



Peppol

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OpenPeppol AISBL Accounts for 2023

17th 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 OpenPeppol 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 2023 Results

2.1 Table 1: The 2023 Target Budget as approved by GA15

In the table below, the target income figure consists of the expected annual fee amount be billed in 2023, to all members approved up to Dec. 31st, 2022. Since 2022 was the first year OpenPeppol experienced lower net growth in members than in previous years, a conservative approach was taken, and no uplift in income was applied for 2023. The resulting GA15 budget was approved at the 15th General Assembly 2022.

2023 Budget Calculation for GA15 Approval	Results End of Year 2022	2021 Deferrals/ Accruals spent in 2022	Total Actual Costs in 2022	Target Budget 2023
Income	1,746,086		1,957,981	1,982,328
Membership Fees	1,714,178		1,714,178	1,714,178
Income carried forward - Accum. Profits	26,280		26,280	26,281
Doubtful Accounts Previous Year Reversed	56,695		56,695	85,468
Allowance for doubtful Accts. Current Year	-85,468		-85,468	-85,468
Prev. Year Income Deferral Reversed	34,400		158,020	241,869
Expense accruals in previous year			88,275	0
Income deferred to next year	241,869		241,869	119,565
Expenses	1,477,936		1,689,831	1,836,482
Domiciliation	3,321		3,321	3,321
Fees/Accounting/Tax/Legal	55,724		55,724	85,000
Professional fees - Operations	1,157,767	153,395	1,311,162	1,484,292
Professional fees- Consumables	108,442		108,442	115,000
Fees & Subscriptions /memberships	1,140		1,140	1,140
Travel Cost	76,675		76,675	51,675
Annual fairs and Exhibitions	73,948	58,500	132,448	83,054
Marketing expense	0		0	12,000
Bank and Financial Charges	919		919	1,000
	26,281		26,281	26,281

2.2 Table 2: The 2023 Year-end result

The table below shows the annual position at the end of 2023 in comparison with the target budget approved at the 15th General Assembly. The deferred income of 241,869 € from 2022 is shown in a separate row as an increase in income, to be used across the expense accounts in 2023 primarily to support costs over budget for Fees/Accounting/Tax/Legal and for Professional Fees – Operations, as reflected in the details in section 3 of this document.

Year-end Result Dec. 31 2023	GA15 Target Budget for 2023	Annual Results end-Dec. 2023	Variance
Income	1,982,328	2,208,258	225,930
Membership Fees	1,714,178	1,942,025	227,846
Income carried forward - Accum. Profits	26,281	26,280	0
Doubtful Accounts Previous Year Reversed	85,468	85,468	0
Allowance for doubtful Accts. Current Year	-85,468	-87,384	-1,916
Prev. Year Income Deferral Reversed	241,869	241,869	
Income deferred to next year	119,565	152,800	
Expenses	1,836,482	2,027,845	191,363
Domiciliation	3,321	3,040	-281
Fees/Accounting/Tax/Legal	85,000	121,624	36,624
Professional fees - Operations	1,484,292	1,634,114	149,822
Professional fees- Consumables	115,000	114,798	-202
Fees & Subscriptions /memberships	1,140	1,250	110
Travel Cost	51,675	59,654	7,979
Annual fairs and Exhibitions	83,054	80,720	-2,334
Marketing expense	12,000	11,542	-458
Bank and Financial Charges	1,000	1,102	102
	26,281	27,613	

A month-to-month rolling budget was used to control spending throughout the year and increases above the target budget were taken into consideration to cover additional spending in the second half of the year.

3 Detailed explanations for the budget items and Accounting results

Please find the details, clarifications, and comments for the 2023 Accounting items listed below:

3.1 Income

3.1.1 Member fees Billed

The GA15 budget for 2023 was based on a conservative approach with no uplift in income projected, since 2022 was the first year OpenPeppol had experienced lower net

growth in members than in previous years. However, as membership increased by a net of 39 new regular members (plus 11 members joining at a reduced rate for the France PoC project) the 2023 membership fee income exceeded the target budget by 13.3%.

Growth in membership fees was due to the addition of 2 new Peppol Authorities in Malaysia and Luxembourg, and continued growth of members joining primarily in France (PoC project), Malaysia, Belgium, Germany, and Greece. The fees increase for new members joining from July 1st, 2023, was also a contributory factor.

Income carried forward from 2022 of 26,281 € remained unused throughout 2023 and the closing balance increased slightly at the end of the year to 27,613 €, as stated on the balance sheet in the Accumulated Profit account.

3.1.2 Allowance for doubtful Accounts (Off-boarding)

The fees related to approved off-boarders in 2023 have already been reduced from the year-end member fees, where credited and the prior year's accrual of 85,468 € has been reversed into income to offset accordingly. The amount of 87,384 € has been set aside at year-end for doubtful accounts, increased only slightly to reserve for members that have not paid their annual fees, have not yet responded to requests for payment or have not submitted requests to off-board their membership.

3.1.3 Income Deferrals

A surplus of 152,800 € 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 ongoing support of the France PoC project, to continue enhancing capability in the Operating Office and to maintain a contingency fund going forward, to cover the core activities of the association in the event of a reduction in growth.

3.2 Expenses

3.2.1 Domiciliation

Domiciliation expenditure which covers primarily the virtual (Regus) office service in Brussels, was only slightly lower than budgeted for 2023, due to a reduction in handling/distribution of incoming correspondence and couriers.

3.2.2 Fees, Accounting, Tax, and Legal

Fees, accounting, tax, and legal expenditure was higher than budgeted as a significant amount of legal support was needed to bring the Statutes and Internal Regulations in line with the new Belgian Companies Code. This included several iterations of the

documents and supporting materials, the presence of PwC and a Belgian Notary at GA16, plus the associated translations and filings at the Belgian Court.

Additional accounting costs were incurred for a periodical review and online workshops, facilitated by PwC Belgium to look at all core OpenPeppol activities, in view of maintaining a non-profit status and to ensure our position had not changed from both a Corporate tax and VAT perspective since the initial assessment in 2012. The 36,624 € increase in 2023 expenditure was offset by income deferred from 2022 accordingly.

3.2.3 Professional Fees – Operations

Expenditure on professional fees was higher than originally budgeted due to additional efforts from the Operating Office to support the France PoC project, to continue work on the Peppol International Invoice (PINT) and associated roll-out in Japan and planned implementation in Malaysia, ongoing work on the Peppol Directory and continued work on the Reporting mechanism to align with the Peppol governance framework. Additional efforts were also focused on the finalisation of the new Statutes and preparation of an additional General Assembly to enable members to vote on the changes.

The budget for this expense category was enhanced by 149,822 € of deferred income from 2022 which was earmarked for 2023 expenditure.

3.2.4 Professional Fees – Tools and Consumables

Expenditure was just slightly under budget as OpenPeppol was able to take advantage of a change in the rules for reduced pricing from Atlassian (Confluence/Jira/Service Desk) for non-profit organisations to offset any increases in other software and services usage, for example the need for voting software/support for a 2nd General Assembly. PKI certificate usage remained stable as new member implementations were offset in part to reduced usage through member consolidations and off-boarding.

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 than the budget for 2022, due to an increase not notified in advance.

3.2.6 Travel Cost

Travel expense was higher than budgeted primarily due to additional meetings in Paris to support the French PoC project, our presence at a Luxembourg symposium to support the new Peppol Authority/announced eInvoicing legislation, also the necessity to hold a second General Assembly in November to facilitate the vote on the new statutes of the

association. Travel expense for the annual Vereon events (Dubai, Miami, Berlin, Dublin, and Singapore) was kept to a minimum with a significantly reduced presence, except for the event in Dublin in October 2023.

3.2.7 Exhibitions

Expenditure was slightly lower than budgeted, due the reduced presence at four of the five annual Vereon events (the Exchange Summits and eRechnungs Gipfel), as the unused sponsorship tickets from the spring events were transferable for attendance at the Dublin event where OpenPeppol held a CTC workshop and maintained a booth.

Costs were incurred for equipment/signage (Luxembourg eInvoicing Symposium, Dublin, and Singapore Exchange Summits) and facilities/catering costs for hosting of strategic management meetings, and for key external meetings such as the OECD and PoC project meetings in France.

3.2.8 Marketing Expenses

Marketing expense was slightly under budget and used entirely for the design and production of the new Peppol concept video, to be used initially in Japan.

4 Vote 4 – Decision Item

Approval of the OpenPeppol AISBL Accounts for 2023

The 17th OpenPeppol General Assembly, gathered on the 16th of April 2024, hereby approves the OpenPeppol Accounts for 2023, as stated below:

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