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Arctic Council Secretariat Financial Statement and Auditor Report 2020

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## INDEPENDENT AUDITOR'S REPORT

To the Arctic Council Secretariat

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Arctic Council Secretariat, which comprise the balance sheet as at 31 December 2020, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

#### Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of management for the financial statements

The Board of Directors and Chief Executive Officer (management) is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment 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 Company's internal control;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude 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 Company'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 Company to cease to continue as a going concern;
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and 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 deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Tromsø, 25 February 2021  
ERNST & YOUNG AS



Kai Astor Frøseth  
State Authorised Public Accountant (Norway)

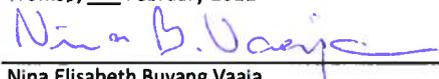
## Income Statement 2020

	Note	2020		2019	
		NOK	USD (8.5326)	NOK	USD (8.7803)
Other operating income	1	11 001 240	1 289 319	12 067 508	1 374 384
<b>Total operating income</b>		<b>11 001 240</b>	<b>1 289 319</b>	<b>12 067 508</b>	<b>1 374 384</b>
Staff costs	2,3,4	7 921 860	928 423	7 346 105	836 658
Depreciations	5	100 409	11 768	238 621	27 177
Other operating expenses	6,7	2 988 259	350 217	4 512 592	513 945
<b>Total operating expenses</b>		<b>11 010 528</b>	<b>1 290 407</b>	<b>12 097 318</b>	<b>1 377 780</b>
<b>Result of operations</b>		<b>(9 288)</b>	<b>(1 089)</b>	<b>(29 810)</b>	<b>(3 395)</b>
Other interest income		9 538	1 118	30 542	3 479
<b>Total financial income</b>		<b>9 538</b>	<b>1 118</b>	<b>30 542</b>	<b>3 479</b>
Other interest charge		250	29	732	83
<b>Total financial expenses</b>		<b>250</b>	<b>29</b>	<b>732</b>	<b>83</b>
<b>Net financial items</b>		<b>9 288</b>	<b>1 089</b>	<b>29 811</b>	<b>3 395</b>
<b>Operating result</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Result of the year</b>	9	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Balance sheet 2020

	Note	31.12.2020		31.12.2019	
		NOK	USD (8.5326)	NOK	USD (8.7803)
<b>Assets</b>					
<b>Fixed assets</b>					
<b>Tangible fixed assets</b>					
Fixtures and fittings, tools, office machinery, etc.	5	250 968	29 413	332 746	37 897
<b>Total tangible fixed assets</b>		<b>250 968</b>	<b>29 413</b>	<b>332 746</b>	<b>37 897</b>
<b>Total fixed assets</b>		<b>250 968</b>	<b>29 413</b>	<b>332 746</b>	<b>37 897</b>
<b>Current assets</b>					
<b>Receivables</b>					
Accounts receivable		134 049	15 710	29 578	3 369
Other debtors		296 906	34 797	80 939	9 218
<b>Total receivables</b>		<b>430 955</b>	<b>50 507</b>	<b>110 517</b>	<b>12 587</b>
<b>Bank deposits, cash, etc.</b>					
Bank deposits, cash, etc.	8	6 706 279	785 960	4 698 460	535 114
<b>Total bank deposits, cash, etc.</b>		<b>6 706 279</b>	<b>785 960</b>	<b>4 698 460</b>	<b>535 114</b>
<b>Total current assets</b>		<b>7 137 233</b>	<b>836 466</b>	<b>4 808 977</b>	<b>547 701</b>
<b>Total assets</b>		<b>7 388 201</b>	<b>865 879</b>	<b>5 141 723</b>	<b>585 598</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
<b>Retained earnings</b>					
Other equity		0	0	0	0
<b>Total retained earnings</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade creditors		257 991	30 236	610 489	69 529
Public duties payable		763 260	89 452	355 278	40 463
Other short-term liabilities	10	6 366 950	746 191	4 175 956	475 605
<b>Total current liabilities</b>		<b>7 388 201</b>	<b>865 879</b>	<b>5 141 723</b>	<b>585 598</b>
<b>Total liabilities</b>		<b>7 388 201</b>	<b>865 879</b>	<b>5 141 723</b>	<b>585 598</b>
<b>Total equity and liabilities</b>		<b>7 388 201</b>	<b>865 879</b>	<b>5 141 723</b>	<b>585 598</b>

Tromsø, <sup>25</sup> February 2021



Nina Elisabeth Buvang Vaaja  
Director

## **Notes to financial statements 2020**

### **Accounting Principles**

The accounts for the ACS are originally in NOK. In the income statement, balance sheet, note 11 and note 12, all figures in NOK have been calculated according to the exchange rate on the last business day of the year. For the figures in 2020 that rate was NOK 8.5326/1 USD (31 December 2020). The budget for 2020 was approved in 2019 with a set exchange rate of NOK 7,8343/1 USD (5 year average).

The annual accounts have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting practice for small businesses. Accounting principles have not been changed from 2019 to 2020. The following accounting principles are applied:

#### **Other operating income**

Operating income from Arctic States is recognized as earned once the ACS uses the income in line with its intended use. In other words, received contributions in excess of actual costs, are recognized as short-term liabilities and deducted from the contributions of the Arctic States in the following year, in line with Financial Rules Article 4.7. In line with this principle, unused funds and funds received in advance are recognized as short-term liabilities owed to the Arctic States, as shown in note 10.

#### **Current assets/short-term liabilities**

Current assets and short-term liabilities normally include items that fall due for payment within one year after balance sheet date. Current assets are reported at the lowest value of procurement cost and the assumed fair market value.

#### **Fixed assets/long-term liabilities**

Fixed assets include assets planned for long-term ownership and use. Fixed assets are reported at procurement cost. Tangible fixed assets are reported in the balance sheet and depreciated over the asset's economic lifetime. Tangible fixed assets are depreciated to fair market value in cases where the value reduction is not expected to be temporary. The depreciation is reversed if the basis for the depreciation no longer exists.

#### **Receivables**

Other receivables are reported at nominal value.

#### **Indigenous Peoples' Secretariat**

As of January 2016 the Indigenous Peoples' Secretariat (IPS) is a department of the Arctic Council Secretariat (ACS). IPS has two employees, who are formally employed by the Arctic Council Secretariat. IPS has their own contributions, and the costs for ACS and IPS are separated in the financial statements. Only figures for ACS are presented in the income statement. The result of IPS operations is presented in the ACS balance sheet as a liability owed to IPS. A detailed income statement for IPS is presented in note 12.

## Note 1: Other operating income and other receivables

All amounts in NOK.

	Contributions, 2020	Budget, 2020	Currency exchange gains, 2020	Total, 2019
Denmark	1 097 957	868 841	229 116	1 034 424
Canada	986 224	868 841	117 383	1 034 375
Finland	1 112 555	868 841	243 714	1 021 438
Iceland	1 068 684	868 841	199 843	1 030 444
Norway	1 105 556	868 841	236 715	1 024 570
Russia	1 165 479	868 841	296 638	1 025 857
Sweden	1 075 367	868 841	206 526	1 032 645
USA	1 062 480	868 841	193 639	1 017 792
Host Country Contribution	6 537 199	5 137 494	1 399 705	6 058 335
Deposited funds ACS , archive project 2014, and furniture 2018	275 250	-	-	197 622
				(89 509)
Internal Fee	-	78 000	-	16 263
Translation contribution, Norway	-	929 196	-	929 179
	15 486 750	13 095 418	3 123 279	15 333 436
Deferred income	(4 485 511)			(3 265 928)
<b>Total operating income ACS</b>	<b>11 001 240</b>			<b>12 067 508</b>

ACS is a non-profit organization, and any unused funds in a given year are to be deducted from the following year's contributions. For 2020 the deferred income amounts to NOK 4 485 511 or USD 525 691.

The budget for the ACS is constructed in NOK, but the ACS receives all its contributions in USD. The budget for 2020 was approved in 2019 with a set exchange rate of 7,8343/1 USD (5 year average). The exchange rate in 2020 was 8.5326 NOK/1 USD (official statistics from Norway's Central Bank as of 31.12.2020). Due to the significant difference between the set exchange rate in the budget and the actual exchange rates in 2020, the ACS received more funds in NOK than what had been planned for in the budget. The financial income due to this development is shown in the column "Currency exchange gains", and amounts to NOK 3 123 279 for 2020. The column "Contributions, 2020" shows the amount received from each respective Arctic State in 2020, plus each state's part of the unused contribution from 2019.

The deferred income from 2019 amounts to NOK 3 265 928. Of this, NOK 1 388 019 (42,5%) was deducted from the Host Country Contribution in 2020 and NOK 1 877 909 (57,5%) was deducted from the Arctic States' contributions in 2020.

"Deposited funds" consists of contributions allocated to cover future depreciations of tangible assets.

As of 2020 these depreciations have been taken into account in the budget, and therefore the previous allocation has been recognized as an income in 2020.

## Note 2 - Payroll expenses

All amounts in NOK.

Labor costs consist of the following items.

	2020	2019
Salaries and wages	6 763 572	6 199 795
Employers's contribution (social security)	410 819	342 097
Pension costs	303 352	314 309
Other personnel costs	444 117	489 903
<b>Total cost of labor:</b>	<b>7 921 860</b>	<b>7 346 105</b>

Average full time equivalent employees: 10,4

Specification of the IPS payroll expenses is presented in note 12.

## Note 3 - Remuneration of senior executives

All amounts in NOK.

Type of remuneration	Director
Salary	1 060 700
Other remuneration	6 503

## Note 4 - Pension costs

Pension scheme

The company's pension scheme is based on the Norwegian Mandatory Occupational Pensions Act. Pension obligations are not reported on the balance sheet. The annual pension premium is reported in the year's pension costs on the income statement.

## Note 5 - Fixed assets

All amounts in NOK.

Fixed assets	Furniture/Archive	Machines	Total
Original purchase costs as of 01 January 2020	1 123 732	103 536	1 227 268
Additions	-	43 346	43 346
Disposals	-	-	-
<b>Original purchase costs as of 31 December 2020</b>	<b>1 123 732</b>	<b>146 882</b>	<b>1 270 614</b>
Accumulated depreciations 31 December 2020	942 468	77 177	1 019 646
<b>Book value 31 December 2020</b>	<b>181 264</b>	<b>69 705</b>	<b>250 968</b>
Depreciation in 2020	87 356	37 768	
Useful life	5 years	3 years	
<b>Depreciation method: Straight line</b>	<b>20 %</b>	<b>33 %</b>	

The Norwegian Accounting Act states that fixed assets with a limited economic lifespan should be activated and depreciated over that lifespan. Per 31 December 2020, the ACS has deposited funds that will cover future costs for the office furniture and computers bought before 2020. From 2020, depreciations are included in the budget. Of the depreciation in 2020 of NOK 260 645, NOK 100 409 is regarding the ACS and NOK 24 715 is regarding the IPS. The IPS depreciation is not shown in the Income Statement.

## Note 6 - Auditor fees

Auditor and other consultant fees

Auditor's fees are reported as an expense, as remuneration for the audit, amounting to NOK 46 454,5 (incl. VAT)

## Note 7 - Other operating expenses

Other operating expenses consist of the following items.

All amounts in NOK.

	2020	2019
Rent	1 408 911	1 445 959
Professional services	948 547	1 122 280
Overhead/office costs	409 881	571 933
General administrative expenses	-	308 910
Travel expenses	220 920	1 063 510
<b>Total other operating expenses</b>	<b>2 988 259</b>	<b>4 512 592</b>

## Note 8 - Bank deposits

All amounts in NOK.

Deposits	Amount
Restricted	378 820
US additional funding	23 077
IPS extra funding	682 156
IPS bank account	1 231 486
Contribution USA, ACS 25th anniversary	662 260
Other bank deposits	3 728 479
<b>Total bank deposits</b>	<b>6 706 279</b>

The restricted deposit is an account required by Norwegian legislation. The account serves as a guarantee that ACS staff (with the exception of diplomatic staff who are exempt from taxation in Norway) will fulfill their tax obligations to Norway.

## Note 9 - Year end result

ACS is a non-profit organization. Unused contributions for the year are booked as deferred income and are deducted from the contributions for 2021.

## Note 10 - Other short-term liabilities

All amounts in NOK.

Other short-term liabilities	2020	2019
Deposited funds	-	(332 746)
Cost incurred	(2 199)	(79 291)
US additional funding	(25 280)	(45 617)
IPS Extra funding	(766 710)	(163 850)
Contribution USA, ACS 25th anniversary	(662 256)	-
Deferred income ACS	(4 485 511)	(3 265 928)
Liabilities to IPS	(424 993)	(80 604)
Salary	-	(207 919)
<b>Total other current liabilities</b>	<b>(6 366 950)</b>	<b>(4 175 954)</b>

"Deposited funds" consists of contributions allocated to cover future depreciations of tangible assets. Of the balance per 31 December 2020 this amounts to NOK 0, because the previous allocation has been recognized as income in 2020.

The following accounts represent contributions received for specific purchases and/or events and are not included in the ordinary budgets and are held outside the income statement for both the ACS and the IPS; US additional funding, IPS Extra funding and Contribution USA, ACS 25th anniversary.

## Note 11: ACS result of the year 2020

	Note	NOK Budget	NOK 2020	USD Budget (7,8343)	USD 2020 (8,5326)
<b>Income statement</b>					
Contributions from States		12 088 221	15 486 751	1 542 987	1 815 010
Translation contribution, Norway		926 196	-	118 223	-
Internal fee		78 000	-	9 956	-
Deferred income	4	-	(4 485 511)	-	(525 691)
<b>Total operating income</b>		<b>13 092 417</b>	<b>11 001 240</b>	<b>1 671 166</b>	<b>1 289 319</b>
<b>Operating expenses</b>					
<b>Staff costs</b>					
Salaries		7 495 527	6 763 572	956 758	792 674
Employer fee, pensions, insurance		718 792	752 612	91 749	88 204
Training, development		120 000	106 035	15 317	12 427
Recruitment		100 000	-	12 764	-
Establishment/moving allowance, home travels		352 000	205 774	44 931	24 116
Miscellaneous		200 000	93 867	25 529	11 001
		<b>8 986 319</b>	<b>7 921 860</b>	<b>1 147 048</b>	<b>928 423</b>
<b>Depreciations</b>		<b>140 000</b>	<b>100 409</b>	<b>17 870</b>	<b>11 768</b>
		140 000	100 409	17 870	11 768
<b>Rent of offices</b>	1	<b>1 365 204</b>	<b>1 408 911</b>	<b>174 260</b>	<b>165 121</b>
		1 365 204	1 408 911	174 260	165 121
<b>Other operating expenses</b>					
<i>Professional services</i>					
Auditor		55 000	46 455	7 020	5 444
Accounting and payroll		320 000	291 706	40 846	34 187
IT		299 028	242 771	38 169	28 452
Communications		280 000	285 147	35 740	33 419
Web and digital media		68 572	70 962	8 753	8 317
Videoconf. equipment		10 000	11 506	1 276	1 348
Miscellaneous		50 000	-	6 382	-
	2	<b>1 082 600</b>	<b>948 547</b>	<b>138 187</b>	<b>111 167</b>
		1 082 600	948 547	138 187	111 167
<i>Overhead/office</i>					
Computers and hardware		40 000	33 561	5 106	3 933
Mobile phones, purchase and use		150 000	133 637	19 147	15 662
Supplies		67 694	47 173	8 641	5 529
Printers		24 000	27 687	3 063	3 245
Freight/postage		5 000	1 454	638	170
Miscellaneous		70 000	11 650	8 935	1 365
Meetings/ representations		100 000	95 020	12 764	11 136
Subscriptions		39 600	46 985	5 055	5 507
Fees		18 000	12 714	2 298	1 490
	3	<b>514 294</b>	<b>409 881</b>	<b>65 646</b>	<b>48 037</b>
		514 294	409 881	65 646	48 037
<i>Travel expenses</i>					
Travel		1 017 000	220 920	129 814	25 891
		<b>1 017 000</b>	<b>220 920</b>	<b>129 814</b>	<b>25 891</b>
<b>Total operating expenses</b>		<b>13 105 417</b>	<b>11 010 528</b>	<b>1 672 826</b>	<b>1 290 407</b>
<b>Result of operations</b>		<b>(13 000)</b>	<b>(9 288)</b>	<b>(1 659)</b>	<b>(1 089)</b>
<b>Return of interest</b>		<b>14 000</b>	<b>9 538</b>	<b>1 787</b>	<b>1 118</b>
<b>Total financial income</b>		<b>14 000</b>	<b>9 538</b>	<b>1 787</b>	<b>1 118</b>
<b>Other interest charge</b>		<b>1 000</b>	<b>250</b>	<b>128</b>	<b>29</b>
<b>Total financial expenses</b>		<b>1 000</b>	<b>250</b>	<b>128</b>	<b>29</b>
<b>Net financial items</b>		<b>13 000</b>	<b>9 288</b>	<b>1 659</b>	<b>1 089</b>
<b>Operating result</b>		-	-	-	-
<b>Result of the year</b>		-	-	-	-

For the financial year 2020, the Covid-19 pandemic, as for most others, also affected the ACS's financial situation and final results. Most obvious, this led to significantly reduced travel costs. Less travel and less reimbursements also led to reduced costs for accounting and payroll. At the same time, the pandemic led to a slight increase in costs related to subscriptions for online meeting technology.

## Note 12: IPS result of the year 2020

	Note	NOK Budget	NOK 2020	USD 2020 (8.5326)
<b>Income statement</b>				
Contributions from States	1	2 592 363	2 202 846	258 168
<b>Total operating income</b>		<b>2 592 363</b>	<b>2 202 846</b>	<b>258 168</b>
<b>Operating expenses</b>				
<b>Staff costs</b>				
Salaries, pensions, employee fee		1 468 830	1 380 544	161 796
Training and development, insurance		34 000	22 186	2 600
Recruitment, establishment and moving allowance		212 059	120 075	14 072
Miscellaneous		30 000	21 522	2 522
	2	<b>1 744 889</b>	<b>1 544 327</b>	<b>180 991</b>
<b>Depreciations</b>				
Depreciation		27 000	24 715	2 897
Deposited income from 2019			(22 024)	-2 581
		<b>27 000</b>	<b>2 691</b>	<b>315</b>
<b>Rent of offices</b>				
		227 534	249 606	29 253
		<b>227 534</b>	<b>249 606</b>	<b>29 253</b>
<b>Professional Services</b>				
Auditor		9 000	8 013	939
Accounting and payroll		72 500	53 017	6 213
IT		63 240	45 824	5 370
Communications		43 142	48 301	5 661
Web and digital media		31 428	27 646	3 240
Archives		-	-	-
Videoconf. Equipment		-	903	106
Miscellaneous		20 000	-	0
		<b>239 310</b>	<b>183 704</b>	<b>21 530</b>
<b>Overhead/office</b>				
Computer and hardware		7 000	8 958	1 050
Mobile phones, purchase and use		38 000	37 349	4 377
Supplies		11 430	10 935	1 282
Printers		6 000	4 470	524
Freight		2 500	-	0
Miscellaneous		10 000	-	0
		<b>74 930</b>	<b>61 713</b>	<b>7 233</b>
<b>Gen. Adm. Issues</b>				
Meetings/representation		50 000	53 382	6 256
Subscriptions		5 700	5 866	687
Fees		3 000	3 327	390
		<b>58 700</b>	<b>62 575</b>	<b>7 334</b>
<b>Travel</b>				
Travel		220 000	98 479	11 542
		<b>220 000</b>	<b>98 479</b>	<b>11 542</b>
<b>Total operating expenses</b>		<b>2 592 363</b>	<b>2 203 096</b>	<b>258 198</b>
<b>Result of operations</b>		<b>-</b>	<b>(251)</b>	<b>(29)</b>
<b>Other interest income</b>				
Other interest income		-	251	29
<b>Total financial income</b>		<b>-</b>	<b>251</b>	<b>29</b>
<b>Other interest charge</b>				
Other interest charge		-	-	-
<b>Total financial expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Net financial items</b>		<b>-</b>	<b>251</b>	<b>29</b>
<b>Operating result</b>				
Operating result		-	-	-
<b>Result of the year</b>	3	<b>-</b>	<b>-</b>	<b>-</b>

*All amounts in NOK*

(1)

<b>Contributions</b>	<b>2020</b>
Denmark	1 296 182
Norway	1 296 182
Deposited fund	35 476
Defferend income 2020	(424 993)
<b>Total operating income IPS</b>	<b>2 202 846</b>

(2)

<b>Payroll expenses</b>	<b>2020</b>
Salaries and wages	1 257 387
Employer's (social security) contribution	86 171
Pension costs	36 985
Other personnel costs	163 784
<b>Total cost of labor:</b>	<b>1 544 327</b>

Average full time equivalent employees: 2

(3)

**Result of the year**

IPS is a non-profit organization. Unused contributions for the year are booked as deferred income and are deducted from the contributions for 2021. For 2020 the deferred income amounts to NOK 424 993 or USD 49 808.

