



## **BUDGET 2023**

**KIT**



**KIT Royal Tropical Institute**

Revised version Budget 2023 v2  
17 March 2023  
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## 1. Introduction

*At the Council of Members meeting on 24<sup>th</sup> of November 2022 it has been decided that a revised budget for 2023 would be submitted in March. This revised budget is the result of a limited time-bound bottom-up process to accurately inform the resource allocation process and create a budget that is as realistic as possible. Department managers and team leads have drafted plans based on their strategic needs and goals for 2023 and presented it up to senior management. Their input has been discussed at executive level and included in the last version of this revised budget for 2023.*

### **KIT in 2022**

The year 2022 was the second year in the implementation of our four-year strategy to engage the power of knowledge and hospitality to foster partnerships for an inclusive and sustainable world. In line with the theory of change we developed, we employed the expertise within our teams in the Knowledge Unit to build equitable partnerships and develop our educational offering. KIT's health education team held inclusive, fully blended courses, and developed a new course on digital health. Together with co-hosts the Asfari Institute in Lebanon and EthiXpert in South Africa, we organized the Power of Knowledge symposium. We also initiated several partnerships and advanced in education with continued satisfactory results in obtaining scholarships.

In line with our campus strategy, we made further strides in making KIT *the* sustainability hub in the city. In 2022, we continued our SDG Traineeship program, established an association for our SDG House network and installed a blue-green roof on top of the Tropen Museum's depot on KIT's premises. As the largest monument in Amsterdam, we also committed to moving away from gas by installing aquifer thermal energy storage to heat our building. Additionally, we embarked on a major renovation of the Tropen Hotel. Once renovated, the hotel will contribute to KIT's financial stability and will be further integrated into the surrounding park. It will serve as an attraction at our campus, within the neighbourhood and the city, as KIT is becoming more and more locally embedded, and further bridge the local with the international character of the organization. Thus, becoming truly "Glocal".

### **KIT in 2023**

In 2023, we will further strengthen the two 'pillars' of KIT, in which the 'knowledge pillar' (Knowledge Unit) and the 'campus pillar' (Real Estate, Hospitality and SDG House) are valued equally and contribute jointly to KIT's mission. We will continue to work on the following six strategic priorities as defined in our strategy 2021-2024:

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

There are five key focus areas that will demand particular attention:

1. The Knowledge Unit, more specifically the SEDG sub-unit, has been facing a crisis in 2022. A plan to return to a stable situation has been developed and will be presented to the Supervisory Board. This process will involve a deep analysis, including both internal as well as external elements. A thorough market analysis will serve as input into this review. Expected results will be available over the summer and may well serve other parts of the knowledge Unit as well. Practically, it does mean that results will remain under pressure for 2023.
2. The renovation of the hotel will demand close monitoring throughout 2023. At the end of December 2022, it became clear that additional work would need to be done with subsequent budgetary consequences as well as a timing delay. Full repercussions will be available in the course of March. We do



not expect the business case to be affected significantly, however, a close monitoring is of the essence. Overall, the loss of income from the hotel during 2023, as well as the consequential costs that will remain for 2023 subsequently means that the results over 2023 are expected to be negative.

3. The former 'Tropentheater' will be renovated and re-opened in September 2023. In the theatre, KIT will curate SDG events and facilitate organizations working on the SDGs to initiate events. A sound business model and respective strategy will be developed in the course of 2023.
4. During 2023 the organization will embark on a review of its indirect costs and do a benchmark as well.
5. In order to further our position as a leading knowledge institute in The Netherlands and beyond, it will be of paramount importance that we invest into further developing our knowledge. To this end the organization will invest in developing future funding streams for both the Knowledge Unit (KU) as well as for scholarships. This will be organized at management team level. We expect to be able to recoup the extra costs through additional funding - with full-year fund raising results in 2024.

We appreciate the guidance of the Board and Member Council, and we look forward to working together to pursue our strategic objectives in 2023 in order to build a sustainable and inclusive world.

Henri van Eeghen  
CEO KIT Royal Tropical Institute

Because of the aforementioned renovation of the hotel, a new fiscal structure has been set up. Two new entities were established in 2022: 'Tropen CV' and 'Tropen Beheer BV'. The new fiscal structure is as follows:

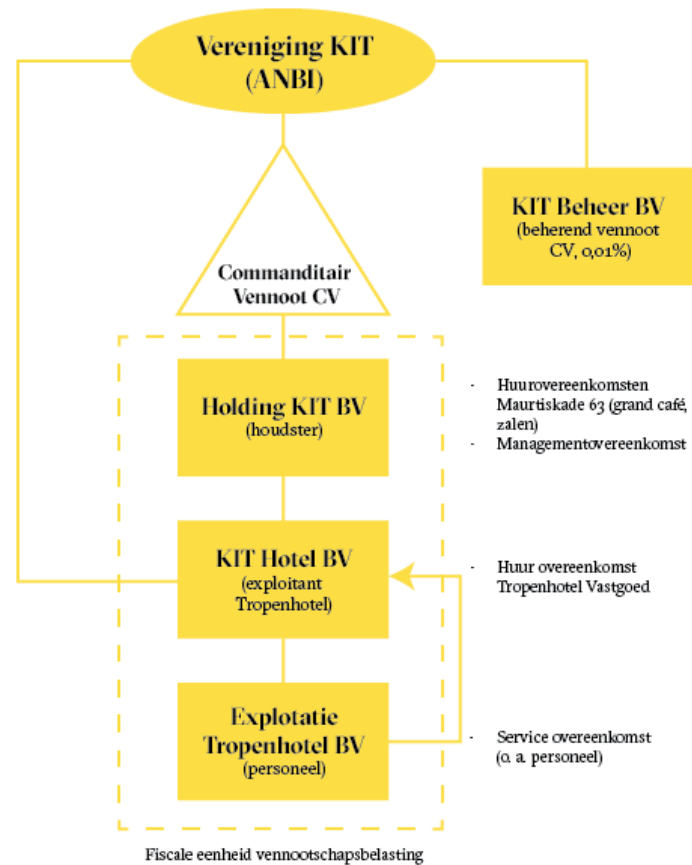
## Structuur KIT

### Vereniging KIT

- Mauritskade 63 (Vastgoed Tropenmuseum)
- Linnaeusstraat 35f (Appartementengebouw)

### Commanditair Vennoot CV (99,99% belang)

- Transparant voor vennootschapsbelasting
- Linnaeusstraat 2/2C (vastgoed Tropenhotel; juridisch eigendom van KIT beheer BV)
- ~EUR 10m kapitaal door KIT (of achtergestelde financiering)



The structure above does not include KIT Intercultural Professionals BV, the Annona Sustainable Development Fund and P.T Cassia Co-op for reasons of readability. The shares in these three entities are held by Holding KIT BV and are in various stages of being dismantled or being sold.

## Budget consolidated overview

	Knowledge Unit	SDG House	Real Estate	Total BU's	F&O	RVB	Reorganisation	Total Operations	Total Association KIT	Total Holding	Hospitality	De Tropen CV	Total CV	Tropen Beheer BV	Consolidation	Elimination	Consolidation
Project Revenue	16.697.473	115.000	-	16.812.473	-	-	-	-	16.812.473	-	-	-	-	-	16.812.473	-	16.812.473
Training Revenue	2.720.743	-	-	2.720.743	-	-	-	-	2.720.743	-	-	-	-	-	2.720.743	-	2.720.743
Hospitality Revenue	-	-	-	-	-	-	-	-	-	-	4.000.300	-	4.000.300	-	4.000.300	-	4.000.300
Real Estate Revenue	-	-	5.776.652	5.776.652	-	-	-	-	5.776.652	-	-	-	-	-	5.776.652	(697.803)	5.078.849
Other Revenue	-	-	-	-	-	25.000	-	25.000	25.000	-	-	-	-	-	25.000	-	25.000
<b>Revenue</b>	<b>19.418.216</b>	<b>115.000</b>	<b>5.776.652</b>	<b>25.309.868</b>	<b>-</b>	<b>25.000</b>	<b>-</b>	<b>25.000</b>	<b>25.334.868</b>	<b>-</b>	<b>4.000.300</b>	<b>-</b>	<b>4.000.300</b>	<b>-</b>	<b>29.335.168</b>	<b>(697.803)</b>	<b>28.637.365</b>
Project C.O.S.	6.916.000	-	-	6.916.000	-	-	-	-	6.916.000	-	-	-	-	-	6.916.000	-	6.916.000
Training C.O.S.	924.000	-	-	924.000	-	-	-	-	924.000	-	-	-	-	-	924.000	-	924.000
Hospitality C.O.S.	-	-	-	-	-	-	-	-	-	-	887.855	-	887.855	-	887.855	-	887.855
Real estate C.O.S	-	-	1.839.730	1.839.730	-	-	-	-	1.839.730	-	-	-	-	-	1.839.730	-	1.839.730
Other C.O.S.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cost of services Sold</b>	<b>7.840.000</b>	<b>-</b>	<b>1.839.730</b>	<b>9.679.730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.679.730</b>	<b>-</b>	<b>887.855</b>	<b>-</b>	<b>887.855</b>	<b>-</b>	<b>10.567.585</b>	<b>-</b>	<b>10.567.585</b>
<b>Gross (Project) Margin</b>	<b>11.578.216</b>	<b>115.000</b>	<b>3.936.921</b>	<b>15.630.137</b>	<b>-</b>	<b>25.000</b>	<b>-</b>	<b>25.000</b>	<b>15.655.137</b>	<b>-</b>	<b>3.112.445</b>	<b>-</b>	<b>3.112.445</b>	<b>-</b>	<b>18.767.582</b>	<b>(697.803)</b>	<b>18.069.779</b>
Personnel Costs	7.935.948	55.943	774.243	8.766.133	1.718.415	1.084.724	-	2.803.138	11.569.271	-	1.851.260	-	1.851.260	-	13.420.531	-	13.420.531
External staff costs	-	-	-	-	77.500	134.699	-	212.199	212.199	-	99.000	-	99.000	-	311.199	-	311.199
Depreciation costs	-	-	1.686.890	1.686.890	93.213	2.154	-	95.367	1.782.257	-	36.000	-	36.000	-	1.818.257	-	1.818.257
Housing Costs	-	-	884.914	884.914	165.600	-	-	165.600	1.050.514	-	697.803	-	697.803	-	1.748.317	(697.803)	1.050.514
Office Costs	-	-	21.000	21.000	260.738	58.500	-	319.238	340.238	-	-	-	-	-	340.238	-	340.238
Sales & Marketing	90.000	-	-	90.000	-	79.000	-	79.000	169.000	-	155.000	-	155.000	-	324.000	-	324.000
Advisory costs	-	-	15.000	15.000	307.547	42.500	-	350.047	365.047	-	255.100	-	255.100	-	620.147	-	620.147
Other operating costs	335.000	15.500	37.128	387.628	128.035	628.000	-	756.035	1.143.663	-	-	-	-	-	1.143.663	-	1.143.663
Mutation provisions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution hours project	(255.000)	-	-	(255.000)	-	255.000	-	255.000	-	-	-	-	-	-	-	-	-
Distribution costs overhead	3.534.622	34.654	392.605	3.961.881	(2.656.798)	(1.804.577)	-	(4.461.374)	(499.493)	-	499.493	-	499.493	-	-	-	-
<b>(in)direct costs</b>	<b>11.640.570</b>	<b>106.096</b>	<b>3.811.780</b>	<b>15.558.446</b>	<b>94.250</b>	<b>480.000</b>	<b>-</b>	<b>574.250</b>	<b>16.132.696</b>	<b>-</b>	<b>3.593.656</b>	<b>-</b>	<b>3.593.656</b>	<b>-</b>	<b>19.726.352</b>	<b>(697.803)</b>	<b>19.028.549</b>
<b>Operational Result</b>	<b>(62.354)</b>	<b>8.904</b>	<b>125.141</b>	<b>71.691</b>	<b>(94.250)</b>	<b>(455.000)</b>	<b>-</b>	<b>(549.250)</b>	<b>(477.559)</b>	<b>-</b>	<b>(481.211)</b>	<b>-</b>	<b>(481.211)</b>	<b>-</b>	<b>(958.770)</b>	<b>-</b>	<b>(958.770)</b>
Financial income & costs	20.000	-	-	20.000	(94.250)	-	-	(94.250)	(74.250)	94.250	-	-	94,250	-	20.000	-	20.000
Extraordinary income & costs	-	-	-	-	-	-	(100.000)	(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>(94.250)</b>	<b>-</b>	<b>(100.000)</b>	<b>(194.250)</b>	<b>(174.250)</b>	<b>94.250</b>	<b>-</b>	<b>-</b>	<b>94.250</b>	<b>-</b>	<b>(80.000)</b>	<b>-</b>	<b>(80.000)</b>
<b>Result before taxes</b>	<b>(82.354)</b>	<b>8.904</b>	<b>125.141</b>	<b>51.691</b>	<b>-</b>	<b>(455.000)</b>	<b>100.000</b>	<b>(355.000)</b>	<b>(303.309)</b>	<b>(94.250)</b>	<b>(481.211)</b>	<b>-</b>	<b>(575.461)</b>	<b>-</b>	<b>(878.770)</b>	<b>-</b>	<b>(878.770)</b>
EBITDA	(62.354)	8.904	1.812.031	1.758.581	(1.037)	(452.846)	-	(453.883)	1.304.698	-	(445.211)	-	(445.211)	-	859.487	-	859.487