



Peppol

The future is open

OpenPeppol AISBL

Accounts for 2019

12th General Assembly
Background Document for Vote 4

Published: May 8th, 2020

OpenPeppol AISBL
Rond-point Schuman 6, box 5
1040 Brussels Belgium

info@peppol.eu
www.peppol.eu
Last updated: 08/05/2020

Table of Contents

1	Introduction to Vote 4: Approval of Accounts.....	3
2	Overview of the 2019 Results	3
2.1	Table 1: The 2019 Budget as approved by GA11	3
2.2	Table 2: The 2019 Year-end result	4
2.3	Table 3: Income Deferral 2018 – How it was spent	5
2.4	Table 4: Income Deferral 2019.....	5
3	Detailed explanations for the budget items and Accounting results.....	6
3.1	Income.....	6
3.1.1	Member fees Billed.....	6
3.1.2	2019 Income Carried Forward	6
3.1.3	Allowance for doubtful Accounts (Off-boarding)	6
3.1.4	Income Deferrals.....	6
3.2	Expenses.....	7
3.2.1	Domiciliation	7
3.2.2	Fees, Accounting and Tax	7
3.2.3	Professional fees – Operations	7
3.2.4	Professional fees – Tools and Consumables.....	7
3.2.5	Fees & Subscriptions/memberships	8
3.2.6	Travel cost.....	8
3.2.7	Annual Fairs and Exhibitions.....	8
3.2.8	Marketing Expenses.....	8
4	Vote 4 – Decision Item.....	9
	9

1 Introduction to Vote 4: Approval of Accounts

According to the rules and regulations related to an international Not-For-Profit Association (Association Internationale Sans But Lucratif – AISBL) established under Belgian Law, the accounts of the AISBL are to be approved each year at the GA. It is the responsibility of the OpenPeppol Treasurer to ensure that the OpenPeppol Accounts are balanced according to the budget and budget principles approved for the current year.

This document is supported by a financial statement, provided by our Accountants.

2 Overview of the 2019 Results

2.1 Table 1: The 2019 Budget as approved by GA11

In Table 1, the Baseline income figure consists of the expected annual fee amount to be billed to all members approved up to Dec. 31st, 2019. The Forecast Growth shows the 20% increase in fees forecasted for 2019 and how this uplift in income would be allocated to the appropriate expense lines, where increased costs are expected. The resulting GA11 Budget was approved at the 11th General Assembly 2019.

Baseline Budget and Growth Calculation for 2019	2018 Year-end Result	Income Deferral by expense category	2019- Revised Baseline to include adjusted expense categories	Uplift % to distribute income growth	Add On - assuming 20 % growth	GA Budget 20% GROWTH
Income	769,631 €		769,631 €		149,898 €	919,259 €
Membership Fees 2018	763,921 €		763,921 €		152,784	916,705 €
Income carried forward from 2017	20,143 €		20,143 €			23,218 €
Allowance for doubtful Accts. (off-Boarding)	-14,433 €		-14,433 €		-2,887	-17,320 €
Income Deferral for Ongoing Project Expense	251,782 €	251,782 €				
Deferred	251,782	251,782 €				
Expenses	494,631 €	251,782 €	746,413 €			896,311 €
Domiciliation	2,877 €		2,877 €			2,877 €
Fees/Accounting and Tax	40,251 €	7,987 €	48,238 €	0%	0 €	48,238 €
Professional fees - Operations	314,681 €	137,600 €	452,281 €	90%	134,908 €	587,189 €
Professional fees - Tools/Consumables	59,229 €	22,900 €	82,129 €	0%	0 €	82,129 €
Fees & Subscriptions /memberships	1,050 €		1,050 €			1,050 €
Travel Cost	34,034 €		34,034 €	9.5%	14,240 €	48,274 €
Annual fairs and Exhibitions	39,552 €	31,169 €	70,721 €	0%	0 €	70,721 €
Marketing expense	2,298 €	52,126 €	54,424 €		0 €	54,424 €
Bank Charges	659 €		659 €	0.5%	749 €	1,408 €
Carry over end of 2018	23,218 €	0 €	23,218 €		149,898 €	22,948 €
						Estimated Carry over end 2019

2.2 Table 2: The 2019 Year-end result

The table below shows the annual position of 2019 in comparison with the target budget approved at the 11th General Assembly.

Year-end Result Dec. 31st, 2019	Expected GA11 Budget end December €	2018 Income Deferral - Spent in 2019	2019 annual position end Dec €	Variance €
Income	919,259 €		1,004,144 €	84,885 €
Membership Fees 2019	916,705 €		1,002,954 €	86,249 €
Income carried forward	23,218 €		23,218 €	0 €
Allowance for doubtful Accts. (off-Boarding)	-17,320 €		-40,226 €	-22,906 €
Unused Income Deferral from 2018 - Reversed back to income in 2019			18,198 €	
Income Deferral for ongoing projects & events		251,782 €	95,740 €	
Expenses	896,310 €	233,585 €	884,909 €	-11,401 €
Domiciliation	2,877 €		2,960 €	83 €
Fees/Accounting, Tax, Legal	48,238 €	6,512 €	71,419 €	23,181 €
Professional fees - Operations	587,189 €	135,878 €	606,000 €	18,811 €
Professional fees- Tools and Consumables	82,129 €	7,900 €	55,052 €	-27,077 €
Fees & Subscriptions /memberships	1,050 €		1,050 €	0 €
Travel Cost	48,274 €		47,677 €	-597 €
Annual fairs and Exhibitions	70,721 €	31,170 €	91,143 €	20,422 €
Marketing expense	54,424 €	52,125 €	9,062 €	-45,362 €
Bank Charges	1,408 €		546 €	-862 €
Surplus Carried Over	22,949 €	18,198 €	23,495 €	

The budget was based on an expected 20% growth of incoming membership fees for 2019. This growth target was surpassed resulting in a 31% increase in income over 2018 and a 9% increase of net income over the GA11 target.

The month-to-month rolling budget, approved at the 11th GA in March 2019 was used to control spending throughout the year. All increases in income above baseline were automatically allocated according to the percentages approved by GA11.

As the growth in memberships continued throughout the year, a decision was made to sponsor and attend an additional event: the eInvoicing Exchange Summit in Singapore in November 2019. Additional resources focused on important projects such as the Agreements Framework Revision, the development of an International Invoicing standard, and the initiation of a second phase in the centralized Testbed in order to test for payload. At the same time, increased support to the new Peppol Authorities in Australia and New Zealand and the assumption of change management procedures regarding their BIS extensions was made a priority so that the launch of Peppol in these global regions would be supported.

The 2018 income deferral of 251,782 €, approved in GA11, was spent on projects and events throughout 2019 according to the breakdown provided (see Table 3 in section 2.3 of this document). However, it was not possible to complete all projects in their entirety,

leaving a small amount of the deferral totalling 18,198 € which was reversed back to income at the end of 2019.

The 2019 increase in income over budget provides for a deferral of income into 2020 of 95,740 € to cover continued work in the areas of branding/marketing, software enhancements to operational systems, and the sponsorship and attendance at 4 key invoicing events (Miami, Fulda, Zurich, and Singapore) (see Table 4 in section 2.4 of this document).

2.3 Table 3: Income Deferral 2018 – How it was spent

Table 3 shows the Income Deferral in the amount of 251,782 € taken at the end of December 2018, broken down into the appropriate expense categories where it was spent, including the amount unused in 2019 which was returned to income accordingly.

Income deferred 2018 to cover expenses related to ongoing projects & events in 2019	Income Deferral - Year-end 2018	2018 Deferral Spent in 2019	Unused Deferral - Returned to Income end of 2019	Comments
Domiciliation				
Fees/Accounting and Tax	7,987 €	6,512 €	1,475 €	small underspend
Professional fees - Operations	137,600 €	135,878 €	1,722 €	small underspend
Professional fees- Tools and Consumables	22,900 €	7,900 €	15,000 €	Navision System Enhancements not done in 2019
Fees & Subscriptions /memberships				
Travel Cost				
Annual fairs and Exhibitions	31,170 €	31,170 €	0 €	
Marketing expense	52,125 €	52,125 €	0 €	
Bank Charges				
	251,782 €	233,585 €	18,197 €	

2.4 Table 4: Income Deferral 2019

In Table 4, the Income Deferral taken at the end of 2019 in the amount of 95,740 € is broken down into the appropriate expense categories and described in further detail.

Expenses related to ongoing projects & events to materialise in 2020	95,740.00 €	Description
Domiciliation		
Fees/Accounting and Tax		
Professional fees - Operations		
Professional fees- Tools and Consumables	15,000.00 €	Navision System Enhancements scheduled for 2020
Fees & Subscriptions /memberships		
Travel Cost		
Annual fairs and Exhibitions	52,800.00 €	Exchange Summits (Miami, Zurich, Singapore) and eRechnungs Gipfel (Fulda)
Marketing expense	27,940.00 €	Continuation of Peppol rebranding project to include marketing materials/videos and social media strategy
Bank Charges		

3 Detailed explanations for the budget items and Accounting results

Please find the details, clarifications, and comments for the 2019 Accounting items listed below:

3.1 Income

3.1.1 Member fees Billed

The budget was based on a forecast of 20% growth for 2019. This growth target was surpassed resulting in a 31% increase in income over 2018 and a 9% increase of net income over the GA11 target.

The increased income was a result of 79 new members joining in 2019, including two new Peppol Authorities in Australia and New Zealand. It is noteworthy that 42% of the growth in membership came from outside of Europe.

3.1.2 2019 Income Carried Forward

Income carried forward into 2019 was 23,218 € which remained unused throughout the year and increased by 276 € for an end of year amount of 23,494 € carried forward into 2020.

3.1.3 Allowance for doubtful Accounts (Off-boarding)

The fees related to approved off-boarders in 2019 have already been reduced from the year-end member fees. The amount of 40,226 € has been set aside at year-end for doubtful accounts, increased in line with growth in income and reserved for members that have not paid the annual fees and have not yet responded to requests for payment or provided requests to off-board.

3.1.4 Income Deferrals

The 2018 income deferral of 251,752 € (captured in Table 3 above), was spent according to budget, leaving an unused amount of 18,198 € remaining which was reversed back into income for 2019.

For the 2019 year-end, an income deferral in the amount of 95,740 € (captured in Table 4 above) has been set aside to cover continuing work on the OpenPeppol rebranding project, the sponsorship of four external events in 2020 (eInvoicing Exchange Summits in Miami, Zurich and Singapore and the eRechnungs Gipfel event in Fulda), and development work needed to enhance the Navision billing/accounting system in line with continued growth.

3.2 Expenses

3.2.1 Domiciliation

Domiciliation expenditure was slightly higher than budget as the actual cost reflected an increase in line with overall growth of the organisation.

3.2.2 Fees, Accounting and Tax

Fees, accounting and tax expenditure was higher than budgeted, as OpenPeppol sought legal advice regarding the impact on the organisation of the new Belgian Companies Code and on the completion of the initial UBO filing, mandated in 2019.

Support was also sought for the final notary approval and submission of the revised OpenPeppol Statutes and for ongoing work related to the Agreements Revision project.

3.2.3 Professional fees – Operations

Expenditure on professional fees was a little higher than originally budgeted due to an increased workload related to the assumption of direct costs for the Agreements Revision project and other activities such as International Invoicing.

The Operating Office expanded to include additional administrative support in line with increasing membership onboarding activities, also support for new business development and the ongoing Agreements Revision project.

Technical resources were added to provide ongoing support for the Domain Communities, development needed to expand into new regions, and ongoing support for the BIS3 and AS4 migration activities. Projects included the Testbed 2.0, Insourcing of the Peppol Toolbox, the new Peppol website, and the provision of a new, integrated suite of tools for change management and release management of specifications.

3.2.4 Professional fees – Tools and Consumables

Expenditure was lower than expected, as software licensing remained largely unchanged throughout 2019, and the work to further develop the new Peppol website carried over into 2020 while a back-office repository originally planned for 2019 has been moved into 2020 due to internal resource availability.

An income deferral was recorded on December 31st, 2019 in the amount of 15,000 € to cover enhancements needed to the accounting/billing (Navision) system to support the increased activity.

3.2.5 Fees & Subscriptions/memberships

The fees and subscriptions budget remained unchanged over the year.

3.2.6 Travel cost

Travel costs were only slightly lower than budgeted for 2019 and in line with an expected increase in travel to external events.

3.2.7 Annual Fairs and Exhibitions

Expenditure surpassed budget as a decision was made to sponsor an additional event; the eInvoicing Exchange Summit in Singapore, November 2019 and the October Community F2F meetings were held at a higher cost facility (due to availability issues in Brussels during this period) and saw a significant increase in member attendance.

An income deferral was recorded December 31st 2019, in the amount of 52,800 € to provide sponsorship funding of four external events in 2020: the eInvoicing Exchange Summits in Miami, Zurich and Singapore and the eRechnungs Gipfel event in Fulda.

3.2.8 Marketing Expenses

Marketing expense was lower than expected as the ongoing work to produce promotional materials (for events, the website, etc.) related to Peppol rebranding is now expected to be carried out in 2020.

An income deferral was recorded December 31st 2019, in the amount of 27,940 € to cover specific external work by Black Paint (videos, photograph library, social media strategy, etc.).

4 Vote 4 – Decision Item

Approval of the OpenPeppol AISBL Accounts for 2019

The 12th OpenPeppol General Assembly, gathered on the 16th of June 2020, hereby approves the OpenPeppol AISBL Accounts for 2019, as stated below:

Year-end Result Dec. 31st, 2019	Expected GA11 Budget end December €	2018 Income Deferral - Spent in 2019	2019 annual position end Dec €	Variance €
Income	919,259 €		1,004,144 €	84,885 €
Membership Fees 2019	916,705 €		1,002,954 €	86,249 €
Income carried forward	23,218 €		23,218 €	0 €
Allowance for doubtful Accts. (off-Boarding)	-17,320 €		-40,226 €	-22,906 €
Unused Income Deferral from 2018 - Reversed back to income in 2019			18,198 €	
Income Deferral for ongoing projects & events		251,782 €	95,740 €	
Expenses	896,310 €	233,585 €	884,909 €	-11,401 €
Domiciliation	2,877 €		2,960 €	83 €
Fees/Accounting, Tax, Legal	48,238 €	6,512 €	71,419 €	23,181 €
Professional fees - Operations	587,189 €	135,878 €	606,000 €	18,811 €
Professional fees- Tools and Consumables	82,129 €	7,900 €	55,052 €	-27,077 €
Fees & Subscriptions /memberships	1,050 €		1,050 €	0 €
Travel Cost	48,274 €		47,677 €	-597 €
Annual fairs and Exhibitions	70,721 €	31,170 €	91,143 €	20,422 €
Marketing expense	54,424 €	52,125 €	9,062 €	-45,362 €
Bank Charges	1,408 €		546 €	-862 €
Surplus Carried Over	22,949 €	18,198 €	23,495 €	