



Peppol

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OpenPeppol AISBL Accounts for 2022

15th General Assembly
Background Document for Vote 4

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Table of Contents

1	Introduction to Vote 4: Approval of Accounts	3
2	Overview of the 2022 Results	3
2.1	Table 1: The 2022 Target Budget as approved by GA14	3
2.2	Table 2: The 2022 Year-end result	4
2.3	Table 3: Income Deferral from 2021 to 2022 – How it was spent	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	2022 Accumulated Profit	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, Tax, and Legal	7
3.2.3	Professional Fees – Operations	7
3.2.4	Professional Fees – Tools and Consumables	7
3.2.5	Fees – Subscriptions and 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

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 General Assembly 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 2022 Results

2.1 Table 1: The 2022 Target Budget as approved by GA14

In the table below, the Baseline income figure consists of the expected annual fee amount to be billed to all members approved up to Dec. 31st, 2021, which considered the 10% increase in all membership fee categories decided in late 2021. The Target Budget showed a further 5% increase in fees forecasted for 2022 due to new growth in membership, and how this uplift in income would be allocated to the different expense lines, where increased costs were expected. The resulting GA14 budget was approved at the 14th General Assembly 2022.

2022 BUDGET CALCULATIONS FOR GA14 APPROVAL	2021 Year-end Result	2022 Baseline Budget	Income Uplift of 5% due to growth	Uplift distribution to expense categories	GA14 Target Budget 2022
Income	1.402.034	1.553.899	73.546		1.627.445
Membership Fees	1.329.846	1.536.425	76.821		1.613.246
Income carried forward from previous year	24.292	26.281			26.281
Doubtful Accounts Previous Year Reversed	48.471	56.695			56.695
Allowance for doubtful Accts. Current Year	-56.695	-65.502	-3.275		-68.777
Previous Year Income Deferral - unused	56.120				
Income deferred to next year	158.020				
Expenses	1.217.734	1.526.623	73.546	100%	1.600.169
Domiciliation	3.135	28.135			28.135
Fees/Accounting/Tax/Legal	59.494	80.000			80.000
Professional fees - Operations	1.045.962	1.087.000	44.128	60%	1.131.128
Professional fees- Consumables	89.531	107.031			107.031
Fees & Subscriptions /memberships	1.100	1.100			1.100
Travel Cost	2.758	49.913	11.032	15%	60.945
Annual fairs and Exhibitions	14.935	111.256	11.032	15%	122.288
Marketing expense	0	61.187	7.355	10%	68.542
Bank and Financial Charges	819	1.000			1.000
	26.281	27.276			27.276

2.2 Table 2: The 2022 Year-end result

The table below shows the annual position at the end of 2022 in comparison with the target budget approved at the 14th General Assembly. The deferred income from 2021 is shown in a separate column and noted in the expense accounts where the costs were incurred (see Table 3 in section 2.3. of this document for further details).

Year-end Result Dec. 31 2022	2021 Income Deferred - Spent in 2022	2022 Annual Results end- Dec. 2022	GA14 Target Budget for 2022	Variance
Income		1,746,086	1,627,444	118,641
Membership Fees 2022		1,714,178	1,613,246	100,932
Income carried forward		26,280	26,280	0
Doubtful Accounts Previous Year Reversed		56,695	56,695	0
Allowance for doubtful Accts.		-85,468	-68,777	-16,691
Prev. Year Income Deferrals Reversed		34,400		
Income deferral - ongoing projects/events	158,020	241,869		
Expenses	123,620	1,477,936	1,600,169	-122,233
Domiciliation		3,321	28,135	-24,814
Fees/Accounting, Tax, Legal		55,724	80,000	-24,276
Professional fees - Operations	65,120	1,157,767	1,131,128	26,639
Professional fees- Consumables		108,442	107,031	1,411
Fees & Subscriptions /memberships		1,140	1,100	40
Travel Cost		76,675	60,945	15,730
Annual fairs and Exhibitions	58,500	73,948	122,288	-48,340
Marketing expense		0	68,542	-68,542
Bank and Financial Charges		919	1,000	-81
Surplus		26,280	27,275	

The GA14 budget was based on an expected 5% growth of incoming membership fees for 2022, which was exceeded with a growth rate of 11.57% over the baseline budget. Total income increased by 7.29% over the GA14 target budget in comparison with a 1.3% increase in 2021.

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 GA14.

2.3 Table 3: Income Deferral from 2021 to 2022 – How it was spent

Table 3 shows the Income Deferral of 158,020 € taken at the end of December 2021 and approved by GA14, broken down into the expense categories where it was spent.

Income Deferral from 2021 Year-end	Amount Deferred	Amount Spent in 2022	Unused Deferral returned to income, end of 2022	Comments
Annual Fairs and Exhibitions	58,500.00	58,500.00	0.00	Event sponsorship for eRechnungs Gipfel and eInvoicing Exchange Summits held in Lisbon, Miami and Singapore
Professional Fees, Operations	25,200.00	25,200.00	0.00	Migration to new peppol.org website
Professional Fees, Operations	74,320.00	39,920.00	34,400.00	Agreements migration support
TOTAL	158,020.00	123,620.00	34,400.00	Remaining balance returned to income

This income had been set aside to cover:

- continuing work on the OpenPeppol rebranding for migration to the new website (did not materialise)
- sponsorship of 4 external events in 2022 (eInvoicing Exchange Summits in Miami, Lisbon, Singapore and the eRechnungs Gipfel in Berlin)
- agreements revision and policy implementation work to be continued in 2022.

A part of the deferral totalling 34,400 € was left unspent due to reduced capacity of resources for the Agreements migration work and was reversed back to income accordingly.

3 Detailed explanations for the budget items and Accounting results

Please find the details, clarifications, and comments for the 2022 Accounting items listed below:

3.1 Income

3.1.1 Member fees Billed

The GA14 target budget was based on an expected 5% growth from incoming membership fees for 2022, which was exceeded with an income growth rate of 11.57% over the baseline budget. Total income increased by 7.29% over the GA14 target budget in comparison with a 1.3% increase in 2021.

Growth in member fees was due primarily to a net increase of 20 new members (Japan and Luxembourg being the top new member countries), plus 35 existing members adding the Addressing & Capability Lookup category, and the addition of one new Peppol Authority; the Finnish State Treasury joining in the 2nd quarter of 2022.

The elimination of free Addressing and Capability Lookup membership for S1 members contributed to the substantial income increase in 2022 as well.

3.1.2 2022 Accumulated Profit

Income carried forward from 2021 of 26,280 € remained unused throughout 2022 and the closing balance was unchanged at the end of the year, as stated on the balance sheet in the Accumulated Profit account.

3.1.3 Allowance for doubtful Accounts (Off-boarding)

The fees related to approved off-boarders in 2022 have already been reduced from the year-end member fees and the prior year's accrual of 56,695 € has been reversed into income to offset accordingly. The amount of 85,468 € has been set aside at year-end for doubtful accounts, increased in line with the growth in income and reserved for members that have not paid the annual fees, have not yet responded to requests for payment or submitted requests to off-board their membership.

3.1.4 Income Deferrals

A surplus of 241,869 € has been set aside in deferred income to cover the many projects and activities that will carry on over the calendar year, in particular the revision of the

OpenPeppol Statutes to align with the new Belgian Companies Code, the associated update of the Internal Regulations, and the creation of a contingency fund going forward, to cover activities of the association in the event of a reduction in growth.

3.2 Expenses

3.2.1 Domiciliation

Domiciliation expenditure was lower than budgeted as a provision set aside for an office in Brussels has been put on hold.

3.2.2 Fees, Accounting, Tax, and Legal

Fees, accounting, tax, and legal expenditure was lower than budgeted as a significant part of the legal support expected to bring the Statutes and Internal Regulations in line with the new Belgian Companies Code will be carried out in Q1/Q2 2023.

Furthermore, a periodical review carried out by PwC Belgium of OpenPeppol activities to maintain a non-profit status, scheduled originally for completion in 2022, was postponed to Q1 2023.

3.2.3 Professional Fees – Operations

Expenditure on professional fees was slightly higher than originally budgeted due to additional efforts from the Operating Office to support the Peppol Agreements migration, to continue the work on the Peppol International Invoice (PINT) in preparation for a 2023 roll-out planned for Japan, and for continuing work on the many projects underway to enhance the Peppol Testbed, and to develop the specifications needed for the Reporting mechanism, to align with the new Peppol Governance Framework. Additional resources were recruited in Q4 2022 to support OpenPeppol's involvement in the Proof of Concept project that started in France.

The budget for this expense line was also enhanced by 65,120 € of deferred income from 2021 earmarked for professional fees in 2022.

3.2.4 Professional Fees – Tools and Consumables

Expenditure was slightly higher than budgeted due to increases in server and licensing costs, mainly due to an increase in the value of the UD dollar, in which most such fees are denominated.

PKI certificate usage remained stable as new member implementations were offset in part to reduced usage through member consolidations and off-boarding.

Costs foreseen to upgrade the billing system were put on hold to be re-assessed following the migration from MS Navision to Business Central which has provided some enhanced functionality.

3.2.5 Fees – Subscriptions and Memberships

Fees related to the annual cost of participation in the CEN/TC 40 and CEN/TC 434 committees were only slightly higher (40 €) than the budget for 2022.

3.2.6 Travel Cost

Travel expense was higher than budgeted due primarily to increases in airfare and accommodation costs that followed from the removal of the Covid-19 restrictions.

Expenditure was mainly on travel for the 4 external events (Miami, Berlin, Lisbon and Singapore) where OpenPeppol had an increased presence following 2 years of virtual/hybrid events, plus the resumption of face-to-face meetings, including a significant presence at the OpenPeppol F2F member meetings in Brussels held in November 2022.

Increased travelling for the entire OO to attend the November 2022 meetings and more key OO resources to the Exchange Summit meetings was considered necessary after 2 years without any travel, for the new OO colleagues to meet each other, the members, and the important stakeholders around the world. The 2022 rate of travelling will not be continued in 2023 onwards.

3.2.7 Annual Fairs and Exhibitions

Expenditure was lower than budgeted, due primarily to the holding of a remote (rather than F2F) General Assembly in April 2022 and was enhanced by the addition of 58,500 € deferred income set aside in 2021 to support the sponsorship of the 4 main external events in 2022 (Miami, Berlin, Lisbon, and Singapore).

The remaining costs were incurred through event costs for booth equipment/signage, hosting of strategic management meetings, plus the initial meetings for the planning of the PoC project in France, and finally to host the first F2F member meetings in over 2 years, which included a special evening event to celebrate OpenPeppol' s 10-year anniversary in November of 2022.

3.2.8 Marketing Expenses

Marketing expense earmarked for new branding materials and videos was not spent primarily due to resource availability. These activities will resume in 2023.

4 Vote 4 – Decision Item

Approval of the OpenPeppol AISBL Accounts for 2021

The 15th OpenPeppol General Assembly, gathered on the 8th of June 2023, hereby approves the OpenPeppol Accounts for 2022, as stated below:

Year-end Result Dec. 31 2022	2021 Income Deferred - Spent in 2022	2022 Annual Results end- Dec. 2022	GA14 Target Budget for 2022	Variance
Income		1,746,086	1,627,444	118,641
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Annual fairs and Exhibitions	58,500	73,948	122,288	-48,340
Marketing expense		0	68,542	-68,542
Bank and Financial Charges		919	1,000	-81
Surplus		26,280	27,275	