

Formal session

Agenda Item F6: Members approval

Document F6.1.1: Financial closure 2021 – Office report

This document was prepared by the EuroGOOS Office to provide an overview of the EuroGOOS financial activity and official 2021 closure, explain the incomes and expenditures in comparison with the previous years, and give a future budget projection.

1. FINANCIAL OVERVIEW

1.1. EUROGOOS SOURCES OF INCOME

1.1.1. MEMBERSHIP CONTRIBUTIONS

EuroGOOS has 44 members and the total member contribution remained the same compared with the previous year (Figure 1). The member contributions agreed in 2014 have remained unchanged and are fixed upon 2023. The deviation in the member contributions relates to the members leaving and joining the association. Unpaid member contributions amounted to 23 500 € at the end of 2021 (was 57,500 € at the end of 2020).

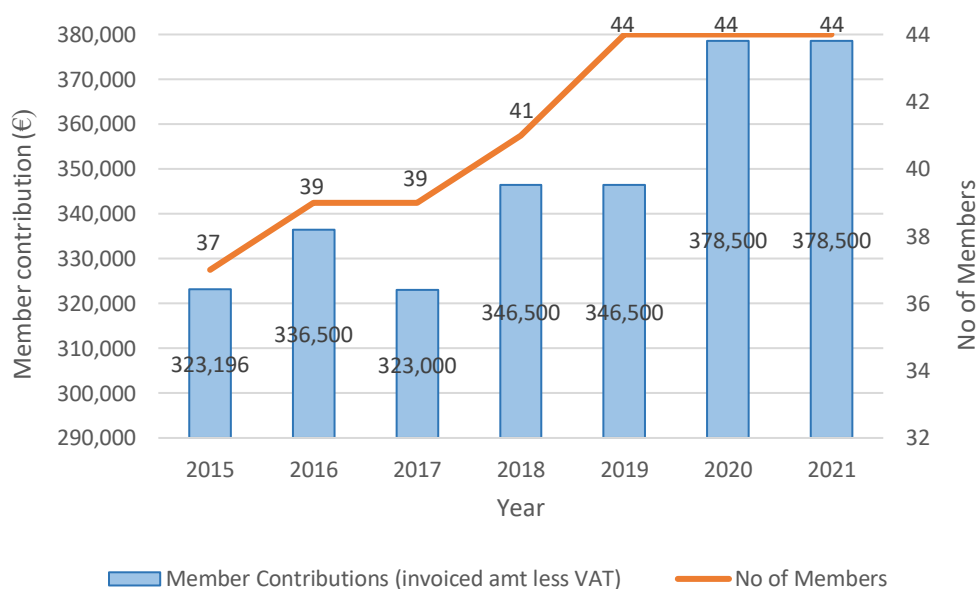


Figure 1. Membership contribution to the EuroGOOS budget and number of members in the last seven years.

1.1.2. EXTERNAL INCOME

EuroGOOS has been involved in many EU contracts and projects since the establishment of its legal entity. External income from the projects and contracts is an essential addition to the EuroGOOS core financing from member contributions (Figure 2). Table 1 below illustrates the contracts and projects EuroGOOS has been involved in since 2015. In 2021, the DOORS project kicked off on 1 June.

Table 1. The budget allocated to EuroGOOS from EU projects and contracts.

YEAR	EU CONTRACT	BUDGET FOR EUROGOOS	FUNDS RECEIVED	EU PROJECT	BUDGET FOR EUROGOOS	FUNDS RECEIVED
2015	Baltic CP	54,000 €	54,000 €	AtlantOS	387,825 €	372,982 €
	ProAtlantic CP	40,000 €	40,000 €	Columbus	113,375 €	83,150 €
	CMEMS INSTAC	50,000 €	50,000 €	ENVRI Plus	117,750 €	116,745 €
				Jerico Next	122,750 €	66,710 €
2016	EEA Copernicus	300,000 €	297,144 €	INTAROS	168,125	165,083 €
	Mercator CMEMS	190,000 €	190,000 €	SeaDataCloud	67,500 €	22,189 €

	EMODnet Ingestion	50,000 €	7,368 €		
2017	EMODnet 3	100,000 €	100,000 €		
2018	CMEMS INSTAC2	50,000 €	50,000 €		
2019				EuroSea	618,000 €
				FORCOAST	52,310 €
2020	EEA COINS	220,000 €*	157,820 €**	JERICO S3	128,200 €
				JERICO DS	80,375 €
2021				DOORS	200,000 €

*Indicative budget for tasks EuroGOOS was leading, not all funds through EuroGOOS

** Subcontracted to EuroGOOS member organisations in an amount of 54,700 €

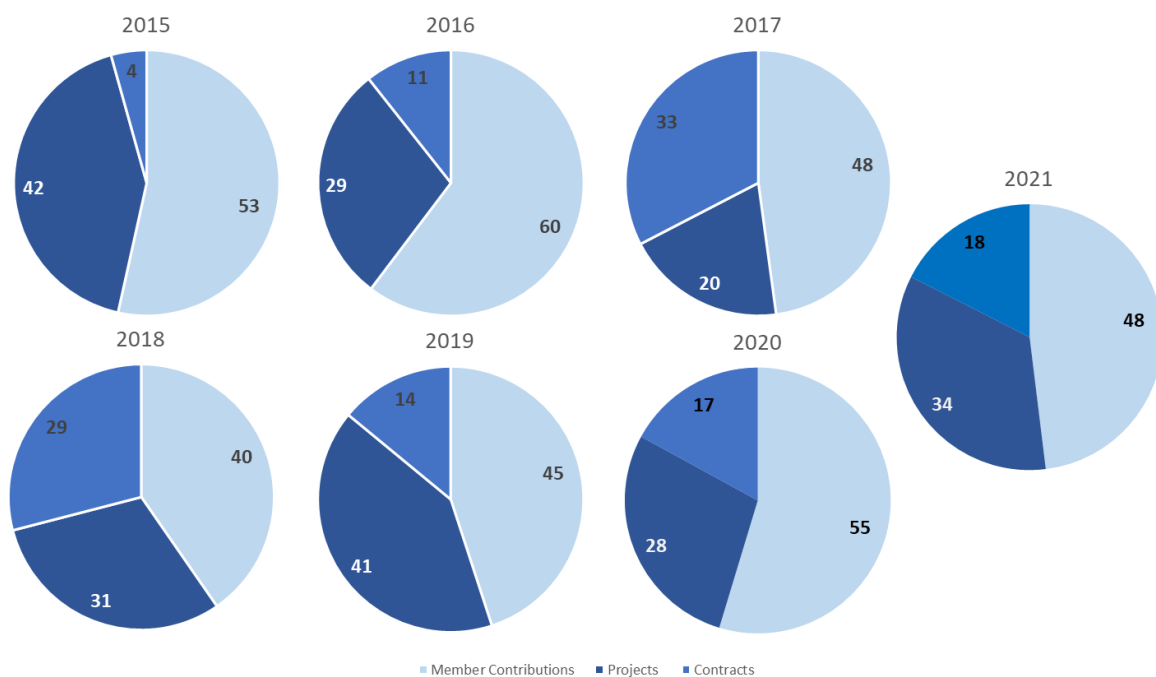


Figure 2. Percentage per type of income in total EuroGOOS budget.

1.2. EUROGOOS EXPENDITURES

EuroGOOS expenditure is broken down into various categories (Table 2), allowing to monitor of EuroGOOS spending and assisting in budgeting for the coming years. Employment costs include, besides the salary, also several employee benefits and the cost of external experts. Employment of Communication Officer, Science Officer, and update of some staff contracts in 2020 increased the overall employment cost. Due to the COVID 19 pandemic and connected restrictions, travel costs and expenses for meeting organisations were still low in 2021 compared with the pre-pandemic years. The external services in 2021 include subcontracting of EuroGOOS member organisations for tasks under the EEA COINS project (59%), costs for legal assistance (19%), and accountant fees (14%). The increase in the publication and dissemination costs is related to external projects (25%), the websites (EuroGOOS,

ROOS) updates and design, conference proceedings, EuroGOOS strategy, and ocean literacy policy brief design costs.

Table 2. Overview of EuroGOOS expenditure broken down by class in €.

YEAR	EMPLOYMENT	TRAVEL	MEETINGS	EXTERNAL SERVICES	PUBLICATION & DISSEMINATION	RUNNING EXPENSES, EQUIP & OTHER COSTS
2015	297,122.00	98,657.00	17,181.40	16,301.82	10,784.00	18,095.71
2016	429,659.18	74,050.00	15,989.00	16,857.20	36,075.14	13,525.37
2017	453,787.36	90,669.56	12,942.47	32,507.00	31,513.05	13,532.60
2018	441,022.00	79,040.00	24,309.71	23,165.74	26,788.60	18,025.13
2019	423,852.14	66,616.84	13,530.25	19,112.88	27,335.98	33,182.41
2020	513,375.37	14,951.99	2,742.43	23,762.65	16,483.67	29,767.79
2021	574,712.94	961.43	7,308.02	92,310.86	31,622.94	18,260.80

The overall expenditure and the income received for 2015-2020 and for 2021 to be presented to the Belgian authorities (Document F6.1.2) are shown in Table 3. The income amount includes the invoiced member contributions, invoiced contracts, EU projects pre-payments, and periodic payments received during the calendar year. Accumulated assets include cash at the bank, fixed assets (accommodation rented office, furniture, office equipment), and the difference between the amounts receivable and payable.

Table 3. Overview of EuroGOOS income, expenditure, and surplus/deficit in €.

YEAR	INCOME	EXPENDITURE	SURPLUS/DEFICIT	ACCUMULATED PROFITS/LOSSES	CLOSING BANK BALANCE
2015	350,374.30	458,141.93	-107,767.63	464,356.42	469,128.41
2016	559,227.60	586,155.89	-26,928.29	437,428.13	393,564.69
2017	675,265.34	634,952.04	40,313.30	477,741.43	457,577.01
2018	858,528.58	612,351.18	246,177.40	723,918.83	617,538.29
2019	770,347.84	583,221.13	187,126.71	911,045.54	768,600.06
2020	720,668.75	591,306.42	129,362.33	1,040,407.87	901,735.59
2021	830,590.02	735,849.94	94,740.08	1,135,147.95	1,045,417.02

Due to the success in obtaining external funds during the last years, the surplus on the business account has increased, but it also includes a substantial amount of pre-payment to be used in the coming years. EuroGOOS received pre-payment for the DOORS project in the amount of 106,667 € in June 2021 in addition to a significant amount of pre-payments received for other projects in 2019-2020 that are still to be used. In December 2021, interim payments for EuroSea (214,368 €) and FORCOAST (15,004 €) projects were also received.

2. FINANCIAL REPORT 2021

EuroGOOS AISBL financial closer 2021 is presented in Annex 1. Members are asked to approve the report together with the official accounts for the Belgian authorities given in Document F6.1.2. The reports' differences are related to how the fixed assets and the income from the EU projects are taken into account.

3. PROJECTIONS FOR THE FUTURE

EuroGOOS is presently in an outstanding financial status having considerable funds in business and reserve accounts (31/12/2021 closing balance 1,045,417.02 €, including 380,508 € as project pre-payments). Together with the current membership fees, external funding, reserves, and cash on bank accounts, the operation of the Office with current staff is secured for the next five years.

Due to a considerable workload for the ongoing projects, the full-time staff of the Office will be increased from July/August 2022 till summer 2027 to supplement the resigned Science Officer and complement the Office's competence. Also, the need for a Communication Officer is evident also after 2024. It results in a significant increase in employment costs in the coming years. In addition, the annual indexation of 2% is foreseen by Belgian law (the indexation in 2022 is 4%). The current membership fee, agreed from 2014 and fixed until 2023, does not cover the costs of the permanent staff (Secretary General, Science Officer, Senior Policy and Communication Officer, and Administrator) after 2022. Hence, continuous external funding is necessary to cover partly permanent staff employment costs, costs for other personnel (Communication Officer after 2024, two Science Officers from mid-2022), and all Office running costs. An additional 200 000 – 250 000 € is needed per year, in addition to the currently secured funding, from 2023 to secure Office operations with increased staff.

Table 5. EuroGOOS projected income and expenditure for 2022-2026 in € with current and future (confirmed and planned) external funding. Member contributions are fixed until 2023.

		2021	2022	2023	2024	2025	2026
INCOME	External		97,800	343,500	247,500	246,400	231,000
	Members		378,500	378,500	378,500	378,500	378,500
TOTAL			476,300	722,000	626,000	624,900	609,500
EXPENSES	Employment		575,800	669,300	682,500	695,900	709,800
	Other costs		130,000	130,000	130,000	130,000	130,000
TOTAL			705,800	799,300	812,500	825,900	839,800
DIFFERENCE			-229,500	-77,300	-186,500	-200,900	-230,300
BUSINESS ACCOUNT		819,996	590,500	513,200	326,600	125,700	-104,600
RESERVES			225,420	225,420	225,420	225,420	120,800

Funds in the Business Account in Table 5 refer to the amount at the end of each year. All pre-payments up to date are reflected in the amount in 2022. The income from the ongoing projects and contracts (including EEA COINS 2nd service contract shown for years 2022-2023, ~48.000€; the amounts planned to be channelled to the Members are not considered) is distributed according to the reporting deadlines.

In 2022, Office contributed to the preparation of one EU project and CMEMS tender proposal and led a CINEA tender call proposal (total amount 194,500 €; details can be found in the Office report). These already applied funds are presented together with additional needed external funding (200 000 additional funds on average per year are included in the current projection). Other costs on the Expenses row are projected as a modest flat cost over the years compared with the pre-pandemic period.

FINANCIAL CLOSURE 2021 – OFFICE REPORT

TOTAL ACTUAL					
INCOME		TOTAL	Core	Contracts without reporting obligation	Projects with financial reporting obligation
Member fees		378,500.00	378,500.00	0.00	0.00
Other external income		426,007.92	0.00	137,890.38	288,117.54
Tenders/contracts without financial reporting obligation		137,890.38	0.00	137,890.38	0.00
Projects with financial reporting obligation		288,117.54	0.00	0.00	288,117.54
Other income (interest, VAT reimbursement etc.)		0.00	0.00	0.00	0.00
Internal income		85,202.78	85,202.78	0.00	0.00
From reserves		0.00		0.00	0.00
Project overheads (income)		85,202.78	85,202.78	0.00	0.00
TOTAL INCOME		872,895.84	463,702.78	137,890.38	271,302.67
EXPENSES		TOTAL	Core	Contracts without reporting obligation	Projects with financial reporting obligation
Employment costs (a,b,c)		574,712.94	312,219.04	39,996.57	222,497.32
Other direct costs		150,464.05	87,767.34	54,700.00	7,996.71
Travel and subsistence		961.43	961.43	0.00	0.00
Meeting organisation		7,308.02	7,261.52	0.00	46.50
Office running costs		8,301.24	8,301.24	0.00	0.00
External services		37,610.86	37,610.86	0.00	0.00
Communication and publications		31,622.94	23,672.73	0.00	7,950.21
Equipment		247.94	247.94	0.00	0.00
Other costs (bank fees, etc.)		9,711.62	9,711.62	0.00	0.00
Member subcontracting		54,700.00		54,700.00	0.00
Internal expenses		85,202.78	0.00	27,578.08	57,624.71
To reserves		0.00	0.00	0.00	0.00
Project overheads (to core)		85,202.78	0.00	27,578.08	57,624.71
TOTAL EXPENSES		810,379.77	399,986.38	122,274.65	288,118.74
BALANCE		62,516.06	63,716.40	15,615.73	-16,816.07
CASH FINAL 2021		819,996.36	400,840.80	38,648.68	380,506.87
CASH ON 01/01		676,312.75	344,589.09	-12,144.17	343,867.83
Cash flow		143,683.61	56,251.71	50,792.85	36,639.04
Cash in (+)		896,873.39	412,500.00	173,067.50	311,305.89
Cash out, will be reported in the next period		-5,371.69	-5,371.69		
Cash not paid, but expenses in this period		-6,630.37	-6,630.37		
Cash out, expenses for the previous year		-29,462.63	-29,462.63		
VAT balance		0.00	0.00		
Cash out (-)		-711,725.09	-399,986.38	-94,696.57	-217,042.14
Internal cash flow		0.00	85,202.78	-27,578.08	-57,624.71
Reserves on 2021 (01/01)		225,422.84	225,422.84		
Reserves 2021 (31/12)		225,420.66	225,420.66		
Interest		0.00	-		
Bank charges		2.18	2.18		
Cash flow between the accounts from/to reserves		0.00	-		