	*3 061*
Other personnel costs	573	369

The Director, Dr. Craig Heinselman, started his employment 2013-01-01. His current employment contract ends 2021-12-31.

Of the pension costs, 312 kSEK (306 kSEK) relates to the Director. He and all other directly employed staff are included in ITP like occupational pension plans. For the personnel provided via site contracts, the pension plans are handled by their respective employer.

The members of the board (EISCAT Council) and members of committees, who represents Associates and Affiliates, do not receive remunerations from the Association. Travel expenses in connection with Council and committee meetings are normally covered by the Associates and Affiliates. The Association reimburses though the travel costs for Committee Chairpersons and external members.

	2018	2017
Salaries and emoluments and average number of staff per country		
Finland		
Salaries and emoluments	678	453
Average number of staff - men and women	1 + 0	1 + 0
Norway (including Svalbard)		
Salaries and emoluments	5 309	5 314
Average number of staff - men and women	9 + 0	9 + 0
Sweden		
Salaries and emoluments	10 589	9 475
Average number of staff - men and women	12 + 2	10 + 2

Members of the board and Directors at year-end - men and women

The board consist of delegations from every Associate country each having a Delegate (formal member) and up to two Representatives.

Board members (EISCAT Council)	9 + 3	9 + 4
Directors	1 + 0	1 + 0

Note 7 *Changes in designated funds*

Positive numbers - use of designated funds. Negative - transfer to the reserve or fund for later use.

Net profit/loss for the year	78 769	4 247
Changes to capital operating reserve	182	4
Changes to decommissioning fund	-2 446	0
Changes to E3D construction reserve	-3 134	0
Changes to funds invested	-72 047	500
Changes to spare parts reserve	18	6
Changes to surplus fund	590	-1 130
	1 933	3 627

Note 8 *Tangible fixed assets*

Changes in tangible fixed assets.

Buildings		
Opening acquisition value	42 478	42 471
Acquisitions during the year	3 544	6
Disposals during the year	0	0
Closing acquisition value	46 021	42 478
Opening accumulated depreciation	-40 670	-40 439
Depreciations during the year	-293	-231
Disposals during the year	0	0
Closing accumulated depreciation	-40 963	-40 670
Closing residual value	5 059	1 808
Radar systems		
Opening acquisition value	250 760	250 259
Acquisitions during the year *	86 597	501
Disposals during the year	0	0
Closing acquisition value	337 357	250 760
Opening accumulated depreciation	-246 480	-245 709
Depreciations during the year	-3 566	-771
Disposals during the year	0	0
Closing accumulated depreciation	-250 047	-246 480
Closing residual value	87 311	4 279

* Whereof 13 665 kSEK relates to in-kind provided parts from NIPR, Japan

	2018	2017
Equipment and tools		
Opening acquisition value	34 992	33 844
Acquisitions during the year	687	1 166
Disposals during the year	27	19
Closing acquisition value	35 652	34 992
Opening accumulated depreciation	-32 161	-31 008
Depreciations during the year	-1 257	-1 172
Disposals during the year	27	19
Closing accumulated depreciation	-33 391	-32 161
Closing residual value	2 261	2 831
Sum tangible fixed assets	94 631	8 918

Note 9 *Prepayments and accrued income*

Resources in staff and direct costs spent in ongoing externally funded projects are covered by accrued income until settled by submission of periodic report claims. In 2018 the EOSC-hub project started.

Prepaid rents	1	15
Prepaid insurances	698	207
Accrued income, AARC2 project	120	93
Accrued income, COOP_Plus project	895	63
Accrued income, ENVRI_Plus project	1 149	1 801
Accrued income, EOSC-hub project	710	0
Other items	118	78
	3 691	2 258

Note 10 *Bank balances status*

Nordea	131 223	76 108
Cash in hand	0	1
	131 223	76 109

Note 11 *Funds invested status*

Buildings	5 059	1 808
Radar Systems	87 311	4 279
Equipment and Tools	2 261	2 831
	94 631	8 918

Note 12 *Designated funds*

The designated funds are divided into eight funds and reserves. The capital operating and spare parts reserves are used to manage required purchases between years, including unbudgeted ones. The surplus fund is used to manage overall profits and losses between years. The other funds are earmarked for specific purposes.

Capital operating reserve	1 755	1 937
E3D construction reserve	3 134	0
Decommissioning fund	2 446	0
Equipment repair fund	754	754
Investment fund	7 753	7 753
Restructuring reserve	4 101	4 101
Spare parts reserve	101	119
Surplus fund	9 351	6 314
	29 395	20 978

	2018	2017

Note 13 *EISCAT_3D build grants received but not used*

The construction project, E3DS1, started 2017-09-01 and its first phase, Stage 1, will be completed latest 2021-12-31. Four Associates have so far committed to its realisation, the Research Councils in Finland, Norway, Sweden and UK. A funding plan has been agreed and seven payments were done in 2018. The funds are kept as prefinancing until used in the project. Funds spent are deducted from the different funding sources in accordance with the agreed funding plan.

Changes in EISCAT_3D build grants received but not used

Associate Finland		
Opening balance	0	0
Received during the year	41 109	0
Used during the year	0	0
Closing balance	41 109	0
Associate Norway		
Opening balance	0	0
Received during the year	66 381	0
Used during the year	0	0
Closing balance	66 381	0
Associate Sweden		
Opening balance	39 980	0
Received during the year	50 000	40 000
Used during the year	-22 648	-20
Closing balance	67 332	39 980
Associate UK		
Opening balance	15 455	0
Received during the year	53 787	17 060
Used during the year	-69 242	-1 605
Closing balance	0	15 455
Sum EISCAT_3D received build grants	174 823	55 435

Note 14 *External project grants received but not used*

All externally funded projects work with prefinancing. For European Commission projects, these are in EUR's. The prefinancing is used to cover reported and approved costs. The EGI-Engage and EISCAT3D_PfP projects were both concluded during 2017 and financially settled in 2018. Prefinancing for the new project, EOSC-hub, was received.

AARC2 H2020 prefinancing	57	300
COOP_Plus H2020 prefinancing	1 110	1 216
EGI-Engage H2020 prefinancing	0	599
EISCAT3D_PfP H2020 prefinancing	0	13 806
ENVRI_Plus H2020 prefinancing	1 509	1 524
EOSC-hub prefinancing	1 230	0
	3 907	17 445

Tokyo 2019-06-11

Dr. Tomas Andersson

Dr. Mervyn Freeman

Prof. Hiroshi Miyaoka

Prof. Kenneth Ruud

Dr. Kati Sulonen

Prof. Jian Wu

Dr. Craig Heinselman
Director

Our audit report was issued on 2019-06-24
Öhrlings PricewaterhouseCoopers AB

Mrs. Annika Wedin
Authorised Public Accountant

Auditor's report

To the council of EISCAT Scientific Association, corporate identity number 897300-2549

Report on the annual accounts

Opinions

I have audited the annual accounts of EISCAT Scientific Association for the year 2018.

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of EISCAT Scientific Association as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the *Auditor's Responsibilities* section. I am independent of EISCAT Scientific Association in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the council and the director

The council and the director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The council and the director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the council and the director are responsible for the assessment of the association's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the council and the director intends to liquidate the association, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden 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 annual accounts.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 my opinions. 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 the association's internal control relevant to my 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council and the director.
- Conclude on the appropriateness of the councils' and the director's use of the going concern basis of accounting in preparing the annual accounts. I also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify my opinion about the annual accounts. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

I must inform the council, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts, I have also audited the administration of the council and the director of EISCAT Scientific Association for the year 2018. The council and the director have not acted in contravention of the statutes.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the *Auditor's Responsibilities* section. I am independent of EISCAT Scientific Association in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Council and the director

The council and the director are responsible for the association's organization and the administration of the association's affairs.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the council or the director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the association, or
- in any other way has acted in contravention of the Annual Accounts Act or the statutes.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the association.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the association's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion.

Gävle, 24 June 2019

Annika Wedin
Authorized Accountant