



Peppol

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OpenPeppol AISBL Accounts for 2020

13th General Assembly
Background Document for Vote 4

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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 2020 Results

2.1 Table 1: The 2020 Target Budget as approved by GA12

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, 2020. The Forecast Growth shows the 20% increase in fees forecasted for 2020 and how this uplift in income would be allocated to the appropriate expense lines, where increased costs are expected. The resulting GA12 budget was approved at the 12th General Assembly 2020.

Baseline Budget and Growth Calculation for 2020	2019 Year - end Result	Income Deferral by expense category	2020 Revised Baseline to include adjusted expense categories	Uplift based on 20% growth	Uplift % to distribute income growth	GA 2020 Budget with 20% Growth
Income	1,004,143		1,004,143	197,531	219,161	1,201,674
Membership Fees Current Year	988,521		988,521			1,186,225
Income carried forward from Previous Year	23,218		23,218			23,495
Doubtful Accounts Previous Year	14,433		14,433			40,226
Doubtful Accouts Current Year	-40,226		-40,226			-48,272
Previous year income deferral - unused	18,198		18,198			
Income Deferral for Projects and Events in 2020	95,740					
Expenses	884,909	95,740	980,649	197,882	100%	1,178,531
Domiciliation	2,960		2,960			2,960
Fees/Accounting and Tax	71,419		71,419	6,512	3%	77,932
Professional fees - Operations	606,000		606,000	133,000	61%	739,000
Professional fees- Consumables	55,052	15,000	70,052	45,000	21%	115,052
Fees & Subscriptions /memberships	1,050		1,050		0%	1,050
Travel Cost	47,677		47,677	15,000	7%	62,677
Annual fairs and Exhibitions	91,143	52,800	143,943	-21,630		122,313
Marketing expense	9,062	27,940	37,002	20,000	9%	57,002
Bank Charges	546		546			546
	23,495		23,495			23,143

2.2 Table 2: The 2020 Year-end result

The table below shows the annual position at the end of 2020 in comparison with the target budget approved at the 12th General Assembly.

Year-end Result Dec. 31st, 2020	Income Deferral - Spent in 2020 €	2020 annual position end-December €	Expected GA12 Budget end-December	Variance €
Income		1,265,267 €	1,201,674 €	63,593 €
Membership Fees 2020		1,188,212 €	1,186,225 €	1,987 €
Income carried forward from 2019		23,495 €	23,495 €	0 €
Doubtful Accounts Previous Year Reversed		40,226 €	40,226 €	0 €
Allowance for doubtful Accts (off-boarding)		-48,471 €	-48,272 €	-199 €
Prev. Year Income Deferrals Unused/Reversed		61,805 €		
Income deferral for ongoing projects & events	95,740 €	121,789 €		
Expenses	33,935 €	1,119,186 €	1,178,532 €	-59,346 €
Domiciliation		3,045 €	2,960 €	85 €
Fees/Accounting, Tax, Legal		84,501 €	77,932 €	6,569 €
Professional fees - Operations		936,063 €	739,000 €	197,063 €
Professional fees- Consumables	0 €	85,755 €	115,052 €	-29,297 €
Fees & Subscriptions /memberships		1,100 €	1,050 €	50 €
Travel Cost		3,800 €	62,677 €	-58,877 €
Annual fairs and Exhibitions	22,759 €	227 €	122,313 €	-122,086 €
Marketing expense	11,176 €	4,163 €	57,002 €	-52,839 €
Bank and Financial Charges		532 €	546 €	-14 €
	61,805 €	24,292 €	23,142 €	

The budget was based on an expected 20% growth of incoming membership fees for 2020. This growth target was only just surpassed resulting in a 20.2% increase in membership fee income over 2019 and an increase of 5.29% of total income over the GA12 target.

A month-to-month rolling budget was used to control spending throughout the year. All increases in income above baseline were automatically allocated according to the percentages approved by GA12.

The growth in member fees was primarily related to new Service Providers joining, in addition to two new Peppol Authorities joining in the 4th quarter in Greece and Iceland.

The 2019 income deferral of 95,740 €, approved in GA12, was only partially spent on projects and events throughout 2020, due to the impact of the Covid-19 pandemic, which led to the cancellation of external events and related fees and travel costs originally foreseen. A part of the deferral totalling 61,805 € was left unspent and was reversed back to income at the end of 2020 (see Table 3 in section 2.3 of this document).

The 2020 increase in income over budget provides for a year-end deferral of income into 2021 of 121,789 € to resume the activities delayed due to Covid-19 in 2020 and to provide for resources to complete the ongoing Agreements revision work (see Table 4 in section 2.4 of this document).

2.3 Table 3: Income Deferral from 2019 to 2020 – How it was spent

Table 3 shows the Income Deferral of 95,740 € taken at the end of December 2019, broken down into the expense categories where it was spent. The amount unused in 2020 was returned to income accordingly.

Deferral from 2019 Year end	Income Deferred - Year-end 2019	2019 Deferral Spent in 2020	Unused Deferral Returned to income , end of 2020	Comments
Annual Fairs and Exhibitions	52,800.00	22,759.00	30,041.00	Exchange Summit Events cancelled in Singapore, Miami, and Zurich due to travel bans
Marketing Expense	27,940.00	11,176.00	16,764.00	Videos and rebranding work impacted primarily by travel bans
Professional Fees - Tools and Consumables	15,000.00	0.00	15,000.00	PwC Accounting System upgrade delayed to 2021
Totals	95,740.00	33,935.00	61,805.00	

2.4 Table 4: Income Deferral from 2020 to 2021

In Table 4, the Income Deferral taken at the end of 2020, in the amount of 121,789 € is broken down into the appropriate expense categories and described in further detail.

Expenses related to ongoing projects & events to materialise in 2021	Amount Deferred	Comments
Annual Fairs and Exhibitions	52,800.00	Deferral for Exchange Summit Events - moved to Autumn 2021
Marketing Expense	16,764.00	Continuation of Peppol rebranding project to include marketing materials, videos, etc.
Professional Fees - Tools and Consumables	17,500.00	Accounting system upgrade - now scheduled for 2021
Professional Fees - Operations	34,725.00	New deferral for Agreements revision work continued into 2021
	121,789.00	total deferred income from 2020

3 Detailed explanations for the budget items and Accounting results

Please find the details, clarifications, and comments for the 2020 Accounting items listed below:

3.1 Income

3.1.1 Member fees Billed

The budget was based on a forecast of 20% growth for 2020. This growth target was surpassed resulting in a 20.2% increase in income over 2019 and an increase of 5.29% of total income over the GA12 target.

3.1.2 2020 Income Carried Forward

Income carried forward from 2019 into 2020 was 23,495 € which remained unused throughout the year and increased by 797 € for and end of year amount of 24,292 € carried forward into 2020.

3.1.3 Allowance for doubtful Accounts (Off-boarding)

The fees related to approved off-boarders in 2020 have already been reduced from the year-end member fees and the prior year's accrual of 40,226 € has been reversed into income to offset accordingly. The amount of 48,471 € 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 2019 income deferral of 95,740 € (captured in Table 3 above), was spent according to budget, leaving an unused amount of 61,805 € which was reversed back into income for 2020.

For the 2020 year-end, an income deferral in the amount of 121,789 € (captured in Table 4 above) has been set aside to cover continuing work on the OpenPeppol rebranding project, the sponsorship of 4 external events in 2021 (eInvoicing Exchange Summits planned for Miami, Vienna, and Singapore and the eRechnungs Gipfel in Dusseldorf), development work related to the upgrade of the Navision billing/accounting system, and continuation of the ongoing Agreements revision work to be completed in 2021.

3.2 Expenses

3.2.1 Domiciliation

Domiciliation expenditure remained in line with the budget for 2020.

3.2.2 Fees, Accounting, Tax, and Legal

Fees, accounting, tax, and legal expenditure was higher than budgeted, as OpenPeppol sought further legal advice related to the Agreements revision project work and its impact on the Statutes and Internal Regulations, within the framework of the new Belgian Companies Code.

3.2.3 Professional Fees – Operations

Expenditure on professional fees was higher than originally budgeted due to an expansion of requirements for high level consulting services to support a prolonged (by a year) revision of the Peppol governance framework with its agreements, policies and procedures. This was part of the ongoing Agreement Revision project. Resources were also required for the related agreements migration planning, market development support, and expansion of the CTC project activities.

Additional technical resources were added to support work on the Peppol Development Kit, the CTC Project work that was extended until the end of 2020 and into 2021, development of specifications and initial impact assessment work on the International Invoice (PINT), and the ongoing gap analysis work required to assess the onboarding of potential Peppol Authorities.

3.2.4 Professional Fees – Tools and Consumables

Expenditure was lower than budgeted in 2020 as funds for work on the assessment of the architecture needed for in-sourcing of the SML were focused on completion of other ongoing projects. Additionally, the upgrade of PwC's Navision Accounting system was delayed until 2021 and deferred income allocated to related developments will instead be realised in the year ahead.

3.2.5 Fees – Subscriptions and Memberships

A small increase in the fees related to the annual cost of participation in the CEN/TC 40 and CEN/TC 434 committees was seen in 2020.

3.2.6 Travel Cost

The travel bans and cancelled external events due to Covid-19 restrictions had a significant impact on travel expenditure with only minor costs realised for 2020.

3.2.7 Annual Fairs and Exhibitions

As noted earlier, expenditure on external events was put on hold during 2020 due to Covid-19 restrictions and related cancellations with the exception of a small cost incurred for a single face-to-face Vereon (eRechnungs Gipfel) event held in Dusseldorf in Sept. 2020. OpenPeppol member meetings, including the 12th General Assembly and both the Spring and Autumn Community meetings were held virtually.

3.2.8 Marketing Expenses

Marketing expense was significantly lower than budgeted, again primarily due to Covid-19 restrictions on travel to complete promotional work at events, create videos, carry out live interviews, and related activities.

4 Vote 4 – Decision Item

Approval of the OpenPeppol AISBL Accounts for 2020

The 13th OpenPeppol General Assembly, gathered on the 15th of June 2021, hereby approves the OpenPeppol Accounts for 2020, as stated below:

Year-end Result Dec. 31st, 2020	Income Deferral - Spent in 2020 €	2020 annual position end-December €	Expected GA12 Budget end-December	Variance €
Income		1,265,267 €	1,201,674 €	63,593 €
Membership Fees 2020		1,188,212 €	1,186,225 €	1,987 €
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