ZEP Advisory Council 59

05th June 2019

Agenda Item 2: Secretariat update

2.a. Finance update

Appended to this paper is the ZEP finance update.

2.b. ZEP-C financial report

Appended to this paper is the ZEP-C financial report.

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ZEP Advisory Council 59

05th June 2019

Agenda Item 2.a.: Finance update

Attached to this note is the 3rd May ZEP-Communications financial management report. This covering note provides commentary on developments since the AC58.

2019 ZEP-C Budget

- The AC58 adopted a revised 2019 ZEP-C budget which included two additional elements. Firstly, €45,000 has been allocated towards increased communication activity in 2019. These funds are held by ZEP-C and the ERG will identify enhanced communication opportunities. The ERG has agreed that at present these funds should be retained for opportunities in the 2H 2019 when the new Brussels institutions are established. Secondly, ZEP-C will seek to generate a budget surplus in 2019 of €50,000 which will allow the development of reserves to cover any potential future funding shortfalls.
- 2019 Income: Since the AC58 the invoices from BP, Equinor and Shell have been settled. The Crown Estate has informed ZEP that they are not in a position to support ZEP-C in 2019. This is largely a result of not having sufficient internal resources to engage with ZEP activities. In 2018 The Crown Estate provided €12,500 of support and so forecast income for 2019 is now €167,500.
- Given the reduction in income from the loss of the Crown Estate the forecast surplus is less than anticipated. The ACEC considered this matter and noted that there may still be under spend from Public Affairs which could mean that the surplus returns to the previously forecast level.
- The ACEC therefore remains comfortable with the forecast 2019 budgeted expenditure. The AC is invited to consider whether it remains comfortable with the forecast expenditure given the changes to forecast income.

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Budget management: Expenditure against 2019 budget

Forecast 2019

€ 40 144	**Starting point 2019 (= Left over budget 2018)**

Activity	*Contractor*	*Budget 2019*	*Comments*	*To date Spent*	*Comments*	*To Date Committed*	*Comments*	*2019 Total Spend*	*Comments Relative to budget*
Administration / Auditing	Adams accountants / Nijs & Partners	€ 8 000		€ 1 442				€ 8 000	
Website maintenance		€ 1 000		€ 0				€ 1 000	
Legal advice	Lawsquare	€ 4 000		€ 0				€ 4 000	
Chair	Ardnacraggan Energy Services	€ 67 992		€ 22 664				€ 67 992	
Contingency		€ 4 000		€ 920				€ 4 000	
Public affairs		€ 45 000		€ 0				€ 45 000	
Total		**€ 129 992**		**€ 25 026**		**€ 0**		**€ 129 992**	**Total budget 2019**

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

Spent + Committed	€ 25 026
Remaining total budget	€ 104 966

Cash management of ZEP Communications VZW / ASBL

Category	**Source**	Issued invoices	Comments	Pending invoices	Comments	Received payments	Comments		
2019 contributions	O&G	€ 30 000	Total			€ 90 000	BP, Equinor, Shell,	€ 120 000	
	OEM							€ 0	
	Others (confirmed)	€ 12 500	Port of Rotterdam	€ 15 000	Gassnova	€ 20 000	Heidelberg, Havenbedrijf	€ 47 500	
	Others (Potential)								
General	VAT return	€ 1 064	VAT declar 2019/04	€ 145	Invoices 2019 to be rec.	€ 4 038	REIMBURS 18 Q 3		
Total outstanding / pending ZEP-C		**€ 43 564**		**€ 15 145**				**€ 167 500**	**Total forecasted income 2019**

Cash situation (of 30 April 2019)

Current account (KBC - Business compact rekening)			€ 111 055
Savings account (KBC - Spaarrekening)			€ 101
Actual cash at bank and in hand			**€ 111 157**

77,651.74	**Forecast reserves end 2019**

Expenditure situation

Source		*Outstanding invoices*	*Comments*	*Pending invoices*	*Comments*
Short term creditors		€ 6 240		€ 835	VDL + CA
Outstanding invoices in spent to date, to be paid		**€ 6 240**		**€ 835**	

Cash boundaries

Minimum virtual financial position (all creditors paid, no more income)	**€ 104 082**
Maximum virtual financial position (all creditors paid, all income realised)	**€ 162 790**