ZEP Advisory Council 50

22nd March 2017

Agenda Item 2: Secretariat update

2.a. Finance update

Appended to this paper is the ZEP financial update.

2.b. Nominations for the Advisory Council

The meeting will be notified of nominations to the Advisory Council and the voting process.

2.c. Government Group

The GG has nominated Gerdi Breembroek, Netherlands, as their Permanent Observer to the ZEP. Gerdi will be invited to update the AC on the recent meeting of the GG.

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ZEP Advisory Council 50

22nd March 2017

Agenda Item 2.a: Finance update

Attached to this note is the 14th March ZEP-Communications financial management report. This covering note provides commentary on developments since the finance report to the AC49.

Expenditure

- Outstanding invoices total €33,996 from Ardnacraggan (Energy Services) Ltd for services from September 2016 to February 2017.
- It was agreed at the February ACEC call to use a new hosting facility for the ZEP website. This will be substantially cheaper than Karakas and the forecast spend on the website for 2017 has been reduced by €2,500.
- To ensure that payments to smaller contractors can be met a small cash reserve has been established. As of the 14th March the cash situation at the bank was €9,469.

2017 Income

- A total of €122,500 of income has already been received through early or pre-invoicing of 2017 contributions.
- To deliver balanced ZEP-C accounts by the end of 2017 is forecast to require €201,000 of income in 2017. To reach this requires an additional €78,500 of invoices to be issued in 2017.
- To date there has been confirmation of an additional €42,500 of income from 2017 contributions from;
    - Port of Rotterdam: Has agreed to provide sponsorship of €12,500.
    - Total: Have also confirmed that they will contribute in 2017 this support is estimated to be €30,000.
- Discussions have commenced with a number of other potential sponsors for 2017. At the time of drafting this pre-read the supporting organisations and respective sums are not confirmed but early estimates suggest that if all organisations were to support then the additional income could be as high as €50,000;
    - Gassnova: Contributed €20,000 to ZEP Network activities in 2016.
    - Gassnova (€10,000) – sponsorship for the General Assembly.
    - MHPS / MHI: Discussions have begin on whether they can provide additional support in 2017; perhaps €20,000. Given internal restructuring this will not be resolved before April 2017.

- EPPSA: The Secretariat participated in the January EPPSA Board meeting to discuss CCS developments and their engagement in ZEP. The EPPSA Board decided, as in 2016, that individual companies would consider sponsoring ZEP but to date it has not been possible to identify companies in a position to support ZEP.

2016 auditor's report and 2017 budget

- The auditors have drafted their report for the year to 31st December 2016 and are waiting for confirmation letters from the Directors before it is released.
- The auditor's report and 2017 budget will be presented for approval at the ZEP-C AGM which is expected to be held shortly after the release of the auditor's report.

Net position

- The goal of having ZEP-C accounts in balance by the end of 2017 is still deliverable. The table below shows outturn ZEP-C expenditure for 2016 and 2017 forecast income and draft budget.
- There is an income assumption of €201,000 for both 2016 and 2017.

Expenditure			
Activity	Budget 2016 (€)	Outturn 2016	Budget 2017
Basic Comm & PA	122,941	95,318	
Admin / auditing	8,000	6,368	8,000
Website	5,000	2,850	5,000
Legal advice	2,000	2,400	2,000
Secretariat	120,750	120,750	
Chair	53,667	81,997	67,992
Contingency	2,833	2,609	2,833
Total expenditure	315,191	312,291	85,825
		Forecast 2016 + 2017 expenditure	**398,116**
		Forecast 2016+2017 ZEP-C income	**402,000**
		Net profit /loss	**3,884**

Forecast 2017

TBC	**Starting point 2017 (= Left over budget 2016)**

Budget management: Expenditure against 2017 budget

Activity	*Contractor*	*Budget 2017*	*Comments*	*To date Spent*	*Comments*	*To Date Committed*	*Comments*	*2017 Total Spent*	*Comments Relative to budget*
Administration / Auditing	Adams accountants / Nijs & Partners	€ 8 000		€ 578				€ 8 000	
Website maintenance	Karakas	€ 5 000		€ 1 400				€ 2 500	New hosting arrangements
Legal advice	Lawsquare	€ 2 000						€ 2 000	
Chair	Ardnacraggan Energy Services	€ 67 992		€ 11 332				€ 67 992	
Contingency		€ 2 833		€ 452				€ 2 833	
Total 2017		**€ 85 825**		**€ 13 762**		**€ 0**		**€ 83 325**	**Total budget spent 2017**

Spent: Actually paid or contractually due for delivered work
Committed: Based on signed contracts, yet to be approved invoices or founded estimates

Spent + Committed € 13 762
Remaining total budget € 72 063

Cash management of ZEP Communications VZW / ASBL

Income situation

Category	*Source*	*Outstanding invoices*	*Comments*	*Pending invoices*	*Comments*	*Received payments*	*Comments*		
2017 contributions	O&G					€ 90 000	BP, Statoil, Shell	€ 90 000	
	OEM							€ 0	
	Others (confirmed)			€ 42 500		€ 32 500	TCE, PoR, Total, HeidelbergCement	€ 75 000	PoR and Total confirmed support
	Others (Potential)			€ 50 000			Gassnova, MHPS, Gassnova GA sponsorship	€ 50 000	Discussions commenced, income estimated
General	VAT return	€ 689	VAT declar 2017/01+02	€ 242	Invoices 2017 to be rec.	€ 512	REIMBURS 16Q4		
Total outstanding / pending ZEP-C		**€ 689**		**€ 92 742**				**€ 215 000**	**Total forecasted income 2016**

Cash situation (of 28 February 2017)

Current account (KBC - Business compact rekening)			€ 9 368
Savings account (KBC - Spaarrekening)			€ 101
Actual cash at bank and in hand			**€ 9 469**

TBC	**Forecasted Left over budget 2017**

Expenditure situation

Source		*Outstanding invoices*	*Comments*	*Pending invoices*	*Comments*
Short term creditors		€ 26 074	Multiburo + Karakas + ARDNACRAGGAN + Adams	€ 7 058	ADAMS+NIJS+ARDNACRAGGAN
Outstanding invoices in spent to date, to be paid		**€ 26 074**		**€ 7 058**	

Cash boundaries

Minimum virtual financial position (all creditors paid, no more income) **€ 23 662-**
Maximum virtual financial position (all creditors paid, all income realised) **€ 69 768**