

EPMF-PMC Financial report (Q1 2016)

1. EPMF financial report Q1 2016

The accounts of Q1 2016 have been finalized and are presented here below:

		2016 Budget	Expenses by 31/03/2016	Difference Budget- Expenses
2.1	Administrative costs	€ 167.200	€ 56.933	€ 110.267
2.1.1	Salaries and salary-related costs	€ 43.400	€ 8.934	€ 34.466
2.1.2	Office costs	€ 8.700	€ 1.958	€ 6.742
2.1.3	Meeting, travel and accomodation costs	€ 16.500	€ 4.116	€ 12.384
2.1.4	External costs:	€ 98.600	€ 41.925	€ 56.675
	<i>Eurométaux membership fee</i>	€ 85.000	€ 39.837	€ 45.163
	<i>Liability Insurance</i>	€ 1.200	€ 1.290	€ -90
	<i>Legal support</i>	€ 6.200	€ 0	€ 6.200
	<i>Accountancy and audits</i>	€ 4.200	€ 798	€ 3.402
	<i>Chem-Watch Asia Hub</i>	€ 2.000	€ 0	€ 2.000
2.1bis	Projects	€ 20.000	€ 0	€ 20.000
	<i>Tax Committee</i>	€ 0	€ 0	€ 0
	<i>Trade Committee</i>	€ 0	€ 0	€ 0
	<i>EHS Committee</i>	€ 5.000	€ 0	€ 5.000
	<i>Sustaibnability and Raw materials Committee</i>	€ 0	€ 0	€ 0
	<i>Advocacy network</i>	€ 15.000	€ 0	€ 15.000
2.1tris	Building reserves	€ 30.000		
	TOTAL	€ 217.200	€ 56.933	€ 160.267

Expenses are on track, according to budget.

2. PMC financial report Q1 2016

The accounts of Q1 2016 have been finalized and are presented here below:

		2016 Budget to be spent	2016 Budget to be invoiced	2016 Forecast	Expenses by 31/03/2016	Committed	Remaining available budget (2016 budget- Expenses- Committed)
2.1	Administrative costs	€618.800	€618.800	€618.800	€116.098	€323.000	€179.702
2.2	Ag-specific costs	€681.250	€689.903	€681.250	€26.369	€173.251	€481.630
2.3	Au-specific costs	€122.700	€79.550	€311.700	€17.983	€60.411	€44.306
2.4	PM CN- -specific costs	€388.500	€288.200	€388.500	€28.606	€263.598	€96.296
2.5	PGM-specific costs	2.478.250 €	1.785.448 €	€2.488.250	€110.981	1.854.185 €	€513.084
2.5	PGM- horizontal costs					€486.902	€-486.902
2.5a	Pt-specific costs	€1.183.955	€645.102	€1.183.955	€50.479	€615.636	€517.840
2.5b	Pd-specific costs	€572.405	€622.173	€572.405	€18.029	€145.718	€408.658
2.5c	Rh-specific costs	€162.470	€171.217	€162.470	€9.309	€82.064	€71.097
2.5d	Ru-specific costs	€558.420	€345.956	€558.420	€32.114	€513.865	€12.441
2.5e	Ir-specific costs	€1.000	€1.000	€11.000	€1.050	€10.000	€-10.050
2.6	Re-specific costs	€11.400	€11.400	€11.400	€936	€5.000	€5.464
2.7	Refinables-specific costs	€772.550	€277.550	€772.550	€3.986	€246.065	€522.499
2.8	SVHC Roadmap-specific costs	€20.000	€20.000	€0	€0	€0	€20.000
	TOTAL	€5.093.450	€3.770.851	€5.272.450	€304.959	€2.925.510	€1.862.981

As usual, expenses of first quarter of the year are lagging behind due to the fact that invoices related to projects started end of 2015 or early 2016 are not yet sent. However, the commitments are increasing reflecting the increase of activities in preparation of the different 2016 and 2017 internal deadlines.

The Secretariat would like to underline three issues:

1. The registration of **Ir dossiers** were postponed due to the delay in receiving from LR the remaining information needed. This means that the finalisation of the work by consultants has been done end of Q1 2016. The committed budget for the finalisation of the dossier was not reported under "budget to be spent" presented at the Assembly since at that time registration was still foreseen and expected by the end of the year.
2. Au forecast for **TCA repeated OECD 422 testing**: on 28 January 2016, the Management Committee approved the suggestion to repeat the OECD 422 testing on TCA which failed due to a mistake of the lab. Despite numerous efforts from the Secretariat, the chair of the Au WG and the Au WG members, it was confirmed in April that the results of the existing OECD 422 are not scientifically robust and must be repeated. It was agreed that a formal letter will be sent to Covance to be fully reimbursed of the failed OECD 422 (around 100.000€) and of the failed OECD 474 (around 20.000€). This request will be launched in the coming days. However, we cannot wait for the reimbursement before starting the new testing. Moreover, on the top of the costs related to new testing, the forecast include also the costs related to the sample, the costs related to the monitoring of the study, the consultants involved for the derivation of DNELs and the related exposure scenarios. It means that the forecast for 2016 will be of 307.450€ instead of 122.700€ and for 2017 of 145.150€ (included in the budget presented in the draft workplan). The available reserves for Au are of 25.000€. This means that 151.000€ is missing in 2016.

Two options:

- a. Issue an exceptional invoice in 2016 to the Au sub-Assembly members

- b. At PMC level, enough cash flow is available which could allow to invoice the missing budget of 149.000€ in 2017 with the 2017 budget.

The Secretariat recommends option b. Due to the remaining uncertainties related to timing and the fact that expenses are often lagging behind, it could be manageable to invoice the remaining work in 2017. This will also allow the procedure with Covance to start and be able to take this into account in the final invoice to be sent to the Au Sub-Assembly.

3. **PGM project:** as you know, the Secretariat is currently implementing the change in the account structure, moving from a single PGM project to 5 projects (Pt, Pd, Rh, Ru and Ir). It was possible to allocate clearly a part the “committed money” to each new project however, it was not possible to do this for the entire amount (see entry PGM horizontal costs) since the contracts signed mainly with consultants monitoring the studies, preparing IUCLID, Exposure scenarios etc. were signed for the PGM without allocation to the groups of substances. It means that we have 486.902€ which are committed but cannot be directly allocated to a substance. During this transitional period, we will therefore need to keep still a “PGM line” but for the booking of the expenses, we will be able to do it per group of substance since consultants now are required to invoice the different PGMs families separately.