

annual accounts 2021

Vereniging European Polar Board
at The Hague

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For identification purposes
Schoonhoven, d.d.
Versluis Accountancy B.V.
J. Versluis RA

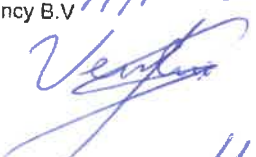
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Report of the Board 2021

General information

Legal name: European Polar Board (EPB)
Address: Laan van Nieuw Oost-Indië 300, 2593 CE The Hague, The Netherlands
Legal status: Dutch association with full legal capacity
CCI number: 65665759
RSIN: 856206362

The European Polar Board (EPB) is an independent organisation focused on major strategic priorities in the Arctic and Antarctic. EPB Members include research institutes, logistics operators, funding agencies, scientific academies and government ministries from across Europe.

The EPB's vision is of a **strong** and cohesive European Polar research community, wherein decisions affecting or affected by the Polar Regions are informed by **independent**, accurate, and timely advice from the EPB.

The EPB has a mission to improve European **coordination** in Arctic and Antarctic research through improved information sharing, optimised infrastructure use and joint initiatives between Members.

The EPB **promotes** multilateral collaborative activities between our Members and provide a single contact point for to the European Polar research community as a whole for international partners.

The EPB **advances** the collective knowledge of Polar issues, particularly in the context of European societal relevance.

The EPB's work is largely implemented through its various **Action Groups**, focused on issues such as infrastructure, international cooperation, policy advice and the environmental impacts of polar research and logistics.

The EPB also participates in large-scale **projects** with European and international partners, with tasks focusing on coordination of polar research and communication with policymakers or other stakeholders.

The EPB Members together form the **Plenary**, which meets twice annually to advance its work in line with the EPB **Strategy**.

Established by the European Science Foundation in 1995, the EPB has been an independent entity since 2015, with its **Secretariat** hosted by the **Dutch Research Council (NWO)** in The Hague.

The Association has as its object:

- a. to be the voice of the European polar research;
- b. to facilitate cooperation in all fields of polar science in its Member organisations across Europe;
- c. to perform all other actions related to the above in the broadest sense of those terms, or which could be beneficial to these.

Organisation of the Association

The organisation of the Association comprises:

- the Board (Executive Committee)
- the Plenary Meeting
- the Secretariat

Governance structure

The Plenary is the highest decision-making organ within the EPB, followed by the Board (Executive Committee) and then the Chair.

Members of the Board as of 31st of December 2021:

- Nicole Biebow (Chair)
- Egill Thor Nielsson
- Marie-Noelle Houssais
- Vito Vitale
- Peter Sköld
- Renuka Badhe (Executive Secretary)

Members of the Financial Committee as of 31st of December 2021:

- Nicole Biebow (Chair)
- Rein Vaikmae
- Philippe Huybrechts
- Renuka Badhe (Executive Secretary, non-voting member)

Members of the Association as of 31st of December 2021:

- Austrian Science Research Fund (FWF), Austria
- National Fund for Scientific Research (FNRS), Belgium
- Research Foundation Flanders (FWO), Belgium
- Belgian Science Policy Office (BELSPO), Belgium
- Bulgarian Antarctic Institute (BAI), Bulgaria
- Danish Agency for Science and Higher Education (DASHE), Denmark
- Estonian Academy of Sciences (EAS), Estonia
- Thule Institute, University of Oulu, Finland
- Arctic Centre, University of Lapland, Finland
- National Centre for Scientific Research (CNRS), France
- French Polar Institute Paul Emile Victor (IPEV), France
- Helmholtz Association (HGF), Germany
- Icelandic Centre for Research (RANNIS), Iceland
- Italian National Research Council (CNR), Italy
- National Programme for Research in Antarctica (PNRA), Italy
- Polar.lu, Luxembourg
- Netherlands Organisation for Scientific Research (NWO), Netherlands
- The Research Council of Norway (RCN), Norway
- Institute of Marine Research, Norway
- Polish Academy of Sciences, Poland
- Foundation for Science and Technology (FCT), Portugal
- Council for Scientific Research (CSIC), Spain
- Ministry of Science and Innovation (MCIN), Spain

- Arctic Research Centre at Umeå University (ARCUM), Sweden
- Swedish Polar Research Secretariat (SPRS), Sweden
- Swiss National Science Foundation (SNF), Switzerland
- TÜBİTAK Marmara Research Center Polar Research Institute (TÜBİTAK-MAMPRI), Turkey
- Natural Environment Research Council (NERC), UK

Secretariat:

- Renuka Badhe (Executive Secretary)
- Joseph Nolan (Policy Officer)
- Pjotr Elshout (Project Officer)
- Jeanique Everts (Administrative Assistant)

Summary statement of income and expenditure per reporting date with budget 2021

	Actual 2021	Budget 2021
	€	€
Income		
Income from membership fees	178,000	178,000
Income from hosting party	50,000	50,000
Income project SO-CHIC	31,018	59,216
Income project INTERACT III	15,094	27,609
Income project EU-PolarNet 2	30,771	53,757
Income project Arctic PASSION	2,659	36,578
Total income	307,542	405,160
Expenditure		
EPB Committee Meetings	5,783	20,000
Direct Science Activity	36,566	63,000
Communication & Outreach	6,370	38,000
Management and administration	203,842	140,432
Project costs SO-CHIC	24,814	47,373
Project costs INTERACT III	12,075	22,087
Project costs EU-PolarNet 2	24,617	43,006
Project costs Arctic PASSION	2,083	29,263
Total expenditure	316,194	403,161
Balance income and expenditure	- 8,653	1,999

The balance of income and expenditure will be added to the general reserve.

Activities and financial perspective

For the period 2021, the EPB had a budgeted balance of income and expenditure of € 1.999 and realised a balance of income and expenditure of € - 8.653

The realised income 2021 is € 97.619 lower than budgeted, due to lower than budget income from the projects.

The realised expenditure is € 316.194, budgeted was € 403.161. The actual expenses spent in the budget lines for 2021 were lower than expected, due to the lower costs than anticipated for activities such as the EPB Committee Meetings, Direct activity in support of polar research community expenses and Communication & Outreach.

Several science activities are carried forward to the budget of 2022 as the activities continue in the next calendar years.

Taxes

As of 2017 the Tax Administration designated European Polar Board as an institution for General Benefit (Algemeen Nut Beogende Instelling or ANBI). Donations to the Foundation can therefore be deducted from income tax, as well as from company and inheritance tax.

Report of activities 2021

EPB Plenary Meetings:

The EPB's Spring 2021 Plenary Meeting was on the 8th and 9th of April 2021 and the Autumn 2021 Plenary Meeting was on the 27th, 28th and 29th October 2021. The Spring Plenary Meeting was held online. The Autumn Plenary Meeting was held in a hybrid format, where EXCOM was present in-person. The online and hybrid formats were a response to the organisational restrictions caused by the COVID-19 pandemic.

EPB Spring Plenary 2021

At the Spring Plenary 2021 Plenary was informed of the hack of the host organisation of the EPB (NWO) and the temporary impact on the work of the EPB Secretariat. To mitigate the effect of the hack, the EPB acquired additional laptops to set up an independent digital infrastructure to be able to continue its work.

During the EPB Spring Plenary Meeting, Plenary was updated regarding the hosting of the Arctic Science Ministerial webinar series, which was together with the EPB co-organised with the Iceland and Japan, to focus on gaps and barriers to international Arctic science collaboration, Indigenous perspectives on the ASM3 process, and the different ASM3 Themes.

During Spring Plenary 2021, A. Quesada stepped down as EXCOM member. M.N. Houssais was elected as new EXCOM Member.

At Autumn Plenary 2021, Plenary approved the EPB Internal Review, which was conducted by the EPB Internal Review Committee.

EPB Autumn Plenary 2021

During the Autumn Plenary 2021 Meeting, Plenary approved a 10% increase of Member annual contributions based on inflation rates.

K. Latola stepped down as Chair during Autumn Plenary 2021. N. Biebow was elected as new Chair. E.T. Niélsson was elected as new EXCOM Member.

EPB Plenary was informed of the EPB session during the Arctic Science Summit Week, where the EPB organised a session to celebrate its 25th anniversary and included the signing of an EPB-SCAR-IASC memorandum of understanding.

EPB Action Groups activities 2021:

In 2021, the EPB Action Group on Infrastructure has organised and managed the shift of the SOOS DueSouth database to the EPB website. The Action Group on Infrastructure also prepared the launch of Polardex in 2022.

The EPB Action Group on International Cooperation has published a report on Russian polar research systems and structures.

During 2021, the EPB Action Group on Environmental Impacts of Polar Research and Logistics prepared a synthesis report on environmental impacts, which will be published in 2022.

*Activities in 2021 of collaborative EU level projects the EPB participates in:***EU-PolarNet 2:**

The EPB leads Work Package 6 and has overseen ongoing work to develop the Observations Tool in the Project. The EPB has been working to coordinate the development of the EU Polar Cluster Vision, Mission and Terms of Reference, with input from all Cluster Members.

SO-CHIC:

The EPB co-leads Work Package 8. Together with Blue Action and SO-CHIC, the EPB organised a session at the European Polar Science Week on Polar Amplification. The ongoing SO-CHIC webinar series have continued through 2021, hosted by the EPB.

During 2021, the EPB has represented SO-CHIC in the EU Polar Cluster and AANCHOR Sister Projects Network.

The EPB has organised a panel session together with EU PolarNet 2 and the EU Polar Cluster at COP26 for SO-CHIC. The panel session 'Polar Warming, Global Warning' features a panel with discussion on the importance of the Polar Regions to the global climate system.

As part of SO-CHIC, the EPB organised a press briefing in October, hosted by the Science Media Centre.

Arctic PASSION:

In summer 2021 the project 'Arctic PASSION' started. The EPB has several deliverables in the project, focussing on policy advice, supporting EU Polar Cluster and for the legacy planning of the project.

INTERACT III:

The EPB is involved in Work Package 6, and during 2021 has assisted APECS with conducting a survey regarding transnational access in the Arctic region for scientists at the INTERACT III General Assembly.

Policy regarding continuity reserve and general reserve

The EPB has a policy regarding holding a reserve for continuity which amounts to one year of operational costs. Plenary decided in the Spring 2016 Plenary Meeting that € 100,000 is the current appropriate level of this reserve, and this has been maintained at that level in 2021. Any results are first added to this reserve if needed, or added to a general reserve.

The general reserve is held by the EPB to finance its new, existing and developing activities in the future in line with its Strategy.

Treasury policy

All funds are held in a Dutch bank account. This to make certain the EPB can use its liquidity at all times. This reflects the low risk profile of treasury by the EPB.

Communication with external stakeholders policy

The EPB communicates with external stakeholders in a variety of ways. The EPB communicates with other organisations and partners directly through attendance and representation at a variety of relevant European and international meetings, using presentations, workshops and individual face to face contact.

Additionally, the EPB utilises a variety of online communication methods, including webinars, a website, an email newsletter, active Twitter and YouTube accounts and emails directly to individuals within partner organisations. To increase efficiency of communication during the COVID-19 pandemic, the EPB utilised all relevant online communication tools.

Members of Board, financial committee and Governance

Tasks and responsibility of Board members

The Board is charged with the management of the Association. Its duties include the adoption of a current policy plan that provides insight into the work to be carried out by the Association in the pursuit of its object, the manner in which income is to be acquired, the management of the capital of the Association and the deployment thereof. The Board shall ensure that the administration expenses of the Association are in reasonable proportion to the expenditure for the purposes of its object.

Remuneration policy

Members of the Board shall receive no remuneration, either directly or indirectly, for the work they perform for the Association in that capacity. Members of the Board will receive a reasonable, non-excessive compensation for direct costs incurred for the benefit of the Association.

The Executive Secretary is a member of the Board (Executive Committee) and is head of the EPB Secretariat. The Executive Secretary receives a salary for the work she does as head of the EPB Secretariat.

Composition, appointment and resolution of members of Executive Committee

<u>Name</u>	<u>Role</u>	<u>Date appointment</u>	<u>Term</u>	<u>Notes</u>
<i>Current EXCOM Members (December 2021):</i>				
Nicole Biebow	EPB Chair	November 2021	2 nd	
Egill Thor Nielsson	EPB EXCOM Member	November 2021	2 nd	
Vito Vitale	EPB EXCOM Member	March 2019	1 st	
Peter Sköld	EPB EXCOM Member	October 2020	1 st	
Marie-Noelle Houssais	EPB EXCOM Member	April 2021	1 st	
Renuka Badhe	EPB Executive Secretary	January 2015	N/A	

Before January 1st 2015, the EPB was part of the European Science Foundation. The EPB formed a non-governmental body under the auspices of the European Science Foundation. The EPB Board was composed of several Executive Committee Members. Terms of current Executive Committee Members include this previous period as well.

Overview of other positions of members of Executive Committee

<u>Name</u>	<u>Organisation</u>	<u>Position</u>
<i>Current EXCOM Members (December 2021):</i>		
Nicole Biebow	Alfred Wegener Institute	Head, International Cooperation Unit
Egill Thor Níelsson	Icelandic Centre for Research (RANNIS)	
Vito Vitale	CNR Institute of Polar Science (ISP)	Senior Researcher
Peter Sköld	Arctic Research Centre (ARCUM) at Umeå University	Director
Marie-Noelle Houssais	Laboratory of Ocean and Climate (LOCEAN, CNRS-Sorbonne University Joint Unit)	Senior Scientist
Renuka Badhe	European Polar Board	Executive Secretary

Future

The EPB Strategy 2017-2022 was adopted by the Plenary in the Spring Plenary 2017. During 2020, the EPB began an internal review process which was completed in Autumn 2021, and will followed by an external review process in 2022. During summer 2022, the EPB will start to develop a new EPB Strategy for 2023-2027. The EPB participates in the ongoing EU-funded projects SO-CHIC (due to run until October 2024), INTERACT III (due to run until December 2023), EU-PolarNet 2 and Arctic PASSION (due to run until June 2025).

Versluis Accountancy was appointed to audit the financial statement. The independent auditor's report is included on page 24.

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Budget 2022

Budget year 2022 per budget item (approved at Spring 2022 Plenary Meeting)

	<u>2022</u>
	€
Income	
Member contributions	196,100
NWO contribution	50,000
SO-CHIC	69,770
INTERACT III	34,171
EU-PolarNet 2	63,397
Arctic PASSION	<u>83,607</u>
Total income	<u>497,045</u>
Expenditure	
EPB Committee Meetings	30,000
Direct activity in Support of Polar Research Community	34,000
Direct activity costs project SO-CHIC	22,131
Direct activity costs project INTERACT	10,114
Direct activity costs project EU-PolarNet 2	17,718
Direct activity costs project Arctic PASSION	9,286
Communication & Outreach	39,000
EBP internal activities	52,000
Operational costs	125,000
Personnel costs projects SO-CHIC, INTERACT and EU-PolarNet 2	141,507
Other direct costs	<u>10,000</u>
Total expenditure	<u>490,756</u>
Balance income and expenditure	<u>6,289</u>

Risk

The EPB has a strong position in Europe. The EPB is the voice and facilitator of European polar research coordination. Entry to this is subjected by the need of vast network of participants involved. Members of the EPB need relevancy from their memberships and have committed themselves to a 5-year program 2017-2022.

As an organisation which interacts as a communication channel and facilitator for Members and polar research in general compliance and reputation risks are at hand. Entering into agreements and/or connections with other parties in this high political environment could damage the reputation of the EPB. The EPB is very cautious in entering into a relationship with any organisation, such as a new Member, possible collaboration or connection. Decisions on this are made by Plenary and/or Executive Committee.



Currently, the geo-political development regarding the conflict between Ukraine and Russia also affects polar international scientific research and science diplomacy, as large parts of the Arctic are Russian territory. The EPB is not directly affected by this conflict, as the EPB has no Member who is affiliated directly with Russian authorities.

The EPB is exposed to financial risks by not receiving the membership fee in time or at all. Members are expected to pay every year during the first quarter of that year, but due to several reasons not every Member is able to cope with this. This risk is minimised by personal contact by the Executive Secretary with the applicable Member, contact with other Executive Committee Members and reporting on the status of payments during Plenary meetings.

The EPB has a continuity reserve of € 100,000 to cope with unexpected losses.

Risk profile of the EPB is acceptable and risks were adequately controlled during 2021.

Due to the outbreak of corona virus worldwide, including in the Netherlands, drastic measures have been taken by various governments to get the virus under control. The corona crisis and the measures are expected to have limited financial consequences for the foundation. There is no doubt about the going concern of the EPB (there is a good cash position). In the coming next years, the EPB is expected to further develop as an organisation as it continues work to fulfil its Strategy.

The Hague, 26 July 2022

Nicole Biebow
Chair



Egill Thor Nielsson
EXCOM Member



Vito Vitale
EXCOM Member



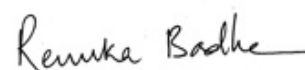
Peter Sköld
EXCOM Member



Marie-Noelle Houssais
EXCOM Member



Renuka Badhe
Executive Secretary




A. Balance sheet as at 31 December 2021
(after allocation of balance from income and expenditure)

<u>Ref.</u>	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
ASSETS		
	Current assets	
1.	9,809	6,500
	- Receivables	
2.	<u>603,219</u>	<u>619,746</u>
	- Cash and cash equivalents	
	<u>613,028</u>	<u>626,246</u>
	Total current assets	
	<u>613,028</u>	<u>626,246</u>
	Total assets	
LIABILITIES		
3.	Reserves	
	100,000	100,000
	- Continuity reserve	
	<u>283,219</u>	<u>291,871</u>
	- General reserve	
	<u>383,219</u>	<u>391,871</u>
	Total reserves	
	Debts	
4.	<u>229,809</u>	<u>234,375</u>
	- Short-term debts	
	<u>613,028</u>	<u>626,246</u>
	Total liabilities	

B. Statement of income and expenditure

<u>Ref.</u>	<u>Actual 2021</u>	<u>Budget 2021</u>	<u>Actual 2020</u>	
	€	€	€	
INCOME				
5.	Income from membership fees	178,000	178,000	171,000
6.	Income from hosting party	50,000	50,000	50,000
7.	Income SO-CHIC	31,018	59,216	18,646
8.	Income INTERACT III	15,094	27,609	7,048
9.	Income EU-PolarNet 2	30,771	53,757	9,660
10.	Income Arctic PASSION	<u>2,659</u>	<u>36,578</u>	<u>0</u>
	Total income	<u>307,542</u>	<u>405,160</u>	<u>256,354</u>
EXPENDITURE				
<i>Spent on objectives</i>				
11.	- EPB Committee Meetings	5,783	20,000	3,618
12.	- Direct activity in support of polar research community	36,566	63,000	2,175
13.	- Communication & outreach	<u>6,370</u>	<u>38,000</u>	<u>4,861</u>
	Total spent on objectives	<u>48,719</u>	<u>121,000</u>	<u>10,654</u>
	<i>EPB contribution to EU-PolarNet</i>	<u>0</u>	<u>0</u>	<u>0</u>
14.	<i>Management and administration</i>	<u>203,842</u>	<u>140,432</u>	<u>158,328</u>
15.	<i>Project costs SO-CHIC</i>	24,814	47,373	14,917
16.	<i>Project costs INTERACT III</i>	12,075	22,087	5,638
17.	<i>Project costs EU-PolarNet 2</i>	24,617	43,006	7,728
18.	<i>Project costs Arctic PASSION</i>	<u>2,127</u>	<u>29,263</u>	<u>0</u>
	Total expenditure	<u>316,194</u>	<u>403,161</u>	<u>197,265</u>
	Balance income and expenditure	<u>-8,653</u>	<u>1,999</u>	<u>59,089</u>
Allocation:				
	- General reserve	<u>-8,653</u>	<u>1,999</u>	<u>59,089</u>
	Total	<u>-8,653</u>	<u>1,999</u>	<u>59,089</u>

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C. Cash flow statement

<u>Ref.</u>	<u>2021</u>		<u>2020</u>	
	€	€	€	€
	<u>Cash flow from operational activities</u>			
		-8,653		59,089
1.		-3,309		47,607
4.		<u>-4,566</u>		<u>161,475</u>
		<u>-7,875</u>		<u>209,082</u>
		<u>-16,527</u>		<u>268,171</u>
2.		<u>-16,527</u>		<u>268,171</u>
		619,746		351,575
		<u>603,219</u>		<u>619,746</u>
		<u>-16,527</u>		<u>268,171</u>

D. Accounting principles

General information

The reporting entity, the European Polar Board, was founded on March 23, 2016. It has its registered office at Laan van Nieuw Oost-Indië 300, 2593 CE in The Hague.

The fiscal year 2021 covers the period January 1, 2021 through December 31, 2021.

The objective of the Association, under its Articles of Association (art. 3.1) reads as follows:

The Association has as its object:

- a. to be the voice of the European polar research;*
- b. to facilitate cooperation in all fields of polar science in its Member states across Europe;*
- c. to perform all other actions related to the above in the broadest sense of those terms, or which could be beneficial to these.*

The Association shall endeavor to achieve this object by, inter alia (art 3.2):

- a. providing a forum for the comprehensive inclusion of all relevant partners in Europe and the broad coverage of all scientific fields of polar research;*
- b. promoting polar research to the European Community based on its bipolar vision;*
- c. providing a central organizational structure supporting European polar science;*
- d. supporting development of joint scientific programmes, in optimized use of European research infrastructures and in representation of polar issues within European research framework programmes.*

Going concern

The accounting policies within the financial statements are based on the assumption that the European Polar Board will be able to continue as a going concern.

RJ C1

This presentation of the financial statements is in accordance with Dutch Accounting Standard: Board's Guideline for Annual Reporting C1 for small not-for-profit organisations.

Estimates

In applying the accounting policies and standards for preparing financial statements, the European Polar Board is required to make estimates and judgments that might be essential for the amounts disclosed in the annual accounts. If insight is required, the nature of these judgements and estimates, including the associated assumptions, is included in the notes to the relevant financial statement items.

Accounting principles for the balance sheet

Unless otherwise indicated, assets and liabilities are entered at historical cost and are used for the objectives of the Association.

The balance sheet, income statement and cash flow statement include references to the notes.

Receivables

Receivables are recognized at fair value. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of discounted value of the expected revenues. If a receivable appears to be uncollectible a provision for bad debts will be created and reported in the figures.

Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances with a term of less than twelve months. Cash and cash equivalents are stated at nominal value.

Reserves

The continuity reserve is created to ensure that the Association can meet its legal and moral obligations in case of a significant fall in income in the future.

The general reserve is held by the EPB to finance its new, existing and developing activities in the future in line with its strategy. The General Reserve is used to finance multiyear activities planned by the EPB, and to finance the any deficit between income and expenditure in future budgets. The EPB is proactive in reallocating finances from its general reserve in response to unforeseen circumstances, with the general reserve allowing for flexibility and responsiveness.

Employee pension plan

The pension scheme is administered by Pensioenfonds Zorg en Welzijn (PFZW). In the event of a deficit at the pension fund, the Prince Claus Fund has no obligation to pay additional contributions other than higher future contributions. If there is a surplus or a deficit in the fund, PFZW will decide to either reduce or increase the contributions. Premiums are recognized as personnel expenses when due. Prepaid premiums are recognized as accrued assets if this results in a refund or a reduction in future payments. Premiums not yet paid are recognized as a liability on the balance sheet. As at the balance sheet date, the fund has a policy funding ratio of 99.7% (2020: 88.3%).

Liabilities

Liabilities are initially recognized at fair value. Transaction costs directly attributable to the incurrance of the liabilities are included in the measurement on initial recognition. Liabilities are subsequently measured at amortized costs; this is the amount received plus or less any premium or discount and net of transaction costs.

Accounting principles for the statement of income and expenditure

Income and expenditure

Income and expenditure are recognised as they are earned or incurred and are recorded in the financial statements of the period to which they relate. Losses are taken into account if they originate in the financial year and as soon as these are anticipated. Profit or loss is determined as the difference between realisable value of the services delivered and the costs and other charges for the year.

The project income is recorded as income and matched with the expenditure, according to the project agreement, in the financial statements of the period to which they relate. The personnel costs are based on the real personnel cost and time registration of each employee.

Employee benefits

Wages, salaries and social security charges are included in the statement of income and expenditure on the basis of the conditions of employment, insofar as they are payable to employees.

Accounting principles for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, including finance leases, are not recognised in the cash flow statement.

Accounting principles for transactions in foreign currency

Functional currency

Items included in the financial statements are valued with due regard for the currency in the economic environment in which the Association carries out most of its activities (the functional currency). The financial statements are denominated in euros; this is both the functional currency and presentation currency of the Association.

Transactions

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date.

E. Notes to the balance sheet

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
1. <u>Receivables</u>		
Amounts receivable	6,500	6,500
Receivables ArcticPASSION	2,659	0
Receivables RUG	<u>650</u>	<u>0</u>
Total receivables	<u><u>9,809</u></u>	<u><u>6,500</u></u>
- Amounts receivable membership fee		
MINECO	3,250	6,500
Polar.lu	<u>3,250 *</u>	<u>0</u>
Total amounts receivable	<u><u>6,500</u></u>	<u><u>6,500</u></u>
* Received February 18th 2022.		
2. <u>Cash and cash equivalents</u>		
ABN AMRO - Bank Account project EU-PolarNet2	371,014	0
ABN AMRO - Bank Account project So-Chic	122,264	122,331
ABN AMRO - Bank Saving Account	100,000	100,000
ABN AMRO - Bank Account	9,941	394,352
Credit Card - ICS	<u>0</u>	<u>3,063</u>
Total cash and cash equivalents	<u><u>603,219</u></u>	<u><u>619,746</u></u>

The cash and cash equivalents can be withdrawn upon demand.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
3. <u>Reserves</u>		
- Continuity reserve		
Balance at 1 January 2021	100,000	100,000
Allocation balance income and expenditure	<u>0</u>	<u>0</u>
Balance at 31 December 2021	<u><u>100,000</u></u>	<u><u>100,000</u></u>

The Board has decided to create a continuity reserve of € 100,000 to cope with unexpected losses.

- General reserve		
Balance at 1 January 2021	291,871	232,782
Allocation balance income and expenditure	<u>-8,653</u>	<u>59,089</u>
Balance at 31 December 2021	<u><u>283,219</u></u>	<u><u>291,871</u></u>

The general reserve is held by the EPB to finance its new, existing and developing activities in the future in line with its Strategy. The General Reserve is used to finance multiyear activities planned by the EPB, and to finance the any deficit between income and expenditure in future budgets. The EPB is proactive in reallocating finances from its general reserve in response to unforeseen circumstances, with the general reserve allowing for flexibility and responsiveness.

4. <u>Short-term debts</u>		
Received in advance		
- SO-CHIC	65,134	96,151
- INTERACT III	21,298	36,392
- EU-PolarNet 2	61,673	92,444
Staff costs	52,356	1,380
Auditor costs	12,100	0
Salary taxes	6,366	3,879
Reservation holidaypay	4,387	2,473
Reservation holidays	3,882	0
Other short-term debts	<u>2,614</u>	<u>1,656</u>
Total short-term debts	<u><u>229,809</u></u>	<u><u>234,375</u></u>

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	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
- Received in advance SO-CHIC		
Balance at 1 January	96,151	0
Received payment	0	122,404
Income	<u>-31,018</u>	<u>-26,253</u>
Balance at 31 December	<u><u>65,134</u></u>	<u><u>96,151</u></u>
- Received in advance INTERACT III		
Balance at 1 January	36,392	0
Received payment	0	43,440
Income	<u>-15,094</u>	<u>-7,048</u>
Balance at 31 December	<u><u>21,298</u></u>	<u><u>36,392</u></u>
- Received in advance EU-PolarNet 2		
Balance at 1 January	92,444	0
Received payment	0	102,104
Income	<u>-30,771</u>	<u>-9,660</u>
Balance at 31 December	<u><u>61,673</u></u>	<u><u>92,444</u></u>

RIGHTS AND COMMITMENTS NOT APPEARING IN THE BALANCE SHEET

With the 'Nederlandse Organisatie voor Wetenschappelijk Onderzoek' (NWO) a hosting agreement until 2020 has been agreed upon as decided by Plenary Meeting in Autumn 2014. NWO will facilitate housing, office, IT, finance, administration and staffing services.

In April 2018, the EPB received notification from NWO of their decision to extend their offer to host the Secretariat in The Hague for a second period of 5 years, starting on 1st January 2020 and ending 31st December 2024. The offered conditions of the hosting agreement remain the same as the first 5-year period, subject to practical and required operational adjustments based on mutual agreement between the EPB and NWO.

POST BALANCE SHEET EVENTS

There have been no significant events post balance date which would materially affect the annual accounts.

F. Notes to the statement of income and expenditure

	<u>Actual 2021</u>	<u>Budget 2021</u>	<u>Actual 2020</u>
	€	€	€
INCOME			
5. <u>Income from membership fees</u>			
Membership fees	<u>178,000</u>	<u>178,000</u>	<u>171,000</u>
Total income from membership fees	<u><u>178,000</u></u>	<u><u>178,000</u></u>	<u><u>171,000</u></u>
6. <u>Income from hosting party</u>			
Contribution hosting party	40,000	40,000	40,000
Contribution hosting party in kind	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Total income from hosting party	<u><u>50,000</u></u>	<u><u>50,000</u></u>	<u><u>50,000</u></u>
7. <u>Income project SO-CHIC</u>			
Income project SO-CHIC	31,018		24,896
Income project SO-CHIC - 2019	<u>0</u>		<u>-6,250</u>
Total income project SO-CHIC	<u><u>31,018</u></u>	<u><u>59,216</u></u>	<u><u>18,646</u></u>
8. <u>Income project INTERACT III</u>	<u><u>15,094</u></u>	<u><u>27,609</u></u>	<u><u>7,048</u></u>

The EPB is one of the partners in the EU project SO-CHIC. The coordinator of the SO-CHIC project is the Sorbonne University. The project has started on November 1st 2019 and has a duration of 48 months. The total budget of EPB is € 253,250, the total budget of the project is € 7,989,925. The total project costs (direct and indirect costs) from the start of the project until 31-12-2021 are € 57,271.

The EPB is one of the partners in the EU project INTERACT III. The coordinator of the INTERACT III project is the Lund University. The project has started on January 1st 2020 and has a duration of 48 months. The total budget of EPB is € 89,875, the total budget of the project is € 10,000,000. The total project costs (direct and indirect costs) from the start of the project until 31-12-2021 are € 22,141.

	Actual 2021	Budget 2021	Actual 2020
	€	€	€
9. <u>Income project EU-PolarNet 2</u>	<u>30,771</u>	<u>53,757</u>	<u>9,660</u>

The EPB is one of the partners in the EU project EU-PolarNet 2. The coordinator of the EU-PolarNet 2 project is the Alfred Wegener Institute. The project has started on October 1st 2020 and has a duration of 48 months. The total budget of EPB is € 211,250, the total budget of the project is € 3,299,254. The total project costs (direct and indirect costs) from the start of the project until 31-12-2021 are € 39,440.

10. <u>Income project Arctic PASSION</u>	<u>2,659</u>	<u>36,578</u>	<u>0</u>
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The EPB is one of the partners in the EU project Arctic PASSION. The coordinator of the Arctic PASSION project is the Alfred Wegener Institute. The project has started on July 1st 2021 and has a duration of 48 months. The total budget of EPB is € 292,625, the total budget of the project is € 14,998,301.25. The total project costs (direct and indirect costs) from the start of the project until 31-12-2021 are € 2,604.

EXPENDITURE

11. <u>Direct costs: EPB Committee Meetings</u>			
EPB Committee Meetings	<u>5,783</u>		<u>3,618</u>
Total direct costs EPB Committee Meetings	<u>5,783</u> *	<u>20,000</u>	<u>3,618</u>

* Direct costs for EPB Committee are mainly costs incurred by travelling abroad by the Executive Secretary and facilitation/organisation of EPB meetings abroad. EU-PolarNet activities and EPB Committee Meetings activities are combined in several occasions. Due to the COVID-19 pandemic, less EPB committee meetings were made than originally planned.

12. <u>Direct costs in support of polar research community</u>			
EPB Action Groups	1,300	5,000	2,175
Infrastructure online database	35,266	35,000	0
Support for research initiatives	0	10,000	0
EPB representation costs	0	5,000	0
Implementation of EPB MoUS	<u>0</u>	<u>8,000</u>	<u>0</u>
Total direct costs in support of polar research community	<u>36,566</u>	<u>63,000</u>	<u>2,175</u>

Due to the COVID-19 pandemic a lot of expenses were lower dan expected, since this caused a shifting of in-person events to online events. Therefore less travel expenses were made. Some events or meetings got postponed.

	<u>Actual 2021</u>	<u>Budget 2021</u>	<u>Actual 2020</u>
	€	€	€
13. <u>Direct costs: Communication & Outreach</u>			
EPB website (training, maintenance)	1,719	6,000	1,048
EPB Outreach	131	12,000	3,012
Publication costs	0	10,000	0
Support for policy initiatives	0	10,000	320
EPB ASM3 webinar series	<u>4,520</u>	<u>0</u>	<u>481</u>
 Total direct costs Communications & Outreach	 <u><u>6,370</u></u>	 <u><u>38,000</u></u>	 <u><u>4,861</u></u>

Due to the COVID-19 pandemic a lot of expenses were lower than expected, since this caused a shifting of in-person events to online events. Therefore less travel expenses were made. Some events or meetings got postponed. Since everything was online, no costs were made for hardcopy or outreach materials etc.

14. <u>Management and administration</u>			
C2 Employment costs for Policy	122,157	100,357	65,711
C3 Employment costs for Executive Secretary	115,085	95,000	109,961
Allocated to SO-CHIC	-23,011	-30,545	-12,911
Allocated to INTERACT III	-10,858	-14,939	-5,182
Allocated to EU-PolarNet 2	-21,852	-29,673	-7,728
Allocated to Arctic PASSION	-2,127	-25,200	0
Bankcosts	446	35,432	4,693
Other direct costs	11,652	10,000	
Internal and external review	<u>12,350</u>	<u>0</u>	<u>3,784</u>
 Total management and administration	 <u><u>203,842</u></u>	 <u><u>140,432</u></u>	 <u><u>158,328</u></u>

The members of the Executive Committee receive no remuneration. The Executive Secretary is only compensated for her work at the Secretariat.

<i>Average FTE of Staff on the payroll</i>	2	2	2
<i>Number of FTE at year end</i>	2	2	2

	<u>Actual 2021</u>	<u>Budget 2021</u>	<u>Actual 2020</u>
	€	€	€
15. <u>Project costs SO-CHIC</u>			
Labor costs	23,011	30,545	12,911
Travel and other costs	<u>1,803</u>	<u>16,828</u>	<u>2,006</u>
Total project costs SO-CHIC	<u><u>24,814</u></u>	<u><u>47,373</u></u>	<u><u>14,917</u></u>
16. <u>Project costs INTERACT III</u>			
Labor costs	10,858	14,939	5,182
Travel and other costs	<u>1,217</u>	<u>7,148</u>	<u>456</u>
Total project costs INTERACT III	<u><u>12,075</u></u>	<u><u>22,087</u></u>	<u><u>5,638</u></u>
17. <u>Project costs EU-PolarNet 2</u>			
Labor costs	21,852	29,673	7,728
Travel and other costs	<u>2,765</u>	<u>13,333</u>	<u>0</u>
Total project costs EU-PolarNet 2	<u><u>24,617</u></u>	<u><u>43,006</u></u>	<u><u>7,728</u></u>
18. <u>Project costs Arctic PASSION</u>			
Labor costs	2,127	25,200	
Travel and other costs	<u>0</u>	<u>4,063</u>	
Total project costs Arctic PASSION	<u><u>2,127</u></u>	<u><u>29,263</u></u>	<u><u>0</u></u>

The Hague, 26 July 2022

Nicole Biebow
Chair

Egill Thor Níelsson
EXCOM Member

Vito Vitale
EXCOM Member

Peter Sköld
EXCOM Member

Marie-Noelle Houssais
EXCOM Member

Renuka Badhe
Executive Secretary



Other information

Independent auditor's report

The independent auditor's report is included at the next page of the annual accounts.

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Project: SO-CHIC

Information

Grant Agreement: 821001
 Start: 01-11-2019
 End: 01-11-2023
 Duration: 48 months
 Reporting period 1: 1 up to 18 months (01-05-2021)
 Reporting period 2: 19 up to 36 months (01-11-2022)
 Reporting period 3: 37 up to 48 months (01-11-2023)

	Budget	Annual report 2019	Actual 2019	Correction 2019	Actual 2020	2021	2022	2023	Total
	€	€	€	€	€	€	€	€	€
Personal costs: 27 person months of € 5,000	a	135,000	5,000	0	-5,000	17,911	23,011		40,922
Subcontracting	b	0	0	0	0	0			0
Other direct costs:									
- Travel		15,000	1,086	1,086	0	0	0		1,086
- Other goods and services		52,600	0	0	0	2,006	1,803		3,809
Subtotal other direct costs	c	67,600	1,086	1,086	0	2,006	1,803	0	4,895
Total direct costs (a + c)		202,600	6,086	1,086	-5,000	19,917	24,814	0	45,817
Indirect costs (25% of a + c)	d	50,650	1,521	271	-1,250	4,979	6,204	0	11,454
Total budget (a + b + c + d)		253,250	7,607	1,357	-6,250	24,896	31,018	0	57,271
Maximum allowable EC Contribution (a + b + c + d)		253,250	7,607	1,357	-6,250 A	24,896 B	31,018	0	57,271

Project: INTERACT III

Information

Grant Agreement: 871120
 Start: 01-01-2020
 End: 31-12-2023
 Duration: 48 months
 Reporting period 1: 1 up to 18 months (01-05-2021)
 Reporting period 2: 19 up to 36 months (01-11-2022)
 Reporting period 3: 37 up to 48 months (01-11-2023)

	Budget	Realisation					Total
		2020	2021	2022	2023	2024	
€	€	€	€	€	€	€	
Personal costs: 9 person months	a	50,000	5,182	10,858			16,040
Subcontracting	b	0	0				0
Other direct costs:							
- Travel		12,900	456	1,217			1,673
- Other goods and services		9,000	0				0
Subtotal other direct costs	c	21,900	456	1,217	0	0	1,673
Total direct costs (a + c)		71,900	5,638	12,075	0	0	17,713
Indirect costs (25% of a + c)	d	17,975	1,410	3,019	0	0	4,428
Total budget (a + b + c + d)		89,875	7,048	15,094	0	0	22,141
Maximum allowable EC Contribution (a + b + c + d)		89,875	7,048	15,094	0	0	22,141

Project: EU-PolarNet 2

Information

Grant Agreement: 101003766
 Start: 01-10-2020
 End: 30-09-2024
 Duration: 48 months
 Reporting period 1: 1 up to 18 months (31-03-2022)
 Reporting period 2: 19 up to 36 months (30-09-2023)
 Reporting period 3: 37 up to 48 months (30-09-2024)

	Budget	Realisation					Total
		2020	2021	2022	2023	2024	
€	€	€	€	€	€	€	
Personal costs: (€ 8,500 x 14 months)	a	119,000	7,728	21,852			29,580
Subcontracting	b	0	0				0
Other direct costs:							
- Travel]	50,000	0	0			0
- Other goods and services		0	2,765				2,765
Subtotal other direct costs	c	50,000	0	2,765	0	0	2,765
Total direct costs (a + c)		169,000	7,728	24,617	0	0	32,345
Indirect costs (25% of a + c)	d	42,250	1,932	6,154	0	0	8,086
Total budget (a + b + c + d)		211,250	9,660	30,771	0	0	40,431
Maximum allowable EC Contribution (a + b + c + d)		211,250	9,660	30,771	0	0	40,431

Project: Arctic PASSION

Information

Grant Agreement: 101003472
 Start: 01-07-2021
 End: 30-06-2025
 Duration: 48 months
 Reporting period 1: 1 t/m 18 months (01-01-2023)
 Reporting period 2: 19 t/m 36 months (01-07-2024)
 Reporting period 3: 37 t/m 48 months (01-07-2025)

	Budget	Realisation					Total
		2021	2022	2023	2024	2025	
€	€	€	€	€	€	€	
Personal costs:	a	201,600	2,127				2,127
Subcontracting	b	0	0				0
Other direct costs:							
- Travel	}	32,500	0				0
- Other goods and services			0				0
Subtotal other direct costs	c	32,500	0	0	0	0	0
Total direct costs (a + c)		234,100	2,127	0	0		2,127
Indirect costs (25% of a + c)	d	58,525	532	0	0	0	532
Total budget (a + b + c + d)		292,625	2,659	0	0	0	2,659
Maximum allowable EC Contribution (a + b + c + d)		292,625	2,659	0	0	0	2,659

European Polar Board (EPB)
Attn. the Board
Laan van Nieuw-Oost-Indië 300
2593 CE The Hague

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 of European Polar Board based in The Hague.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of European Polar Board as at 31 December 2021 and of its result for 2021 in accordance with the Dutch Accounting Standard Board's Guideline for Annual Reporting C1 for small not-for-profit organizations (RJ C1).

The financial statements comprise:

1. the balance sheet as at 31 December 2021;
2. the statement of income and expenditure; and
3. the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of European Polar Board in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unaudited corresponding figures

We have not audited the financial statements 2020. Consequently, we have not audited the corresponding figures included in the statement of income and expenditure, in the statements of changes and in the related notes.

Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information is consistent with the financial statements and does not contain material misstatements.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information in accordance with the Dutch Accounting Standard Board's Guideline for Annual Reporting C1 for small not-for-profit organizations (RJ C1).

Description of responsibilities regarding the financial statements Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Dutch Accounting Standard Board's Guideline for Annual Reporting C1 for small not-for-profit organizations (RJ C1). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the association's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the association or to cease activities, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the organization's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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;
- obtaining 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 organization's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a 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 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 an organization to cease to continue as a going concern.
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 findings in internal control that we identify during our audit.

Schoonhoven, July 27, 2022

Versluis Accountancy B.V.

J. Versluis RA

