



Financial Report 2015

Fourty Seventh Executive Committee Meeting
Pre-Meeting Document (PMD) – Part 1

17 – 18 March, 2016
Stockholm, Sweden





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Financial Report

47th Executive Committee Meeting
(17 – 18 March, 2016)
Stockholm, Sweden

Prepared by Boris Papousek with support from Anne Bengtson

This report is submitted to the IEA DSM ExCo meeting in Stockholm, Sweden, with a request for the ExCo to:

- Approve the financial report 2015

1. Financial Report for 2015

in US \$	2014	2015	
Category	Performance	Budget Plan	Performance
OVERVIEW			
Opening Balance	661,00		657,00
Replenishment of Common Fund	270.000,00		240.000,00
Income	146.209,00		50.858,00
Total Income	416.870,00		291.515,00
Total expenditure	-176.213,00		-192.658,73
Close Out End of Year	-240.000,00		-98.500,00
End of Balance	657,00		356,27
YEAR 2015			
INCOME			
Common Fund	154.697,00	128.000,00	58.858,00
Seed Funding	-8.488,00		-8.000,00
Total Income	146.209,00	128.000,00	50.858,00
EXPENSES			
Operating Expense			
ExCo Support	-79.149,00	-60.000,00	-56.198,00
ExCo Ccommunication		-6.000,00	-972,00
Advisor	-29.220,00	-30.000,00	-33.909,00
ExCo Reserve Fund		-10.000,00	
Operating Expense	-108.369,00	-106.000,00	-91.079,00
Information Activities			
Annual Report	-15.907,00	-17.000,00	-14.728,73
Spotlight Newsletter	-12.612,00	-20.000,00	-17.519,50
Website	-33.790,00	-20.000,00	-60.486,00
DSM Brochure & Task Flyers	-850,00	-5.000,00	-3.733,50
Information Activities Expense	-63.159,00	-62.000,00	-96.467,73
Total Operating Expense	-171.528,00	-168.000,00	-187.546,73
Financial Expenses			
Accounting Fees	-4.000,00	-5.000,00	-4.000,00
Annual License Renewal	-210,00	-200,00	-210,00
Bank Service Charges	-475,00	-1.800,00	-902,00
Total Financial Expenses	-4.685,00	-7.000,00	-5.112,00
Total Expenses	-176.213,00	-175.000,00	-192.658,73

The table shows the financial status for the year 2015 compared to the budget 2015 and to the year 2014. Remarks and explanations for deviations are as follows:

Income:

Income is made up exclusively of Common Fund country payments.

11 countries have so far paid their 2015 invoices (6 countries paid at the end of 2014 and 5 countries have paid in 2015). Norway paid for 2 years. In addition, Ireland (new to the DSM ETI) already paid for 2016.

More information on the status of payments by members is given below.

Seed financing is shown separately as reduced income or repaid money:

2014: USD 10,254 for Task 25 (Duneworks)

USD -1,766 paid back by Task 24

2015: USD 8,000 for task 26 (Eco Diagnostic)

Expenses:

Expenses consist of operating expenses, expenses for information activities and financial expenses:

The operating expenses for 2015 are below the budgeted figures (- \$ 14.921) and below the 2014 numbers; even when not counting the budgeted ExCo reserve.

Expenses for information activities are considerably higher than the budgeted values (+ \$ 34.468). This is due to the much higher workload in connection with the development and launch of the new website on 1 July 2015. The Executive Committee Secretary has committed significant time to the preparation and launch of the website and clearing out the DSM database during the reporting period. This has been essential to ensure all material and contact data is available and up-to-date.

The printing costs for the DSM brochure (produced in 2015) were paid in 2016, so they are included in the 2016 financial year.

All other categories including the financial expenses are below budget.

Balance:

As a result of the items highlighted above, the overall expenses have increased compared to 2014 by \$ 16.018 and compared to 2015 budget by \$ 19.547.

At the same time the common fund payments are - \$ 69.142 below their budgeted value. However, as mentioned, some countries already paid in 2014 giving a higher replenishment of the common fund in the beginning of the year 2015.

The DSM Common Fund was replenished by \$240,000 being equal to the amount of 2014's close out. The close-out of the year 2015 is \$ 98.500. Therefore, a considerably decrease of the common fund must be stated, showing again the need for the agreed increase of the country contributions to the common fund.

Attached is the detailed list of bookings in the IEA DSM account. However, as the print is of 12/18/15 the following bookings are not yet included and must be added:

2015-12-28 Common Fund Ireland: USD 10.968

2015-12-29 Common Fund Belgium: USD 7.975

2015-12-31 KM Group (Spotlight): USD 3.000

2. Current Status of DSM Common Fund Payments by Country

COUNTRY	2011	2012	2013	2014	2015
Austria*	☺	☺	☺	☺	☺
Belgium*	☺	☺	☺	☺	☺
Canada	☺	☺	-	-	-
Finland*	☺	☺	☺	☺	X
India*	☺	☺	☺	☺	X
Italy*	☺	☺	☺	☺	☺
Korea*	☺	☺	☺	☺	X
Netherlands*	☺	☺	☺	☺	☺
New Zealand*	☺	☺	☺	☺	☺
Norway*	☺	☺	☺	☺	☺
Spain*	☺	☺	☺	☺	X
Sweden*	☺	☺	☺	☺	☺
Switzerland*	☺	☺	☺	☺	☺
UK*	☺	☺	☺	☺	☺
US*	☺	☺	☺	☺	X
RAP**	☺	☺	☺	Excused	Excused
ECI**			☺	☺	☺
Not current members:					
Australia	-	\$ 2,347	-	-	-
France*	☺	☺	☺	-	-

* : member country, ** : sponsor (2015)

Countries which have not paid their 2015 invoice: X

USA (2015), paid 27 January 2016

Finland (2015), financial dept. of TEKES confirmed that they have paid for 2015

India (2015), Korea (2015) and Spain (2015): not yet paid

As discussed at the last ExCo meeting the timing of country payments into the Common Fund, and the difficulty in identifying which payments relate to what member countries is creating complications for budgeting and potentially masking the rate of depletion of the reserves. This has implications for the end-of-year balance as shown above.

Beginning in January 2016, the subscription of \$11,000/per country/year will be invoiced in accordance with the decision to raise the Common Fund per country as agreed by the Executive Committee. Invoices will be sent out at the beginning of January 2016 (instead of November the year before) to help overcome the problem of seeing which year a payment should be allocated to. It is requested that all member countries make payment of these subscriptions promptly upon invoice.


In addition, in order to overcome the difficulty in identifying receipts from member countries as raised above, the following was agreed at the last ExCo meeting:

- When a country has paid their invoice, Executive Committee members are requested to send a copy of their invoice along with other payment proof to Joe Miller joe@accountaxenterprises.com with copies to anne.bengtson@telia.com.

3. Budget 2016

in US \$	2015	2016
Category	Performance	Budget Plan
OVERVIEW		
Opening Balance	657,00	
Replenishment of Common Fund	240.000,00	
Income	50.858,00	
Total Income	291.515,00	
Total expenditure	-192.658,73	
Close Out End of Year	-98.500,00	
End of Balance	356,27	
YEAR 2015		
INCOME		
Common Fund	58.858,00	176.000,00
Seed Funding	-8.000,00	
Total Income	50.858,00	176.000,00
EXPENSES		
Operating Expense		
ExCo Support	-56.198,00	-71.000,00
ExCo Ccommunication	-972,00	-5.000,00
Advisor	-33.909,00	-20.000,00
ExCo Reserve Fund		-10.000,00
Operating Expense	-91.079,00	-106.000,00
Information Activities		
Annual Report	-14.728,73	-17.000,00
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DSM Brochure & Task Flyers	-3.733,50	-5.000,00
Information Activities Expense	-96.467,73	-62.000,00
Total Operating Expense	-187.546,73	-168.000,00
Financial Expenses		
Accounting Fees	-4.000,00	-5.000,00
Annual License Renewal	-210,00	-1.000,00
Bank Service Charges	-902,00	-2.000,00
Total Financial Expenses	-5.112,00	-8.000,00
Total Expenses	-192.658,73	-176.000,00

The budget for 2016, which was adopted at the 46th ExCo meeting in Halifax, is shown here for the information of the ExCo delegates, as well.



The 2016 income budget is based upon 16 subscriptions for the year being paid in that year (USD 11.000 each), and the budgeted expenditure for 2016 matches the income. In addition, Ireland has become a member and already paid their 2016 fee. Plus, the outstanding payments for 2015 are expected to come in in 2016 giving the reserves again a little raise.

This budget will halt the depletion of reserves and allow us to carry forward the final balance without further erosion of value.

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