

Annual Report 2022

Stiftelsen Grid-Arendal

Directors' Report
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Board of Directors annual report 2022 for Stiftelsen Grid-Arendal

GRID-Arendal is a foundation established by the Norwegian Ministry of Environment in 1989 to support the work of United Nations Environment Programme (UN Environment, UNEP). The foundation produces environmental information, communication products and services to build capacity in environmental management and motivate decision-makers to take sustainable actions.

The GRID-Arendal conducted its activities in 2022 in line with its bylaws, approved budgets and work plan approved by Norad. Its reports and websites describe the activities of the different programs and the results achieved.

2022 has been financially challenging leading to a deficit of NOK 3,001,754 which will reduce our equity balance to NOK 13,407,925. The main contributing factors to this outcome were excessive sick leave in Q1 due to Covid, costs for restructuring combined with fewer than budgeted new projects being secured needed to cover operating costs.

In 2021 GRID-Arendal signed a 4-year agreement of NOK 94,000,000 with Norad to support the work programme for 2021 to 2024. This is the largest funding agreement GRID-Arendal has ever signed. The 2022 component of the Norad grant was NOK 25,000,000, which was 34% of the total GRID-Arendal funding for 2022.

GRID-Arendal is an organisation that depends on travelling and collaborating with people on the ground to implement its projects and work programme. The covid-19 pandemic has influenced the 2022 operations less than in 2021. The main operational challenges in 2022 were related to internal staff capacity and procurement of external project capacity. Thanks to close dialogue with our donors, flexible employees, agreements with local partners, and strategic selection of projects to work on, we have good results with high impact.

GRID-Arendal's environmental policy is based on the foundation's "green" values and commitment to operate in an environmentally responsible and resource efficient manner. Employee flights constitute the largest category for environmental impact. As compensation, GRID-Arendal is investing in emission credits to finance concrete climate action in developing countries. Due to the ongoing pandemic, the number of flights in 2022 was significantly reduced from pre-pandemic levels, especially in quarters 1 and 2. GRID-Arendal is a certified Miljøfyrtårn (environmental) organization and member of Climate Partners (Klimapartnere). We have our offices in an environmentally friendly building with very good energy solutions.

Working conditions at GRID-Arendal are considered very good. Long term sick leave in 2022 was 1,9%, while short-term sick leave reached 6,2% in Q1 due to Covid but returned to normal levels by Quarter 4 at 3,0% in average for 2022. Overall sick leave was therefore at 4,9%. There were no injuries to staff in 2022, and there was no significant damage to the equipment of the organization. We strive to reduce stress, improve teamwork and collaboration through efficient communication through staff representatives and the HSE Officer. GRID-Arendal offices have ergonomic furniture for all employees.

At the end of 2022, the Board consisted of 8 board members, 5 women and 3 men. The staff consisted of 45 employees, 22 women and 23 men. In addition, 1 woman in a part time in a temporary position. No permanent staff in part time position. No employees in parental leave.

There is no salary gap between gender for the same positions in GRID-Arendal. At the organisation level, the average salary is 1,5% higher for men than women. The leadership team consist of 9 members (not including the MD), 6 woman and 3 men. Heads of Program/offices consist of 6 members, 4 woman and 2 men.

GRID-Arendal aims to be a workplace where there is full equality between women and men. It has incorporated provisions aimed at preventing gender discrimination in matters such as salary, promotion, and recruitment, and conducts regular employee surveys, which include attempts to capture the

differences between the sexes.

Project funding for 2022 was below budgeted. However, many prospects that were delayed in 2022 have eventually been successful. The Board is therefore optimistic about the outlook for 2023. The Board concludes that GRID-Arendal's activities are consistent with its mandate and that it has a competent staff for continuing operations and for planning further strategy-relevant operational activities in the future.

The financial statements are based on the assumptions of continued operations, as the Board is aware of no factors that indicate otherwise. The Board considers the financial statements to give a true and fair view of assets and liabilities, financial position, and results. There were no events in the past year that had special impact on GRID-Arendal's development or position.

Arendal, 09.02.2023

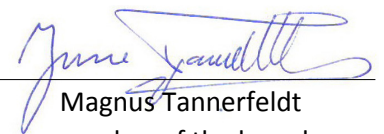
The board of Stiftelsen Grid-Arendal



Jan-Gunnar Winther
chairman of the board



Karoline Andaur
member of the board



Magnus Tannerfeldt
member of the board



Colin Daniel Martin
member of the board



Cecilie Mauritzen
member of the board



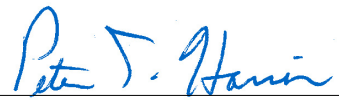
Helga Flesche Kleiven
member of the board



Guri Enodd Hope
member of the board



Tina Helene Paaul
Schoolmeester
member of the board



Peter Townsend Harris
general Manager

REVENUE STATEMENT

STIFTELSEN GRID-ARENDAL

OPERATING INCOME AND OPERATING EXPENSES	Note	2022	2021
Revenue		69 746 384	72 223 685
Total income		69 746 384	72 223 685
Project costs		15 152 380	22 655 484
Employee benefits expense	2	42 566 568	37 725 247
Depreciation and amortisation expenses	3	50 908	33 581
Other expenses	2	15 769 199	10 423 263
Total expenses		73 539 055	70 837 575
Operating profit		-3 792 672	1 386 110
FINANCIAL INCOME AND EXPENSES			
Interest income		197 665	28 263
Other financial income		1 004 673	1 556 920
Interest expenses		326 144	301 796
Other financial expenses		85 277	11 162
Net financial items		790 917	1 272 225
Net profit before tax		-3 001 754	2 658 335
Net profit after tax		-3 001 754	2 658 335
Net profit or loss	6	-3 001 754	2 658 335
ATTRIBUTABLE TO			
Other equity		-3 001 754	2 658 335
Total		-3 001 754	2 658 335

BALANCE SHEET

STIFTELSEN GRID-ARENDAL

ASSETS	Note	2022	2021
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT			
Buildings and land	3	276 425	282 416
Equipment and other movables	3	14 862	23 779
Total property, plant and equipment		291 287	306 195
NON-CURRENT FINANCIAL ASSETS			
Investments in subsidiaries	4	17 012 000	17 012 000
Other long-term receivables		20 000	0
Total non-current financial assets		17 032 000	17 012 000
Total non-current assets		17 323 287	17 318 195
CURRENT ASSETS			
DEBTORS			
Accounts receivables		1 241 113	5 183 724
Other short-term receivables		1 768 299	1 343 403
Total receivables		3 009 412	6 527 128
Cash and cash equivalents	5	23 602 526	29 257 223
Total current assets		26 611 937	35 784 351
Total assets		43 935 224	53 102 546

BALANCE SHEET

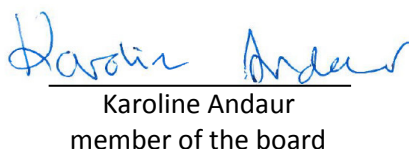
STIFTELSEN GRID-ARENDAL

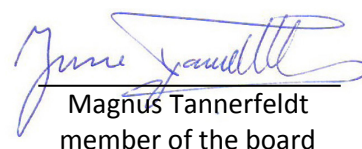
EQUITY AND LIABILITIES	Note	2022	2021
EQUITY			
PAID-IN CAPITAL			
Basic capital	6	500 000	500 000
Total paid-up equity		500 000	500 000
RETAINED EARNINGS			
Other equity	6	12 907 925	15 909 680
Total retained earnings		12 907 925	15 909 680
Total equity	6	13 407 925	16 409 680
LIABILITIES			
CURRENT LIABILITIES			
Trade payables		2 748 221	1 673 188
Public duties payable		2 185 329	2 026 121
Other current liabilities	7	25 593 750	32 993 558
Total current liabilities		30 527 299	36 692 867
Total liabilities		30 527 299	36 692 867
Total equity and liabilities		43 935 224	53 102 546

Arendal, 09.02.2023

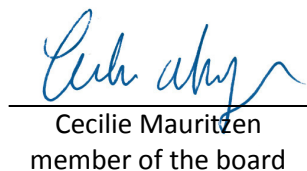
The board of Stiftelsen Grid-Arendal

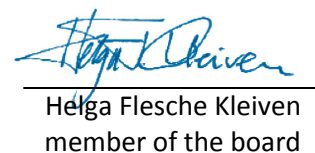

 Jan-Gunnar Winther
 chairman of the board

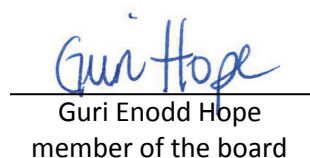

 Karoline Andaur
 member of the board

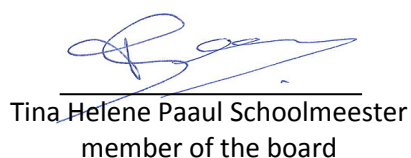

 Magnus Tannerfeldt
 member of the board

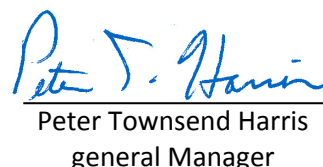

 Colin Daniel Martin
 member of the board


 Cecilie Mauritzen
 member of the board


 Helga Flesche Kleiven
 member of the board


 Guri Enodd Hope
 member of the board


 Tina Helene Paaul Schoolmeester
 member of the board


 Peter Townsend Harris
 general Manager

Accounting principles

The annual accounts have been prepared in conformity with the Accounting Act and NRS 8 - Good accounting practice for small companies.

OPERATING REVENUES

Income from the sale of goods is recognised on the date of delivery. Services are posted to income as they are delivered.

TAX

The foundation is defined as an Ideal organization and is exempt from tax liabilities.

CLASSIFICATION AND VALUATION OF FIXED ASSETS

Fixed assets include assets included for long-term ownership and use. Fixed assets are valued at acquisition cost. Property, plant and equipment are entered in the balance sheet and depreciated over the asset's economic lifetime..

CLASSIFICATION AND VALUATION OF CURRENT ASSETS

Current assets and short-term liabilities normally include items that fall due for payment within one year of the balance sheet date, as well as items that relate to the stock cycle. Current assets are valued at the lower of acquisition cost and fair value.

SHARES IN SUBSIDIARIES

Subsidiaries are valued using the cost method in the company accounts. The investment is valued at acquisition cost for the shares unless a write-down has been necessary. A write-down to fair value is made when a fall in value is due to reasons that cannot be expected to be temporary and such write-down must be considered as necessary in accordance with good accounting practice. Write-downs are reversed when the basis for the write-down is no longer present..

RECEIVABLES

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables.

FOREIGN CURRENCY

Monetary foreign currency items are valued at the exchange rate on the balance sheet date.

PENSION LIABILITIES

Pension schemes financed through insured schemes are not entered on the balance sheet. The pension premium is treated in these cases as a pension cost and classified together with wage costs.

Note 2 Note Salary costs and benefits, remuneration to the chief executive, board and auditor

Salary costs	2022	2021
Salaries	28 734 514	27 341 558
Employment tax	4 694 001	4 161 099
Pension costs	2 852 525	2 169 169
Other benefits	6 285 528	4 053 421
Total	42 566 568	37 725 247

Employed man-years	47	43
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Remuneration to leading personnel	Chief Executive	Board
Salaries	1 179 183	172 965
Other remuneration	14 645	0
Total	1 193 828	172 965

The company is liable to maintain an occupational pension scheme under the Mandatory Occupational Pensions Act. The company's pension schemes satisfy the requirements of this Act.

AUDITOR	2022	2021
Statutory audit (incl. technical support with annual report)	89 310	67 500
Other services & advisory	39 000	50 500
Total	128 310	118 000

Note 3 Fixed assets

	Fixed asset 1	Fixtures and fittings	Total
Acquisition cost 01.01.2022	299 911	121 174	421 085
Addition of plant and equipment purchased	36 000	0	36 000
Disposal of plant and equipment sold	0	0	0
Acquisition cost 31.12.2022	335 911	121 174	457 085
Accumulated depreciation 31.12.2022	59 486	106 312	165 798
Book value as at 31.12.2022	276 425	14 862	291 287
The year's depreciation	41 991	8 917	50 908
Expected economic life	10 Years	3 Years	
Depreciation plan	Linear	Linear	

Note 4 Subsidiaries, associates, joint ventures

Investments in subsidiaries are valued using the cost method.

	Municipality	Owner - Interest	Acquisition cost	Book value	Share of result	Carrying amount
Teaterplassen AS	Arendal	100%	17 012 000	26 713 044	957 099	17 012 000
Carrying amount						17 012 000

Note 5 Bank deposits

	2022	2021
Of which tax withholdings (Restricted funds)	1 345 414	1 299 359

Note 6 Equity capital

	Basic capital	Other equity capital	Total equity capital
As at 01.01.2022	500 000	15 909 680	16 409 680
Result for the year		-3 001 754	-3 001 754
As at 31.12.2022	500 000	12 907 925	13 407 925

Note 7 Inter-company items between companies in the same group etc.

As of 31.12.2022 Stiftelsen GRID Arendal has a debt of NOK 8 500 000 to Teaterplassen AS. The interest rate is equal to the market rate.