

2.8_Finance Report to the 3rd ExCo meeting

Matters for the ExCo

1. The ExCo are asked to approve the 2020 Financial Statement.
2. The ExCo are asked to approve the final 2021 Budget.
3. The ExCo are asked to approve the setting up of a new financial entity and bank account, based in New Zealand, to facilitate the management of the TCP's finances.

Background

4. The financial statement for 2020 has been completed by the TCP's accountant (see section 1 of this paper). The draft budget for 2021 has been updated and finalised (see section 2). The ESC has analysed options for the new financial entity and proposes setting up a New Zealand (NZ) Incorporated Society and bank account in NZ (see section 3 and Paper 2.8a).

1.1 2020 Financial Statement

The summary of the UsersTCP Common Fund income and expenditure, compared to budget, for the 2020 financial year (January 2020 – December 2020) is shown in Table 1.

Table 1: UsersTCP Income & Expenditure Summary, 2020 financial year versus 2020 budget

2020	2020 Actuals Jan-Dec 2020	2020 Budget Full year	Notes
INCOME			
Opening Balance 01/01/20	€ 228,098	€ 160,849	
2020 ExCo Fees	€ 80,000	€ 155,500	(1)
2021 ExCo Fees	€ 10,000		(2)
Total Income	€ 318,098	€ 316,349	
EXPENDITURE			
Head of Secretariat Fees	€ 69,900	€ 65,000	(3)
Secretariat Support Fees	€ 19,561	€ 30,740	(4)
Meetings travel/expenses (605)	€ 242	€ 3,000	
Outreach travel/expenses (633)	€ 432	€ 2,000	
Communications expenses (661)	€ 6,225	€ 4,500	(5)
ExCo Projects (673)	€ -	€ 20,000	
Payable expenses (683)	€ 2,378	€ 4,000	
Accountant (691)	€ 2,985	€ 3,600	
Other finance and bank fees (802)	€ 394	€ 2,000	
Total Expenditure	€ 102,116	€ 134,840	
BALANCE	€ 215,981	€ 181,509	(6)

Notes:

1. 7 members paid 2020 fees in 2019.
2. Ireland paid 2021 fees in 2020.
3. ExCo approved €5,000 transfer from OA travel budget (605) to OA fees (Oct 2020).
4. ExCo approved combining of Secretariat fees to budget.
5. Communication expenses included charges from LVDI for website support and 2019 charges from Weberweb (previous website support) submitted late.
6. A 2019 expense was paid in 2020 (€1,763) and 2020 fees for Canada were outstanding at 31 December 2020 resulting in a Net Balance at bank of €224,218.

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1.2 2020 Financial Statement notes

The financial position of the TCP at the end of the 2020 financial year was better than budget due to the underspend in most expense categories, including the combined Secretariat fees.

The €20,000 allocated to ExCo Projects will be carried forward to 2021.

2.1 2021 Budget

The proposed budget for 2021 is shown in the following Table.

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Table 2:													
UsersTCP Budget - 2021													
(EURO)	2021												Total
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	
Income													
General funds carried forward	215,981												215,981
2020 Fees	10,000												10,000
2021 Fees	20,000	20,000	10,000	10,000	20,000	10,000	20,000	10,000		10,000	10,000		140,000
Other income													
Total Income	30,000	20,000	10,000	10,000	20,000	10,000	20,000	10,000	0	10,000	10,000	0	365,981
Expenditure													
Head of Secretariat Fees	5,000	5,000	7,000	7,000	4,000	4,000	4,000	3,000	7,000	7,000	4,000	3,000	60,000
Secretariat Support Fees	3,190	2,610	2,610	2,900	2,610	2,610	2,030	1,740	2,610	2,900	2,610	2,320	30,740
Meetings travel/expenses (605)				1,500						1,500			3,000
Graphic design - Annual Report			2500										2,500
Outreach travel/expenses (633)			500			500			500			500	2,000
Communications expenses (661/666)	450	450	450	450	450	450	450	450	2,600	450	450	450	7,550
OECD Survey (674)												35,000	35,000
ExCo Projects (674)				10,000						10,000			20,000
Payable expenses (683)	292	292	292	292	292	292	292	292	292	292	292	292	3,500
Accountant (691)			500		1,000		500			600			2,600
Other finance and bank fees (802)	500		500			500		1,000		500	500	500	4,000
Total Expenditure	9,432	8,352	14,352	22,142	8,352	8,352	7,272	6,482	13,002	23,242	7,852	42,062	170,890
Running Balance	236,550	248,198	243,846	231,705	243,353	245,001	257,730	261,248	248,246	235,005	237,153	195,091	

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2.2 2021 Financial Position

Table 3 shows the projected financial position of the Common Fund for the 2021 financial year.

- While the overall result for the year is a cash deficit, there is still a healthy balance at the end of the year.
- The commitment of the TCP to collaboration projects in 2021 with the 4E EDN Annex on Plug and Play Devices, and contribution to the OECD Household Survey sees us allocate €55,000 in Project Fees.
- Cost savings have been made with changes in website hosting and support, and the proposed financial entity changes will see ongoing savings in accounting fees.

Table 3: Common Fund financial position 2021

IEA User-Centred Energy Systems Technology Collaboration Programme PROJECTED FINANCIAL POSITION 2021					Foot- note
26/03/21					
ASSETS/LIABILITIES (end of year)					
Net assets 01.01		€ 215,981		(1)	
Net profit/loss 2021		- 20,890			
Net assets 12.31 ("common fund")		195,091			
PROFIT/LOSS					
Total income		150,000			
Operating expenses		- 166,890			
Extraordinary expenses		-			
Financial expenses		- 4,000			
Profit/loss (net contribution to Common Fund)		- 20,890			
3 INCOME		150,000			
30 Member payments		150,000			
31 Interest		-			
32 Other income		-			
6 OPERATING EXPENSES		166,890			
60 Facilitation of ExCo and ESC meetings		38,760			
601 Preparing meetings		15,220			
6011 Secretary	5,220				
6012 OA	10,000				
602 Participating in meetings		15,800			
6021 Secretary	5,800				
6022 OA	10,000				
603 Minutes and follow-up meetings		3,740			
6031 Secretary	1,740				
6032 OA	2,000				
604 Chair updates		1,000			
605 Travel costs meeting		3,000		(2)	
61 IEA Reporting		8,530			
611 Annual report		4,450			
6111 Secretary	1,450				
6112 OA	3,000				
612 Other IEA reporting		1,580			
6121 Secretary	580				
6122 OA	1,000				
613 Graphic design - Annual Report		2,500		(3)	
62 Legal		5,160			
621 Legal issues, TCP		1,580			
6211 Legal issues, TCP (Secr.)	580				
6212 Legal issues, TCP (OA)	1,000				
622 Legal issues, annex		580			
6221 Legal issues, annex (Secr.)	580				
6222 Legal issues, annex (OA)	-				
623 Guidelines (OA)		3,000			
63 Outreach/liaising		9,000			
631 Outreach, network		3,000			
632 Outreach, new members		4,000			
633 Outreach, travel/expenses		2,000			

EUR 100	EUR 58
Hours OA	Hours Secr.
230	220
100	90
100	100
20	30
10	
40	35
30	25
10	10
40	20
10	10
30	10
70	0
30	
40	

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64	Research support	6,000	60	0
641	Annex initiation	3,000	30	
642	Annex guidance	3,000	30	
65	Academy	4,450	30	25
651	Academy management (OA)	2,000	20	
652	Academy promotion	2,450	10	25
653	Academy, other expenses (OA)	-		
66	Communications	20,460	45	145
661	Website/email dev., hosting and maint.	1,550	(4)	
662	Website	5,850		
6621	Website (secl.)	4,350		75
6622	Website (OA)	1,500	15	
663	Social media	2,160		
6631	Social media (Secl.)	1,160		20
6632	Social media (OA)	1,000	10	
664	Newsletters/Policy Briefs	2,870		
6641	Newsletter/PB's (Secl.)	870		15
6642	Newsletter/PB's (OA)	2,000	20	
665	Comms other, Data Asset Mgmt	2,030		35
666	Communications expenses	6,000	(5)	
67	Strategy and policy	61,000	60	0
671	TCP Strategy	1,000	10	
672	TCP Positioning	1,000	10	
673	ExCo-initiated research	4,000	40	
674	ExCo Projects fees	55,000	(6)	
68	Other support functions	7,110	10	45
681	Other secretariat functions (incl. Annex/Task support)	2,610		45
682	Other OA functions	1,000	10	
683	Payable expenses	3,500		
69	Finances	6,420	15	40
691	Accountant, annual fee	2,600		
692	Financial management (Secl.)	2,320		40
693	Financial management (OA)	1,500	15	
			600	530
7	EXTRAORDINARY EXPENSES	-		
8	FINANCIAL EXPENSES	4,000		
80	Bank services	4,000		
801	Payment fees	-		
802	Other finance and bank fees	4,000	(7)	

FOOTNOTES:

- (1) 2020 Actual
- (2) 2021 travel is unknown, maintain 2020 reduced budget
- (3) Expense re-named
- (4) Incl. website hosting (VentralP) & new support contractor
- (5) New account item - Graphic designer for 4 x newsletters, policy briefs, contingency for Comms Strategy consultant
- (6) Approved fees for Plug and Play project and OECD survey
- (7) Includes set-up costs for new financial entity

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2.3 Q1 2021 (January to March 2021)

- Expenditure for the first quarter of 2021 is shown below. March includes costs of producing the Annual Report by the graphic designer, and finance expenses relating to expert advice on the new financial entity.

EXPENDITURE 2021 BY MONTH					
	Jan-21	Feb-21	Mar-21	YTD 2021	
EXPENSE CATEGORY	Total Expenditure (Euros)	Total Expenditure (Euros)	Total Expenditure (Euros)	Total Expenditure (Euros)	Full Year BUDGET 2021
Head of Secretariat Fees	€ 3,650.00	€ 4,550.00	€ 4,750.00	€ 12,950.00	€ 60,000.00
Secretariat Support Fees	€ 2,160.50	€ 1,609.50	€ 2,537.50	€ 6,307.50	€ 30,740.00
Travel & expenses - Meetings (HoS)				€ -	€ 3,000.00
Travel & expenses - Outreach (HoS)				€ -	€ 2,000.00
Graphic design - Annual Report			€ 1,329.30	€ 1,329.30	€ 2,500.00
Website hosting & support	€ 125.22	€ 127.80	€ 129.14	€ 382.16	€ 1,550.00
Communications Expenses			€ 443.00	€ 443.00	€ 6,000.00
ExCo Projects				€ -	
- Plug and Play				€ -	€ 20,000.00
- OECD Survey				€ -	€ 35,000.00
Payable Expenses	€ 339.97	€ 49.51	€ 50.50	€ 439.98	€ 3,500.00
Accountant				€ -	€ 2,600.00
Other financial expenses	€ 353.62	€ 47.68	€ 1,319.75	€ 1,721.05	€ 4,000.00
TOTAL FOR PERIOD	€ 6,629.31	€ 6,384.49	€ 10,559.19	€ 23,572.99	€ 170,890.00

- At the end of March, 2021 fees have been received from 10 members (Canada will be invoiced in April 2021), and expenditure is tracking as forecast.
- Table 4 shows the cumulative income and expenditure of the Common Fund for January to March 2021 compared to budget.
- Funds have been received from the Netherlands for participation in the BI Platform and will be held on behalf until the next phase has started and the new Task Leader has commenced.

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Table 4: UsersTCP 2021 Financial Statement by Month (Cumulative)

UsersTCP 2021							
Financial Statement By Month							
(Cumulative)							
2020	2021 Actuals As At Jan-21	2021 Budget As At Jan-21	2021 Actuals As At Feb-21	2021 Budget As At Feb-21	2021 Actuals As At Mar-21	2021 Budget As At Mar-21	2021 Budget Full Year 2021
INCOME							
Opening net bank balance 01/01/21	215,981	215,981	215,981	215,981	215,981	215,981	215,981
2020 ExCo Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000
2021 ExCo Fees	30,000	20,000	70,000	40,000	90,000	50,000	140,000
Other income	193		193		20,193		
Total Income	256,174	245,981	296,174	265,981	336,174	275,981	365,981
EXPENDITURE (incl GST where applicable)							
Head of Secretariat Fees	3,650	5,000	8,200	10,000	12,950	17,000	60,000
Secretariat Support Fees	2,161	3,190	3,770	5,800	6,308	8,410	30,740
Meetings travel/expenses (605)	-	-	-	-	-	-	3,000
Graphic design - Annual Report (613)	-	-	-	-	1,329	2,500	2,500
Outreach travel/expenses (633)	-	-	-	-	-	500	2,000
Communications expenses (661/666)	125	450	253	900	825	1,350	7,550
Plug and Play Project	-	-	-	-	-	-	20,000
OECD Survey	-	-	-	-	-	-	35,000
Payable expenses (683)	340	292	389	585	440	878	3,500
Accountant (691)	-	-	-	-	-	500	2,600
Other finance and bank fees (802)	354	500	401	500	1,721	1,000	4,000
Total Expenditure	6,629	9,432	13,014	17,785	23,573	32,138	170,890
BALANCE	249,545	236,550	283,160	248,196	312,601	243,843	195,091
DEBTORS							
Australia 2021	10,000		10,000		10,000		
Austria 2021	10,000		10,000				
Belgium 2021	10,000		10,000		10,000		
Finland 2021	10,000						
Korea 2021	10,000		10,000		10,000		
New Zealand 2021	10,000		10,000		10,000		
Norway 2021	10,000		10,000				
CREDITORS							
NET BALANCE	319,545		343,160		352,601		

3.1 New TCP Entity Proposal

- The recommended action from the ESC/Secretariat for the set-up of a new financial entity for the operations of the TCP is detailed in Paper 2.8a.
- The Finance sub-committee received the proposal in March 2021 and will escalate to the ExCo meeting for further discussion if deemed necessary.