



KIT Royal
Tropical
Institute

BUDGET 2021

KIT Royal Tropical Institute

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1. Introduction

KIT in 2020

In 2020, we have been learning to work with the new reality of COVID-19. The effect on the Knowledge Unit (KU) was fortunately limited. Travel did come to a complete stop, but donors and clients adapted their demands accordingly and our work largely continued. Classes of the health courses moved online, and we completed the academic year with the majority of the students graduating.

In Hospitality, the Conference and Events (C&E) business came to a complete standstill. Room rates were low because of strong competition and low demand. Hotel parking became an important asset to attract customers. We reduced Hospitality staff from around 60 – including temps – to a bare minimum of 18. Real Estate was affected only marginally; we continued to receive new demand from prospective tenants.

Intercultural Professionals (IP) reduced its staff to four.

KIT is forecasted to make a loss of around €2 million as compared to a profit of €2,1 million in 2019. However, by acting fast to reduce staff in Hospitality and IP, and by limiting investments in the complex to a bare minimum, our cash position today stands at almost €18 million and is forecasted to hold up well in 2021.

Before the coronavirus hit, we finalised a thorough review of the KUs' activities, which resulted in a new organisational structure and the merger of the two KUs into one. Major acquisitions for longer term projects were submitted. We consolidated a national SDG House network with six local SDG Houses in the Netherlands. At Real Estate, the building's communal and events spaces were made COVID-19 'proof'. The KU, together with the Marketing Communications (MarComm team, published several blogs dedicated to various aspects of the pandemic, through which we reinforced KIT's profile as a thought leader in this area. We also built and implemented a Project Management Platform throughout the organisation, which was a major step to also make the Quality Management System an integral part of our project management.

We conducted a process to update the KIT strategy for 2021-2024. The process was 'outside-in' and considered the changing context in which we operate. We assessed the progress made in implementing the 2017-2020 strategy and examined – together with internal and external specialists – the global and local trends that affect our work. We identified our strengths, weaknesses, opportunities and threats and updated directions for our focus, our activities, and our ways of operating, taking the new COVID-19 reality into account. We intend to produce the 2021-2024 strategy for approval by the Supervisory Board before year end.

KIT in 2021

For the 2021-2024 strategy, we identified the following six strategic priorities:

1. We will position KIT as thought leader and think-tank through focussed multi-year applied knowledge programmes.
2. We will improve our global presence and impact by building a global partnership organisation.
3. We will improve our impact through enhanced delivery of blended education and training.
4. We will strengthen our impact on SDG's and visibility of our campus which serves as initiator, curator and host of SDG activities.
5. We will strengthen our social enterprise model, in which all units are valued equally and contribute jointly to KIT's mission.
6. We will make our impact more explicit in all we do, both in terms of our internal planning, monitoring and evaluation and externally. Optimizing for impact.

The 2021 budget kicks off the above objectives, but the 2021 budget will be challenging because of the continuing COVID crisis and subsequent economic recession. For 2021, we aim to keep costs unchanged or lower; the salary cost increase is now planned for 0, but we have not completed negotiations with the union. We will limit investments to the bare minimum. The KU will grow in staff in line with the medium-term planning; we have had staff outflow and need to keep the invoicing level sufficiently high to cover support costs. Staff will only be hired if there is direct work in the order book.

It is good to see management and staff responding in these challenging times. We have acted fast in adapting to the new situation, and we continue to develop new ways of working to cope with the immediate future. We will remain vigilant to protect our cash position. There are many talented and inspiring people working together at KIT and we take pride in our achievements by building on what was already achieved over the past few years. We look forward to working together with our staff, Management Team, Supervisory Board, Council of Members and the SDG House community to achieve our objectives and enhance our positive impact in 2021.

Mark Schneiders
CEO KIT Royal Tropical Institute

Budget consolidated overview

	Health & SEDG	SDG House	Real Estate	Totaal BU's	F&O	RVB	Reorganisatie	Totaal Overhead	Vereniging	Hospitality	IP	Holding	Totaal Holding	Total
Project Revenue	17.195.608	488.416	-	17.684.024	-	-	-	-	17.684.024	-	-	-	-	17.684.024
Training Revenue	-	-	-	-	-	-	-	-	-	-	595.000	-	595.000	595.000
Hospitality Revenue	-	-	-	-	-	-	-	-	-	3.565.000	-	-	3.565.000	3.565.000
Real Estate Revenue	-	-	5.951.758	5.951.758	-	-	-	-	5.951.758	-	-	-	-	5.951.758
Other Revenue	-	-	-	-	10.000	-	-	10.000	10.000	-	-	-	-	10.000
Revenue	17.195.608	488.416	5.951.758	23.635.782	10.000	-	-	10.000	23.645.782	3.565.000	595.000	-	4.160.000	27.805.782
Project C.O.S.	7.800.000	-	-	7.800.000	-	-	-	-	7.800.000	-	-	-	-	7.800.000
Training C.O.S.	-	-	-	-	-	-	-	-	-	-	249.750	-	249.750	249.750
Hospitality C.O.S.	-	303.856	-	303.856	-	-	-	-	303.856	679.323	-	-	679.323	983.179
Real estate C.O.S	-	-	1.222.800	1.222.800	-	-	-	-	1.222.800	-	-	-	-	1.222.800
Other C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of services Sold	7.800.000	303.856	1.222.800	9.326.656	-	-	-	-	9.326.656	679.323	249.750	-	929.073	10.255.729
Gross (Project) Margin	9.395.608	184.560	4.728.958	14.309.126	10.000	-	-	10.000	14.319.126	2.885.677	345.250	-	3.230.927	17.550.053
Personel Costs	6.701.794	163.391	645.564	7.510.749	1.622.624	1.266.569	-	2.889.194	10.399.943	1.511.000	296.590	-	1.807.590	12.207.532
External staff costs	-	-	10.000	10.000	2.500	40.500	-	43.000	53.000	-	-	-	-	53.000
Depreciation costs	-	-	1.657.890	1.657.890	100.870	4.019	-	104.889	1.762.779	199.181	-	-	199.181	1.961.960
Housing Costs	-	-	762.500	762.500	-	-	-	-	762.500	1.341.000	-	-	1.341.000	2.103.500
Office Costs	-	-	17.000	17.000	297.330	32.500	-	329.830	346.830	76.000	10.800	-	86.800	433.630
Sales & Marketing	80.000	5.000	-	85.000	-	25.000	-	25.000	110.000	142.000	3.000	-	145.000	255.000
Advisory costs	-	-	30.000	30.000	176.500	30.500	-	207.000	237.000	-	4.500	-	4.500	241.500
Other operating costs	60.000	-	39.000	99.000	12.900	282.164	-	295.064	394.064	144.000	-	-	144.000	538.064
Mutation provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution hours project	-	-	-	-	5.000	-	-	5.000	5.000	-	-	-	-	5.000
Distribution costs overhead	2.696.562	90.667	306.393	3.093.622	(2.090.124)	(1.481.252)	-	(3.571.376)	(477.755)	376.955	100.800	-	477.755	(0)
(in)direct costs	9.538.356	259.058	3.468.347	13.265.761	127.600	200.000	-	327.600	13.593.361	3.790.136	415.689	-	4.205.825	17.799.186
Operational Result	(142.748)	(74.498)	1.260.611	1.043.365	(117.600)	(200.000)	-	(317.600)	725.765	(904.459)	(70.439)	-	(974.898)	(249.133)
Financial Income	20.000	-	-	20.000	(117.600)	-	-	(117.600)	(97.600)	-	-	101.219	101.219	3.619
Extraordinary income & Costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Result participations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial result & Taxes	20.000	-	-	20.000	(117.600)	-	-	(117.600)	(97.600)	-	-	101.219	101.219	3.619
Result after taxes	(162.748)	(74.498)	1.260.611	1.023.365	0	(200.000)	-	(200.000)	823.365	(904.459)	(70.439)	(101.219)	(1.076.117)	(252.752)