

ZEP Advisory Council 51

5th July 2017

Agenda Item 2: Secretariat update

2.a. Finance update

Appended to this paper is the ZEP financial update.

2.b. ZEP-C AGM

Appended to this paper are the minutes of the ZEP-C AGNM which was held on the 29th June.

2.c. Nominations for the Advisory Council

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

ZEP Advisory Council 51

5th July 2017

Agenda Item 2.a: Finance update

Attached to this note is the 29th June ZEP-Communications financial management report. This covering note provides commentary on developments since the finance report to the AC50.

Expenditure

- Outstanding invoices total €50,994 from Ardnacraggan (Energy Services) Ltd for services from September 2016 to May 2017.
- To ensure that payments to smaller contractors can be met a small cash reserve has been established. As of the 29th June the cash situation at the bank was €4,924.

2017 Income

- Delivering balanced ZEP-C accounts by the end of 2017 is forecast to require €201,000 of income in 2017
- A total of €122,500 of income has already been received through early or pre-invoicing of 2017 contributions.
- Invoices have been issued for an additional €42,500 of income from;
 - Port of Rotterdam: €12,500.
 - Total: €30,000.
- To balance the accounts requires an additional €36,000 of invoices to be issued in 2017.
- Discussions have commenced with a number of other potential sponsors;
 - ExxonMobil: Met with the Chair and asked for more information on ZEP's activities (€30,000).
 - Gassnova: Contributed €20,000 to ZEP Network activities in 2016.
 - Gassnova (€10,000) – sponsorship for the General Assembly.
 - MHPS / MHI: Discussions have begun on whether they can provide additional support in 2017; perhaps €20,000.

2016 auditor's report and 2017 budget

- The auditor's report and 2017 budget were approved at the ZEP-C AGM which was held via teleconference on the 29th June. Further information is contained in the Minutes of the ZEP-C AGM.

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

Budget management: Expenditure against 2017 budget

Activity	Contractor	Budget 2017	Comments	To date Spent	Comments	To Date Committed	Comments
Administration / Auditing	Adams accountants / Nijs & Partners	€ 8 000		€ 2 109			
Website maintenance	Karakas	€ 5 000		€ 860			
Legal advice	Lawsquare	€ 2 000		€ 2 068			
Chair	Ardnacraggan Energy Services	€ 67 992		€ 33 996			
Contingency		€ 2 833		€ 1 047			
Total 2017		€ 85 825		€ 40 080		€ 0	

2017 Total Spent	Comments Relative to budget
€ 8 000	
€ 2 500	New hosting arrangements
€ 2 000	
€ 67 992	
€ 2 833	
€ 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 € 40 080
 Remaining total budget € 45 745

Cash management of ZEP Communications VZW / ASBL

Category	Source	Outstanding invoices	Comments	Pending invoices	Comments	Received payments	Comments
2017 contributions	O&G					€ 90 000	BP, Statoil, Shell
	OEM						
	Others (confirmed)	€ 42 500				€ 32 500	TCE, PoR, Total, HeidelbergCement
	Others (Potential)			€ 50 000			Gassnova, MHPS, Gassnova GA sponsorship

€ 90 000	
€ 0	
€ 75 000	PoR and total support confirmed
€ 50 000	Discussions commenced on support, income est.

General	VAT return	€ 1 263	VAT declar 2017/01+02+03+04+05+	€ 435	Invoices 2017 to be rec.	€ 512	REIMBURS 16Q4
Total outstanding / pending ZEP-C		€ 43 763		€ 50 435			

€ 215 000	Total forecasted income 2016
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Cash situation (of 30 June 2017)

Current account (KBC - Business compact rekening)			€ 6 551
Savings account (KBC - Spaarrekening)			€ 101
Actual cash at bank and in hand			€ 4 924

Expenditure situation

Source		Outstanding invoices	Comments	Pending invoices	Comments
Short term creditors		€ 51 734	ARDNACRAGGAN + Adams	€ 8 171	ADAMS+NIJS
Outstanding invoices in spent to date, to be paid		€ 51 734		€ 8 171	

Cash boundaries

Minimum virtual financial position (all creditors paid, no more income)

€ 54 981-

Maximum virtual financial position (all creditors paid, all income realised)

€ 39 217

ZEP Communications ASBL

**Square de Meeus 38/40
1000 Brussels
Registration number: 0833.198.128
RPM Brussels**

**Resolutions of the General Assembly
of the 29th June 2017**

The meeting is held on 29 June 2017 at 14:00 until 14:35. The meeting is opened by Mr. Luke Warren.

After this introduction, it is agreed that Mr Graeme Sweeney will be the Chairman of this meeting.

Attendance

Are present or validly represented, the Members, as listed in the attendance list, as attached to these minutes.

The Chairman states that the meeting is validly convoked, by convocation letter dated 14th June 2017. Reference is made to the Members' list attached hereto, by virtue of which it is clear that at least 3 Members are present or duly represented, so that the general meeting can validly deliberate upon all the points of the agenda.

Agenda

The Chairman states that the agenda of this meeting is the following:

1. Attendance to the meeting
2. Approval of the annual accounts as per 31 December 2016
3. Approval of the 2017 budget
4. Appointment and dismissal of Directors
5. Special proxy for publication/filing purposes of the amendments

Deliberation and decisions

1. Attendance to the meeting

First of all, reference is made to the presence of certain non-members, i.e:

- Mr Luke Warren, ZEP secretariat
- Mr Lamberto Eldering, Statoil, as an observer on behalf of Olav Skalmeraas.

The Members decide unanimously that these attendees are allowed to attend the meeting, without however having voting powers.

The Members decide to appoint Mr Luke Warren as secretary of this meeting in order to draft the minutes including the deliberations and decisions taken.

2. Approval of the annual accounts as per 31 December 2016

The directors have drafted the annual accounts as per 31 December 2016 which are annexed to these minutes as Annex 1.

The members noted the "Emphasis of Matter Paragraph" contained within the report. The members approve unanimously the annual accounts as per 31 December 2016.

3. Approval of the 2017 budget

The directors have drafted the 2017 budget which is annexed to these minutes as Annex 2.

The members approve unanimously the 2017 budget. The members noted that Karakas will only be the contractor for website maintenance for part of 2017.

4. Appointment and dismissal of Directors

The members were informed that Charles Soothill wishes to be dismissed as a member of the Board of Directors. The members unanimously approved the dismissal of Charles Soothill as a member of the Board of Directors.

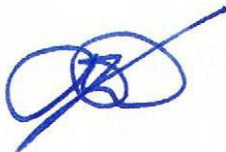
The members were informed that Rob van der Meer wishes to be appointed as a member of the Board of Director. The members unanimously approved the appointment of Rob van der Meer as a member of the Board of Directors.

5. Special proxy for publication/filing purposes of the amendments

The Members decide unanimously to empower Mrs Elise De Baerdemaecker or Mr Rachid El Abr acting solely for the handling of all formalities regarding the mandatory publication of the resolutions with respect to the appointment and dismissal of directors in the Annexes to the Belgian Official Gazette.

There being no further items on the agenda, the meeting is closed by the Chairman.

Signed by the Chairman of the board and of the meeting and the Secretary, being Graeme Sweeney and Luke Warren.



Graeme Sweeney



Luke Warren

ZEP Communications ASBL

**Square de Meeus 38/40
1000 Brussels
Registration number: 0833.198.128
RPM Brussels**

**Members' attendance list of the General Assembly
of the 29th of June 2017**

Name	Capacity	Present
Bracht, Mart van	Member	Proxy to F Neele
Eldering, Lamberto	Observer	On behalf of O Skalmeraas
Hauge, Frederic	Member	Proxy to J Helseth
Hazeldine, Stuart	Member	Present
Kaladjian, Francois	Member	Proxy to P Le Thiez
Littlecott, Chris	Member	Present
Meer, Rob van der	Member	Proxy to J Helseth
Sweeney, Graeme	Member	Present
Toulhoat, Pierre	Member	Proxy to D Bonijoly
Warren, Luke	ZEP secretariat	Present

**The Board of Directors
ZEP Communications vzw
Square de Meeus 38/10
1000 Brussels**

**INDEPENDENT AUDITOR'S REPORT OF THE BALANCE SHEET AND INCOME STATEMENT
OF ZEP COMMUNICATIONS VZW AS AT DECEMBER 31, 2016 AND FOR THE YEAR ENDED
DECEMBER 31, 2016**

We have audited the accompanying balance sheet and income statement of ZEP Communications vzw as at December 31, 2016 and for the year ended December 31, 2016 (together "the financial statement").

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with those requirements of the Financial Reporting Framework in Jurisdiction in Belgium relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement.



nijs
roeckens | bedrijfsrevisoren

We have obtained from the board of Directors and company officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of ZEP Communications vzw as at December 31, 2016 and for the year ended December 31, 2016 in accordance with those requirements of the Financial Reporting Framework in Jurisdiction in Belgium relevant to preparing such a financial statement.

Emphasis of Matter Paragraph

Without prejudice to our opinion expressed above, we draw your attention to the "Note from the Board of Directors related to the balance sheet and income statement" as is annexed to the financial statement in which it is mentioned that the association has a negative net equity of -135.747,16 EUR. This circumstance refers to the existence of an uncertainty of material importance which can arise significant doubt about the ability of the association to maintain its continuity.

Wilrijk, February 24, 2017

Nijs Roeckens Certified Auditors bvba
Represented by

Karel Nijs
Certified Auditor
Partner



**Annex 1: balance sheet and income statement of ZEP Communications vzw as at
December 31, 2016 and for the year ended December 31, 2016**

ASSETS		31/12/2016
<u>Fixed Assets</u>	<u>20/28</u>	<u>411,00</u>
Financial Assets	28	411,00
Other shares and securities	284/8	411,00
Amounts receivable and cash guarantees	285/8	411,00
<u>Current Assets</u>	<u>29/58</u>	<u>59.825,85</u>
Amounts receivable within one year	40/41	24.855,27
Trade debtors	40	24.200,00
Other amounts receivable	41	655,27
Cash at bank and in hand	54/58	34.970,58
TOTAL ASSETS	20/58	60.236,85

LIABILITIES		31/12/2016
<u>Net Equity</u>	<u>10/15</u>	<u>-135.747,16</u>
Accumulated positive (negative) results	14	-135.747,16
<u>Liabilities</u>	<u>17/49</u>	<u>195.984,01</u>
Amounts payable within one year	42/48	195.984,01
Trade debts	44	73.484,01
Suppliers	440/4	73.484,01
Advances received on contracts in progress	46	122.500,00
TOTAL LIABILITIES	10/49	60.236,85



PROFIT AND LOSS ACCOUNT		31/12/2015
Operating income	70/74	311.096,16
Turnover	70	191.000,00
Other operating income	74	120.096,16
Operating expenses	60/64	-312.382,94
Services and other supplies	61	-312.382,94
Other operating charges	640/8	0,00
Operating positive or negative result	70/64	-1.286,78
Financial income	75	12,18
Income from current assets	751	12,18
Other financial income	752/9	0,00
Financial charges	65	-648,04
Interest and other debt charges	650	-96,16
Other financial charges	652/9	-551,88
Positive/negative result on ordinary activities before taxes	70/65	-1.922,64
Positive/negative result of the year	70/66	-1.922,64
Taxes	67/77	-3,25
Taxes	670/3	-3,25
Positive/negative result of the year	70/67	-1.925,89
Positive/negative result of the year	70/68	-1.925,89

Note from the Board of Directors related to the balance sheet and income statement

Despite a negative equity of -135.747,16 EUR, the balance and the income statement has been drafted under the assumption of the continuity. After all, the negative results have been substantially caused

- by the fact that the creditors and clients are closely involved themselves in the financial management of the organization, and;
- the Board of Directors expects that the 2017 income will be sufficient for ZEP.

Budget ZEP Communications 2017

<i>Activity</i>	<i>Contractor</i>	<i>Budget 2017</i>
Administration / Auditing	Adams accountants / Nijs & Partners	€ 8 000
Website maintenance	Karakas	€ 5 000
Legal advice	Lawsquare	€ 2 000
Chair	Ardnacraggan Energy Services	€ 67 992
Contingency		€ 2 833
Total 2017		€ 85 825