

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

Annual report for the financial year 2007-01-01 – 2007-12-31

The EISCAT Council and the Director for the Association herewith submits the annual report for 2007.

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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 current EISCAT Associates are: China Research Institute of Radiowave Propagation (Peoples Republic of China), Deutsche Forschungsgemeinschaft (Germany), National Institute of Polar Research (Japan), Norges forskningsråd (Norway), Science and Technology Facilities Council (United Kingdom of Great Britain and Northern Ireland), Solar-Terrestrial Environment Laboratory, Nagoya University (Japan), Suomen Akatemia (Finland), and Vetenskapsrådet (Sweden).

A new EISCAT Agreement came into force 2007-01-01, 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 the high latitude atmosphere by means of experimental programmes generally conducted using the incoherent scatter radar technique, which may be carried out as part of wider international projects. 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 Tromsø (Norway), Kiruna (Sweden), Sodankylä (Finland), and Longyearbyen (Svalbard).

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 consists of a Delegation of each Associate with a maximum of three members from each Associate. A Delegation comprise of a Delegate and Representatives. The Council appoints a Director, who is responsible for the daily management and operation of the facilities of the Association.

The current Director is Professor Anthony P. van Eyken. His employment contract with the Council will run until 2008-12-31.

Operation and scientific development

The EISCAT Radars delivered a full programme of operations for the user community and operated reliably throughout the year with only minor interruptions due to equipment or operational problems.

The various EISCAT radars operated for a total of 7 708 accounted hours (3 845 hours in 2006), compared with a revised target of 9 691 hours. Included in these totals is the year-long IPY run that commenced 2007-03-01 and which will continue until 2008-02-29. The IPY run was planned to run 6 166 hours but, mainly due to problems with the Longyearbyen power plant beyond the

control of EISCAT, only 5 722 hours were possible. The IPY run exceeds previous sustained incoherent scatter radar operations by a huge margin.

Common Programmes amounted to 7% (44%) of the operations. Special Programmes amounted to 24% (56%) and the IPY run plus other operations amounted to 69% (0%) of the total run hours.

A contract, under the European Union's Sixth Framework Programme initiative - Structuring the European Research Area – Design Studies, continued throughout the year. The project, named EISCAT_3D, is a four-year design study to develop a replacement for the two mainland incoherent scatter radars. The project started 2005-05-01.

A second European Union, Sixth Framework Programme initiative, project continued during 2007 providing Transnational Access to the facilities. An Italian user group visited the facilities in December and ran 24 hours.

The VHF radar has continued to operate with a single klystron. The second, repaired, klystron is stored safely at Tromsø while investigations continue to ensure that the vacuum sealants used will withstand immersion in the insulating oil used in the transmitter. The tube appears to be in excellent shape, but it can only be fully tested when reinstalled in the transmitter.

EISCAT continued to take space debris data using hardware developed under earlier contracts with ESA and covered the dispersal of the spectacular new space debris cloud created by a Chinese anti-satellite weapon test just before the start of the IPY long run. A new Space Debris contract with ESA is under discussion.

While France formally left the Association at the end of 2006, French scientists have continued to use the facilities, running 190 hours during the year, and have been invoiced for the hours used.

The annual staff review meeting was held in Porjus, Sweden, in late February while a well attended radar school and EISCAT scientific workshop was held in Mariehamn, Åland, in August. An EISCAT led, International Space Science Institute funded workshop series capitalising on the one year long IPY data set to improve ionospheric models held its first workshop in Bern, Switzerland, in early November.

Future operation and scientific development

During the coming year, EISCAT will continue to support the wide range of existing and new programmes proposed by the various Associates' scientific communities, including the hosting of user-supplied equipment. However, the reduced level of Associate contributions will continue to be reflected in a reduction in the planned operating levels, particularly of the mainland UHF and VHF radars.

The one-year IPY run at the EISCAT Svalbard Radar will be completed at the end of February 2008. IPY coverage will continue throughout the year with dedicated observations on both the UHF tri-static radar and the EISCAT Svalbard radar which will be conducted every two weeks in collaboration with the other high-latitude incoherent scatter radars.

In addition to continuing to support the Associates' scientific communities, supporting users related to the Transnational Access programme, and participating in the World-day programme,

much effort will be put into the ongoing Design Study. Both the Transnational Access programme and the Design Study will continue into 2009.

Preparations for both the Ukraine and Russia to join the Association will continue but uncertainties in future Ukrainian government objectives and funding levels are delaying the process in that country. A well-attended radar school was held in Eypatoriya, Crimea, in September 2007 to introduce young Ukrainian scientists to the EISCAT systems and their capabilities.

The work of the Council and its committees

The Council had two ordinary meetings under the leadership of the Chairman, Professor Asgeir Brekke: in June, Nagoya, Japan, and in November, Helsinki, Finland. The management committee had two physical meetings: in April, Swindon UK, and in November, Oslo Norway. The Scientific Oversight Committee had one meeting during the year, September, Swindon UK.

At its November meeting, the EISCAT Council decided to establish a search committee to find a new Director to take over from Professor van Eyken when he completes his present contract at the end of 2008. Professor van Eyken will then return to his ordinary Science Director position.

Budget development during the year

The 2007 operations ended a bit below target. This was mainly due to the power supply problems on Svalbard. Since the budget for 2007 was reduced compared with 2006, staff reductions were needed to fit with the reduced budget. This work took a bit longer than first envisaged and meant that the appropriate staff complement was only reached a few months in the year.

The operations performed by French scientists resulted in additional income and some funding was also received from the US National Science Foundation to support a PostDoc on Svalbard.

The long-term budget plan

The long-term budget plan is feasible. The five years plan is balanced up to 2012. The annual operating hours level will be around 2 600 hours. The annual staff complement will amount to about 20 persons.

The result for 2007 and the surplus handling

The year was balanced by transferring the surplus, relative to the budget, of 2 083 kSEK, over the surplus fund, to next year.

PROFIT AND LOSS ACCOUNTS

in thousands of Swedish Crowns

	Note 1	2007	2006
Associate contributions	Note 2	23 944	32 045
Other operating income		4 718	1 618
		<hr/>	<hr/>
		28 662	33 663
Operation costs		-6 040	-7 424
Administration costs		-4 510	-4 317
Personnel costs	Note 3	-18 582	-17 677
Depreciation of fixed assets		-6 843	-14 835
		<hr/>	<hr/>
		-35 975	-44 253
<i>Operating profit/loss</i>		-7 313	-10 590
Interest income		788	798
Other financial income and cost		119	203
Own reserves and funds	Note 4	1 646	-2 563
		<hr/>	<hr/>
		2 553	-1 561
<i>Profit/loss after financial items</i>		-4 760	-12 151
Appropriations	Note 5	-2 083	-2 683
Transfer from funds invested	Note 6	6 843	14 835
		<hr/>	<hr/>
		4 760	12 151
<i>Net profit/loss for the year</i>		0	0

BALANCE SHEET

in thousands of Swedish Crowns

		<i>2007</i>	<i>2006</i>
ASSETS			
<u>Fixed assets</u>			
<i>Tangible fixed assets</i>	Note 7		
Buildings		4 281	4 756
Radar systems		5 992	11 480
Equipment and tools		1 636	1 966
		<hr/>	<hr/>
		11 909	18 202
<u>Current assets</u>			
Receivables		2 601	1 183
Prepayments and accrued income	Note 8	616	581
Cash at bank and in hand	Note 9	32 909	28 395
		<hr/>	<hr/>
		36 126	30 160
<i>Total assets</i>		<i>48 035</i>	<i>48 362</i>
CAPITAL AND LIABILITIES			
<u>Capital</u>			
Funds invested	Note 10	11 304	17 568
Funds held on reserve	Note 11	18 146	18 289
		<hr/>	<hr/>
		29 449	35 857
<u>Long term liabilities</u>			
Long term liabilities	Note 12	577	560
<u>Current liabilities</u>			
Liabilities, trade	Note 13	17 267	11 377
Provisions	Note 14	0	30
Other liabilities		742	539
		<hr/>	<hr/>
		18 009	11 945
<i>Total capital and liabilities</i>		<i>48 035</i>	<i>48 362</i>
<i>Pledged assets</i>		<i>577</i>	<i>560</i>
<i>Contingent liabilities</i>		<i>none</i>	<i>none</i>

STATEMENT OF CASH FLOWS

in thousands of Swedish Crowns

	<i>2007</i>	<i>2006</i>
<u>Operating activities</u>		
Operating result before financial items	-7 313	-10 590
Transfer from funds invested	6 843	14 835
Interest received	788	798
Currency exchange rate changes	13	149
Extra ordinary income and cost	106	54
Increase/decrease of receivables	-1 418	-857
Increase/decrease of prepayments and accrued income	-34	-71
Increase/decrease of creditors and liabilities	6 081	654
<i>Cash flow from operations</i>	<i>5 065</i>	<i>4 973</i>
<u>Investment activities</u>		
Investments in tangible assets	-551	-1 815
<i>Cash flow from investment activities</i>	<i>-551</i>	<i>-1 815</i>
<i>Cash flow for the year</i>	<i>4 514</i>	<i>3 158</i>
<i>Liquid assets at the beginning of the year</i>	<i>28 395</i>	<i>25 238</i>
<i>Liquid assets at the end of the year</i>	<i>32 909</i>	<i>28 395</i>

NOTES

2007 2006

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 (bokföringsnämnden allmänna råd och vägledningar).

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

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 10 - 50 years, Radar systems 3 - 20 years and Equipment and tools 3 - 5 years.

Note 2 *Associate contributions*

The Associates contributed to the operation during the year in accordance with the new agreement in force since 2007-01-01. The commitments are in local currencies. The received contributions have been accounted in SEK. CNRS (France) left the Association at the end of 2006. MPG (Germany) was replaced by DFG at 2007-01-01. PPARC was merged into STFC on 2007-04-30.

	<u>2007</u>
CRIRP (P. R. of China)	2 502
DFG (Germany)	1 683
NIPR (Japan)	1 227
RCN (Norway)	5 446
SA (Finland)	3 266
STFC (United Kingdom)	4 421
VR (Sweden)	5 400
	<u>23 944</u>

Accumulated contributions status as of 2007-12-31

	<u>1976 - 2007</u>
Previous Associates	190 074
CRIRP (P. R. of China)	5 058
DFG (Germany)	185 088
NIPR (Japan)	63 790
RCN (Norway)	122 792
SA (Finland)	51 514
STFC (United Kingdom)	206 435
VR (Sweden)	97 002
	<u>921 751</u>

Note 3 *Personnel costs and average number of employees*

The Association employs directly the Headquarters staff, currently about seven positions, including the Directors. The Headquarters is located in Kiruna, Sweden. The personnel working at the Kiruna (Sweden), Sodankylä (Finland), Svalbard and Tromsø (Norway) sites are 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 Tromsø University (Tromsø and Svalbard staff). The Association refunds all expenses related to the provided staff, as well as an additional overhead.

Personnel costs in total

Salaries and emoluments paid to the Directors	2 240	2 138
Other personnel, employed and provided via site contracts	11 627	10 584
Social security contributions amounted to of which for pension costs	3 996 2 442	4 352 2 516

Of the pension costs, 1 021 kSEK (1 026 kSEK) relates to the Directors. The Directors 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 do not receive remunerations from the Association. Travel expenses in connection with Council and committee meetings are covered by the Associates.

Salaries and emoluments and average number of staff per country

<i>Finland</i>		
Salaries and emoluments	1 560	1 568
Average number of staff - men and women	4 + 0	4 + 0
<i>Norway (including Svalbard)</i>		
Salaries and emoluments	8 111	6 919
Average number of staff - men and women	10 + 0	10 + 3
<i>Sweden</i>		
Salaries and emoluments	4 195	4 234
Average number of staff - men and women	6 + 2	7 + 1

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

Board members (EISCAT Council)	12 + 4	12 + 5
Directors	2 + 0	2 + 0

Note 4 *Own reserves and funds*

Transactions involving own reserves and funds.

Capital Operating reserve		
Budgeted transfer to the reserve	-353	-2 119
Transfer from the reserve	551	1 815
Investments made	-580	-1 844
Equipment repair fund		
Transfers during the year	0	436
External projects reserve		
Design study: balancing the four-year project	-435	116
Investment fund		
Transfers during the year	0	-2 556
Restructuring reserve		
Restructuring costs	1 380	0

	2007	2006
Spare parts reserve		
Budgeted transfer to the reserve	-30	0
Transfer from the reserve	32	85
Surplus fund		
Budgeted transfer from the fund	2 683	228
2005-2006 purchase re-allocation	0	1 277
Budgeted transfer to the fund	-1 602	0
<i>Sum own reserves and funds</i>	<i>1 646</i>	<i>-2 563</i>
Note 5 Appropriations		
The outcome for this year became a surplus relative to the budget amounting to 2 083 kSEK. The amount has been transferred to the surplus fund. The 2006 outcome resulted in a surplus (2 683 kSEK) and it was transferred to the surplus fund for use in 2007.		
Note 6 Transfer from funds invested		
The depreciation cost is covered by funds from Capital - funds invested.		
Note 7 Tangible fixed assets		
Changes in tangible fixed assets during 2006.		
Buildings		
Opening acquisition value	42 204	42 204
Acquisitions during the year	33	0
Disposals during the year	0	0
Closing acquisition value	42 237	42 204
Opening accumulated depreciation	-37 448	-34 375
Depreciations during the year	-508	-3 073
Disposals during the year	0	0
Closing accumulated depreciation	-37 956	-37 448
Closing residual value	4 281	4 756
Radar systems		
Opening acquisition value	244 381	243 624
Acquisitions during the year	0	757
Disposals during the year	0	0
Closing acquisition value	244 381	244 381
Opening accumulated depreciation	-232 901	-221 328
Depreciations during the year	-5 488	-11 573
Disposals during the year	0	0
Closing accumulated depreciation	-238 389	-232 901
Closing residual value	5 992	11 480
Equipment and tools		
Opening acquisition value	31 902	31 491
Acquisitions during the year	518	1 058
Disposals during the year	-364	-646
Closing acquisition value	32 057	31 902
Opening accumulated depreciation	-29 936	-29 101
Depreciations during the year	-847	-189
Disposals during the year	362	-646
Closing accumulated depreciation	-30 421	-29 936
Closing residual value	1 636	1 966
<i>Sum tangible fixed assets</i>	<i>11 909</i>	<i>18 202</i>

Note 8 Prepayments and accrued income

The main buildings and systems insurance for 2008 was paid in December.

	2007	2006
Prepaid rents	89	85
Prepaid insurances	511	463
Other items	16	34
	<u>616</u>	<u>581</u>

Note 9 Bank balances status

	2007	2006
Nordea	32 907	28 394
Cash in hand	2	1
	<u>32 909</u>	<u>28 395</u>

Note 10 Funds invested status

	2007	2006
Buildings	3 676	4 122
Radar Systems	5 992	11 480
Equipment and Tools	1 636	1 966
	<u>11 304</u>	<u>17 568</u>

Note 11 Funds held on reserve

435 kSEK was transferred to the External Project Reserve for later use in the four-year EU supported EISCAT_3D design study project (ending 2009-04-30). 1 380 kSEK was taken from the restructuring reserve to cover 2007 restructuring costs (personnel expenses 1 322 kSEK and investments 58 kSEK). 2 683 kSEK was drawn from the surplus fund (budgeted use). 3 685 kSEK was transferred to the surplus fund (budgeted transfer 1 602 kSEK plus final outcome 2 083 kSEK).

	2007	2006
Capital operating reserve	1 735	1 933
Equipment repair fund	754	754
External projects reserve	829	394
Investment fund	2 556	2 556
Restructuring reserve	8 252	9 632
Spare parts reserve	335	336
Surplus fund	3 685	2 683
	<u>18 146</u>	<u>18 289</u>

Note 12 Long term liabilities

Refers to the Husbanken Norway loan concerning the owned flat on Svalbard. The loan is in NOK. 29 kSEK (29 kSEK) was amortized during the year.

Note 13 Liabilities, trade

Two EU-contracts are running, the EISCAT_3D Design Study and the EISCAT_USERS_1 Transnational access project. The design study started 2005-05-01. The other project started 2006-01-01. Both projects work with pre-financing. Non released funds are accounted as liabilities.

	2007	2006
Liabilities EU, EISCAT_3D pre-financing	9 747	3 603
Liabilities EU, USERS_1 pre-financing	1 470	1 528
Other liabilities, trade	6 050	6 246
	<u>17 267</u>	<u>11 377</u>

Note 14 Provisions

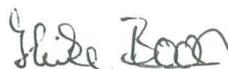
Starting from 2007-01-01, the Associates pay for the own participants when attending EISCAT meetings.

	2007	2006
Associate travel	0	30

Kiruna 2008-05-27



Dr. Tomas Andersson



Dr. Heike Boos
Deputy for Dr. Johanna Kowol-Santen



Prof. Qingsheng Dong



Prof. Ryoichi Fujii



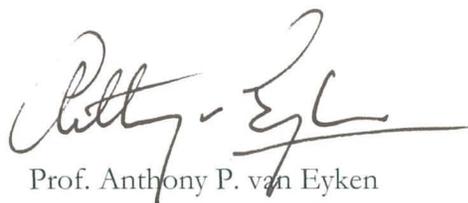
Dr. Samuli Hemming



Dr. Bjørn Jacobsen



Ms. Rosemary Young
Deputy for Dr. Chris Castelli



Prof. Anthony P. van Eyken
Director

Our audit report was issued on 2008-06-13.



Mrs. Annika Wedin
Authorised Public Accountant

Audit report

To the council of EISCAT Scientific Association

Corporate identity number 897300-2549

I have audited the annual accounts, the accounting records and the administration of the council and the director of EISCAT Scientific Association for the year 2007. These accounts and the administration of the association and the application of the Annual Accounts Act when preparing the annual accounts are the responsibility of the council and the director. My responsibility is to express an opinion on the annual accounts and the administration based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the council and the director and significant estimates made by the council and the director when preparing the annual accounts as well as evaluating the overall presentation of information in the annual accounts. As a basis for my opinion concerning discharge from liability, I examined significant decisions, actions taken and circumstances of the association in order to be able to determine the liability, if any, to the council or the director. I also examined whether any council member or the director has, in any other way, acted in contravention of the Annual Accounts Act or the statutes. I believe that my audit provides a reasonable basis for my opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the association's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

The statutory administration report is consistent with the other parts of the annual accounts.

The council and the director have not acted in contravention of the statutes.

Gävle, 13 June 2008



Annika Wedin
Authorized Public Accountant