

## **BUDGET 2022**

## **KIT**

### **KIT Royal Tropical Institute**

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# 1. Introduction

## KIT in 2021

The COVID-19 pandemic left an indelible mark on 2021, affecting almost every aspect of our lives. It highlighted just how fragile many of our most important systems are, from health systems and economies to education and food chains. Leaving no one behind is at the core of our mission, and many of the impacts of this pandemic lie at the intersection of our work to build strong health systems, push towards gender equality, and to make societies more inclusive and sustainable. The SDGs are the driving force behind what we do, and all of the goals are affected, in some way, by this epidemic.

The pandemic impacted our organization's operations in many different ways. Travel and lockdown restrictions necessitated new ways of working, both with each other and amongst our Dutch partners, SDG House members, students in our educational programmes, and our stakeholders overseas. The impact of COVID-19 restrictions was most keenly felt in our hospitality offering, where the sharp decline in tourism and restrictions on public life forced us to undertake an unfortunate re-organization of this unit. Despite these challenges and with help from the Dutch Government, KIT managed to take the right measures, and our staff were resilient and creative in their adaptation.

At the same time, COVID-19 presented new opportunities for us to share our knowledge with those seeking to fight the pandemic and adapt to a changing world. Our knowledge work in global health, gender equality and economic development took on additional meaning with new mandates to better understand and assess the impact of the pandemic and efforts to stem its growth. In collaboration with our partners and clients, we retooled many of our current projects to look more closely at the epidemic's impact. We also remained committed to transforming our premises into the place to be, work, stay and eat in support of the SDGs. We started renovating the Tropen Hotel and our campus to provide a more holistic offering, one which brings together our hospitality and real estate services with the ongoing efforts of SDG House and our knowledge work.

Financially KIT proved to be resilient too. The Knowledge Unit grew and we welcomed many new colleagues. The order book and pipelines are well filled. This led to a greater ability by the KU to absorb overhead charges. Also, the KU consistently produced positive project results in the past years. A negative is that we still cope with too much work stress in the KU, although we started up a number of programs to counter this. It is great to see that a real transformation has taken place in the Knowledge Unit.

Our building "the SDG House" remains fully occupied and in demand by potential renters. This provides a strong income stream for KIT. Further, our Hospitality Unit quickly bounced back from the forced slowdown due to COVID.

KIT is proud that 5 years after it stopped receiving structural subsidies from the government, it is strong enough to invest in two big projects: the hotel renovation, and the improvement of the energy efficiency in our landmark building dating from 1920. Both projects are very important for the future of KIT.

## KIT in 2022

The after-effects of COVID will still be felt in 2022, especially in Hospitality, and this is a risk in the realization of the budget. Also in the coming year our hotel will be closed for renovation which reduces the rental income from Hospitality with 700.000 from the previous years. Despite this we present a budget with a limited loss, which does include investments for new activities, and a small reduction in billable time for our KU staff to alleviate work pressure. This effectively means that all units are providing positive results.

In 2022, we will strengthen our two-pillar model, in which the Campus Pillar (Real Estate, Hospitality and SDG House) and the Knowledge Pillar (Knowledge Unit) are valued equally and contribute jointly to KIT's mission. We will work on the following six strategic priorities as defined in our strategy 2021-2024:

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 SDGs 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.

In the campus pillar the focus in 2022 will be to a large extent on the renovation of the hotel. This does also come back at several places in this budget document. It does affect our cash position and balance sheet, the rental income of Real Estate and the operational result of KIT Hospitality. In Annex II we will elaborate on the background and rationale of the renovation.

We appreciate the guidance of the Board and Member Council, and we look forward to working together to pursue our strategic objectives in 2022 and build a sustainable and inclusive world.

Mark Schneiders  
CEO KIT Royal Tropical Institute

## 2. Budget overview

### Budget consolidated overview

	KU	SDG House	Real Estate	Totaal BU's	F&O	RVB	Reorganisatie	Totaal Overhead	Vereniging	Hospitality	Holding	CV	Totaal CV	Beheer BV	Eliminatie	Totaal
Project Revenue	16.849.424	48.000	-	16.897.424	-	-	-	-	16.897.424	-	-	-	-	-	(6.234)	16.891.190
Training Revenue	2.871.427	-	-	2.871.427	-	-	-	-	2.871.427	-	-	-	-	-	(161.346)	2.710.081
Hospitality Revenue	-	-	-	-	-	-	-	-	-	3.760.000	-	-	3.760.000	-	(8.120)	3.751.880
Real Estate Revenue	-	-	5.271.473	5.271.473	-	-	-	-	5.271.473	-	-	-	-	-	(642.226)	4.629.246
Other Revenue	-	-	-	-	10.000	-	-	10.000	10.000	-	-	-	-	-	(1.074)	8.926
<b>Revenue</b>	<b>19.720.851</b>	<b>48.000</b>	<b>5.271.473</b>	<b>25.040.323</b>	<b>10.000</b>	<b>-</b>	<b>-</b>	<b>10.000</b>	<b>25.050.323</b>	<b>3.760.000</b>	<b>-</b>	<b>-</b>	<b>3.760.000</b>	<b>-</b>	<b>(819.000)</b>	<b>27.991.324</b>
Project C.O.S.	6.437.500	-	-	6.437.500	-	-	-	-	6.437.500	-	-	-	-	-	(18.224)	6.419.276
Training C.O.S.	1.525.000	-	-	1.525.000	-	-	-	-	1.525.000	-	-	-	-	-	(116.048)	1.408.952
Hospitality C.O.S.	-	-	-	-	-	-	-	-	-	781.000	-	-	781.000	-	(12.002)	768.998
Real estate C.O.S	-	-	1.132.021	1.132.021	-	-	-	-	1.132.021	-	-	-	-	-	-	1.132.021
Other C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost of services Sold</b>	<b>7.962.500</b>	<b>-</b>	<b>1.132.021</b>	<b>9.094.521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.094.521</b>	<b>781.000</b>	<b>-</b>	<b>-</b>	<b>781.000</b>	<b>-</b>	<b>(146.274)</b>	<b>9.729.248</b>
<b>Gross (Project) Margin</b>	<b>11.758.351</b>	<b>48.000</b>	<b>4.139.451</b>	<b>15.945.802</b>	<b>10.000</b>	<b>-</b>	<b>-</b>	<b>10.000</b>	<b>15.955.802</b>	<b>2.979.000</b>	<b>-</b>	<b>-</b>	<b>2.979.000</b>	<b>-</b>	<b>(672.726)</b>	<b>18.262.076</b>
Personnel Costs	8.200.654	47.579	684.359	8.932.592	1.850.153	1.177.766	-	3.027.919	11.960.511	1.679.800	-	-	1.679.800	-	(6.792)	13.633.519
External staff costs	-	50.000	-	50.000	2.500	40.500	-	43.000	93.000	-	-	-	-	-	-	93.000
Depreciation costs	-	-	1.560.798	1.560.798	159.460	15.322	-	174.782	1.735.580	30.000	-	-	30.000	-	-	1.765.580
Housing Costs	-	-	785.595	785.595	-	-	-	-	785.595	539.313	-	-	539.313	-	(630.225)	694.683
Office Costs	12.660	-	15.500	28.160	604.589	34.500	-	639.089	667.249	15.300	-	-	15.300	-	(765)	681.784
Sales & Marketing	228.000	-	-	228.000	-	65.000	-	65.000	293.000	118.320	-	-	118.320	-	(1.209)	410.111
Advisory costs	2.500	-	30.000	32.500	175.750	30.500	-	206.250	238.750	-	-	-	-	-	(1.911)	236.838
Other operating costs	62.000	-	57.500	119.500	18.000	578.684	-	596.684	716.184	272.950	-	-	272.950	-	(31.824)	957.310
Mutation provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution hours project	-	-	-	-	3.500	-	-	3.500	3.500	-	-	-	-	-	-	3.500
Distribution costs overhead	3.521.530	23.984	334.279	3.879.794	(2.645.102)	(1.742.272)	-	(4.387.373)	(507.580)	507.580	-	-	507.580	-	-	-
<b>(in)direct costs</b>	<b>12.027.344</b>	<b>121.563</b>	<b>3.468.031</b>	<b>15.616.938</b>	<b>168.850</b>	<b>200.000</b>	<b>-</b>	<b>368.850</b>	<b>15.985.788</b>	<b>3.163.263</b>	<b>-</b>	<b>-</b>	<b>3.163.263</b>	<b>-</b>	<b>(672.726)</b>	<b>18.476.325</b>
<b>Operational Result</b>	<b>(268.994)</b>	<b>(73.563)</b>	<b>671.420</b>	<b>328.864</b>	<b>(158.850)</b>	<b>(200.000)</b>	<b>-</b>	<b>(358.850)</b>	<b>(29.986)</b>	<b>(184.263)</b>	<b>-</b>	<b>-</b>	<b>(184.263)</b>	<b>-</b>	<b>-</b>	<b>(214.249)</b>
Financial Income	20.000	-	-	20.000	(158.850)	-	-	(158.850)	(138.850)	-	98.099	-	98.099	-	-	(40.751)
Extraordinary income & Costs	-	-	-	-	-	-	(100.000)	(100.000)	(100.000)	-	-	-	-	-	-	(100.000)
Result participations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Financial result &amp; Taxes</b>	<b>20.000</b>	<b>-</b>	<b>-</b>	<b>20.000</b>	<b>(158.850)</b>	<b>-</b>	<b>(100.000)</b>	<b>(258.850)</b>	<b>(238.850)</b>	<b>-</b>	<b>98.099</b>	<b>-</b>	<b>98.099</b>	<b>-</b>	<b>-</b>	<b>(140.751)</b>
<b>Result after taxes</b>	<b>(288.994)</b>	<b>(73.563)</b>	<b>671.420</b>	<b>308.864</b>	<b>-</b>	<b>(200.000)</b>	<b>100.000</b>	<b>(100.000)</b>	<b>208.864</b>	<b>(184.263)</b>	<b>(98.099)</b>	<b>-</b>	<b>(282.361)</b>	<b>-</b>	<b>-</b>	<b>(73.498)</b>