

<b>Item</b>	Financial Overview – on 31 December 2018 CONFIDENTIAL INFORMATION – NOT TO BE FURTHER DISCLOSED
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<b>Purpose</b>	To be presented in the Executive Board Meeting 11 March 2019
<b>Authors</b>	Mazen Siufi, Finance Officer
<b>Date</b>	<b>06 March 2019</b>

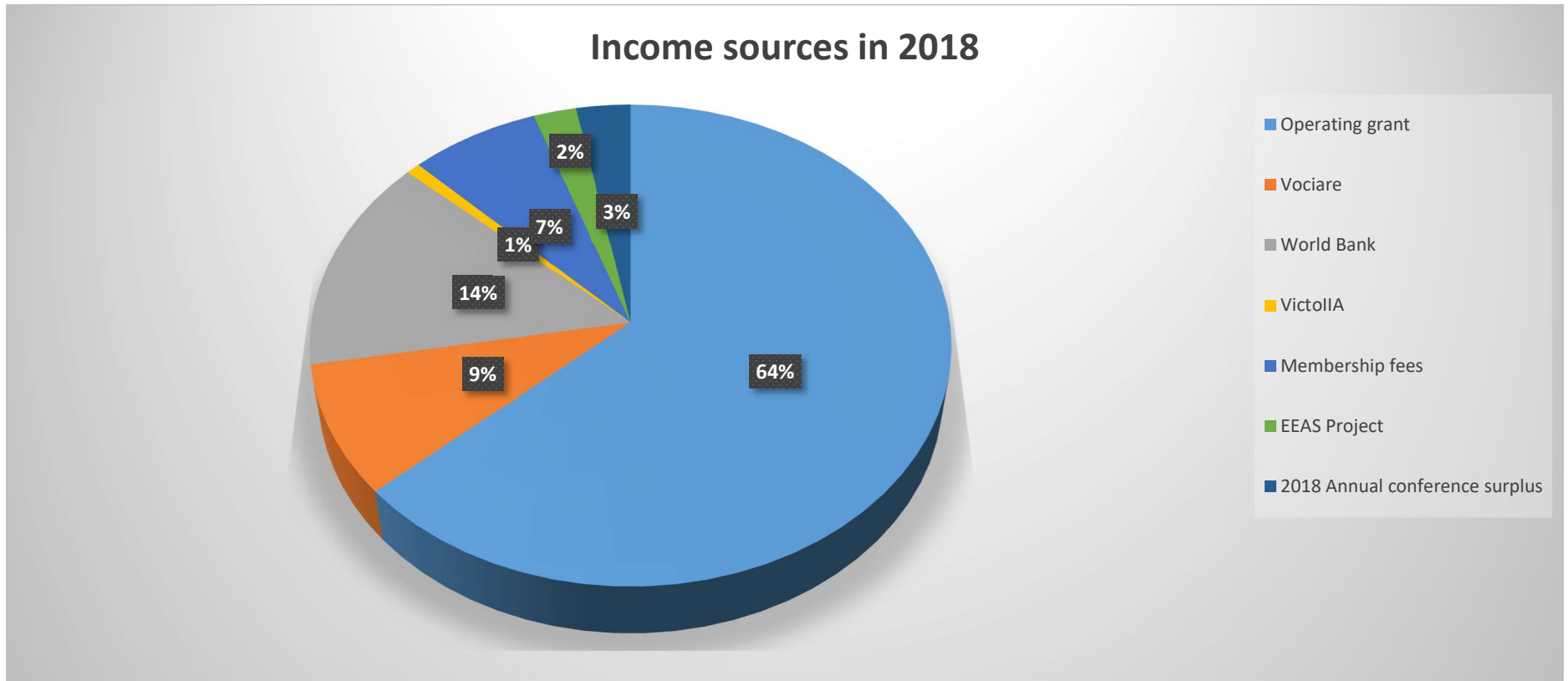
### 31 DECEMBER 2018 - VSE position overview

#### 1- Income:

Total VSE income (approved grants and contracts) for 2018 is **€633,893**, which represents an **11%** decrease compared to **€714,304** income from 2017. The 11% decrease in income is largely due to the 2018 budget for two projects - Vociare and VictorIIa – being moved to 2019 income (amounting to €50,000 + €93,000 respectively).

Sources of income (Budgets):

<b>Source of income</b>	<b>Amount</b>
Operating grant (EC contribution)	<b>€ 402657</b>
World Bank	<b>€ 91463</b>
Membership fees	<b>€ 45475</b>
Vociare project (Actual spent in 2018)	<b>€ 55423</b>
VictorIIA (Actual spent in 2018)	<b>€ 4925</b>
European External Action Service Project	<b>€ 14950</b>
2018 Annual conference income	<b>€ 19000</b>



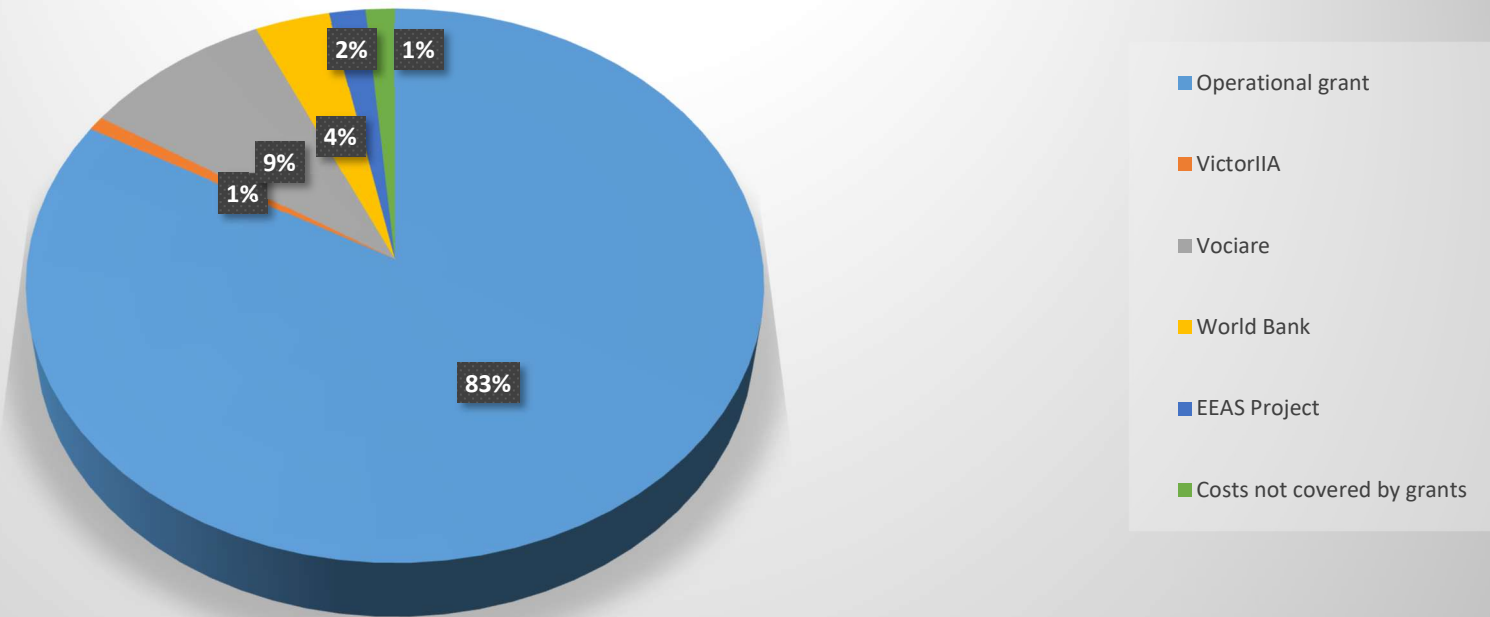
The 64% OG share of total VSE income is an increase of 24% compared to 2017 (OG share was 40% in this year). The main reason for this increase is that in 2017, VSE had a larger income from action grants derived from Vociare pre-financing. To note, this income was ultimately destined for partner organisations.

## 2- Expenditure:

Total VSE expenditure at the end of 2018 was **€ 604,432**:

<b>Source of expenditure</b>	<b>Amount</b>
Operating grant 2018 (approved budget : 538,339 )	<b>€ 503,322</b>
World Bank	<b>€ 21,730</b>
Vociare project	<b>€ 55,423</b>
VictorIIA	<b>€ 4,925</b>
European External Action Service Project	<b>€ 10,522</b>
Costs not covered by grants (e.g. Travel for members from/to non-eligible countries, Insurance, bank charges etc..)	<b>€ 8,510</b>

### Expenses rate per grant in 2018



### 3- Summary of Income and Expenditure:

Summary of Operating and Action Grants				
Budget Heading	Approved budget	Spent	Remaining Balance	% of spending end of 2018
Operating Grant 2018 / The end date of the grant: 31/12/2018	538,339.06	503,321.99	35,017.07	<b>93.50% (93.39% was in 2017)</b>
Vociare / The end date of the grant: 30/03/2019	105,756.01	55,423.38	50,332.63	<b>52.41%</b>
VictorIIA / The end date of the grant: 31/03/2020	121,850.49	4,925.01	116,925.48	<b>4.04%</b>
	<b>765,945.56</b>	<b>563,670.38</b>	<b>202,275.18</b>	<b>73.59%</b>

#### The remaining balance for Vociare and Victoria moved to 2019

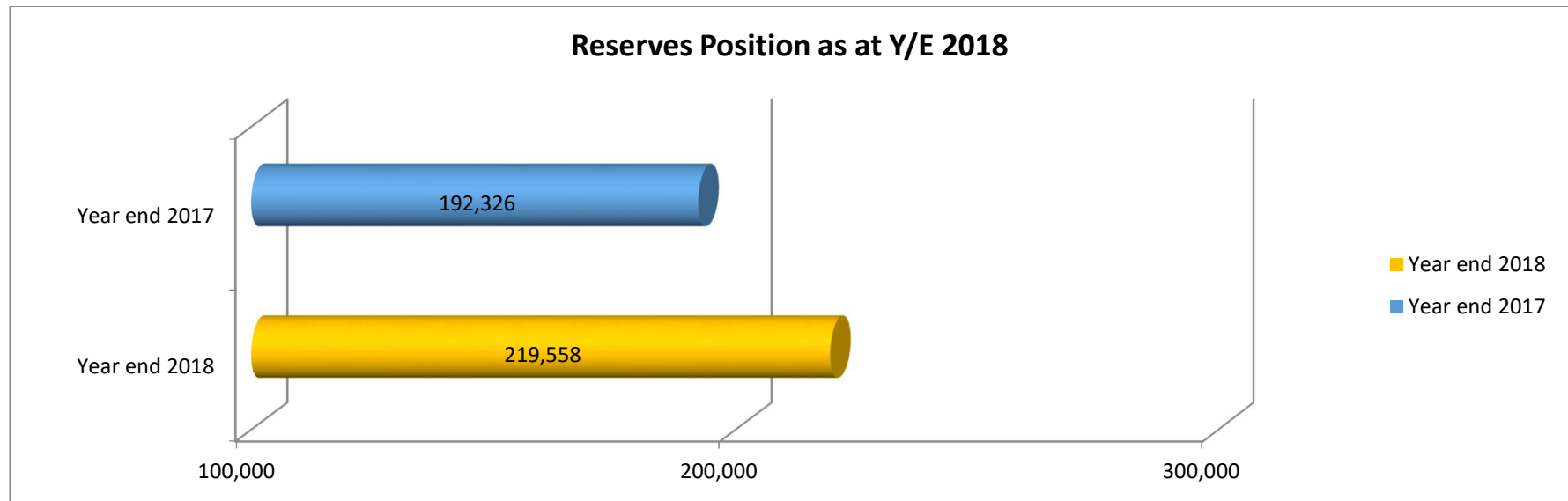
Summary of the Contracts				
Budget Heading	Approved budget	Spent	Remaining Balance	% of spending end of 2018
World Bank / The end date of the grant: 31/12/2018	91,463.00	21,730.40	69,732.60	<b>30.59%</b>
EEAS Project - video human rights stories / Ended	14,950.00	10,522.60	4,427.40	<b>70.39%</b>
<b>Total Costs</b>	<b>106,413.00</b>	<b>32,253.00</b>	<b>74,160.00</b>	<b>36.18%</b>

Conclusion		
<b>Costs</b>	VSE contribution to the Operating Grant	100,664.40
	VSE contribution to the Vociare project	1,243.12
	VSE contribution to the Victorlla project	985.00
	Costs not covered by grants	8,510.73
	<b>Total costs</b>	<b>111,403.25</b>
<b>Income</b>	Collected Memberships Fees	45,475.00
	World Bank expected profit	69,732.60
	EEAS Project - video human rights stories	4,427.40
	Income from Annual Conference	19,000.00
		<b>138,635.00</b>
<b>Surplus in 2018</b>		<b>27,231.75</b>

#### 4- Reserves:

- Level of reserves on 31<sup>st</sup> December 2017 was **€ 192,326**
- Anticipated level of reserves at end of 2018 is **€ 219,558**

**14% increase of level of reserves has been achieved in 2018**



From our reserves position, reserves can cover VSE core overheads up to 5-6 months for paying salaries, bills, rent etc.

## 2018 VSE Projects overview:

Operating Grant 2018 / The end date of the grant: 31/12/2018					
Budget Heading	Approved budget	Spent in 2018	Remaining Balance	% of spending end of 2018	% the remaining balance to the total budget
Staff	326,944.06	329,858.11	-2,914.05	<b>100.89%</b>	<b>0.5% overspent</b>
Travel	119,105.00	88,573.21	30,531.79	<b>74.37%</b>	<b>5.67% underspent</b>
Equipment	27,800.00	26,958.31	841.69	<b>96.97%</b>	<b>0.15% underspent</b>
Consumables	11,700.00	10,556.39	1,143.61	<b>90.23%</b>	<b>0.21% underspent</b>
Other direct costs	52,790.00	47,375.97	5,414.03	<b>89.74%</b>	<b>1% underspent</b>
<b>Total Costs</b>	<b>538,339.06</b>	<b>503,321.99</b>	<b>35,017.07</b>	<b>93.50%</b>	<b>6.5% underspent</b>
<b>VSE contribution</b>	<b>107,667.81</b>			<b>100,664.40</b>	

### The end date of the grant: 31/12/2018

- **Staff:** we were underspend in the first 6 months of 2018 due to our vacant Deputy Director post. A restructure and recruitment exercise resulted in the appointment of the Communication Officer, Policy Officer and two Intern-Policy Assistants positions. The position of Policy Officer has been increased from a part time to full time position and the posts of two Policy Assistants have been subcontracted to support the business. Which lead us to 100% spending by the end of the year.
- **Travel:** As usual, travel costs were difficult to accurately predict. Forecasted underspend is due to savings made through the combination of events i.e. we have held two events consecutively in the same country, or our costs to attend an event have been covered by others and we have used the opportunity to carry out other work. The use of online training and partnerships with other EU organisations has also reduced the associated travel costs of participants.
- **Equipment, Consumables and other Direct Costs:** the slight underspend of these lines is considered reasonable, as we need to ensure a sufficient buffer to cover unexpected expenditure. Alternatively, we could lower future budgets understanding that such costs would be covered by reserves. In 2019 we might use these margins for costs which could be incurred in case of moving our



office.

<b>Vociare / The end date of the grant: 31/03/2019</b>				
Budget Heading	Approved budget	Spent in 2018	Remaining Balance	% of spending end of 2018
Staff	43,266.12	35,811.20	7,454.92	<b>82.77%</b>
Staff Experts to subcontract	38,450.09	18,500.00	19,950.09	<b>48.11%</b>
Travel	1,319.80	1,112.18	207.62	<b>84.27%</b>
Materials	12,720.00	0.00	12,720.00	<b>0.00%</b>
Other direct costs	10,000.00	0.00	10,000.00	<b>0.00%</b>
<b>Total Costs</b>	<b>105,756.01</b>	<b>55,423.38</b>	<b>50,332.63</b>	<b>52.41%</b>
VSE cofinancing	2,372.05			1,243.12

### **The end date of the grant: 31/03/2019**

For Vociare project,

Staff: VSE staff costs – more to be applied for 2019

Subcontracts - we subcontracted other NGOs in this project with payments to be made by the end of the project in 2019 as we are still awaiting invoices for work done in 2018.

Materials and Other direct costs will be spent on dissemination activities in 2019.

Any underspend on subcontracts will reduce VSE co-financing.

The materials and other direct costs (translations and interviews) due at the end of the project.

The Commission have agreed an extension to this project until 31/03/2019

<b>VictoriIA / The end date of the grant: 31/03/2020</b>				
Budget Heading	Approved budget	Spent in 2018	Remaining Balance	% of spending end of 2018
Staff	118,774.49	4,701.50	114,072.99	<b>3.96%</b>
Travel & DSA	2,176.00	223.51	1,952.49	<b>10.27%</b>
Materials	900.00	0.00	900.00	<b>0.00%</b>
<b>Total Costs</b>	<b>121,850.49</b>	<b>4,925.01</b>	<b>116,925.48</b>	<b>4%</b>
VSE cofinancing	13,318.00			985.00

### **The end date of the grant: 31/03/2020**

The Victoriia project was delay in 2018 due to problems with one of the partners. The Commission agreed an extension to this project with remaining budget to be spent in 2019/20.

## 2019 Forecast

Forecast of Grants in 2019					
Budget Heading	Approved budget 2019	Anticipated spending	Remaining Balance	% of spending in 2019	VSE contribution
Operating Grant 2019 / The end date of the grant: 31/12/2019	530,573.82	498,739.39	31,834.43	<b>94.00%</b>	99,747.88
Vociare / The end date of the grant: 30/03/2019	50,332.63	50,332.63	0.00	<b>100.00%</b>	1,243.12
VitorIIA / The end date of the grant: 31/03/2020	93,540.38	93,540.38	0.00	<b>100.00%</b>	18,708.08
PREVICT 01/06/2019 - 31/05/2021	28,802.50	28,802.50	0.00	<b>100.00%</b>	5,760.50
Operating costs not covered by grants	0.00	5,600.00	-5,600.00		5,600.00
	<b>703,249.33</b>	<b>677,014.90</b>		<b>96.27%</b>	<b>131,059.57</b>

The fact that we are forecasting 100% of spending, that we are trying to predict maximum VSE contribution to understand total expenditure risk in 2019

The VSE contribution is amount of the co-funding needed from other sources as following:

Summary of the Contracts					
Budget Heading	Approved budget 2019	Anticipated spending	Remaining Balance	% of spending in 2019	Anticipated Income
EIPA compensation project	52,300.00	39,274.15	13,025.85	<b>75.09%</b>	13,025.85
Membership Fees	48,500.00	0.00	48,500.00	<b>0.00%</b>	48,500.00
Anticipated Surplus - Annual Conference	5,000.00	0.00	5,000.00	<b>0.00%</b>	5,000.00
<b>Total Costs</b>	<b>105,800.00</b>	<b>39,274.15</b>	<b>66,525.85</b>	<b>37.12%</b>	<b>66,525.85</b>

**The gap 131059 – 66526 = 64,533 needs to be fundraised for co-funding**

In 2019, VSE Office is working to overcome the known funding gap. Several specific funding opportunities are already being explored e.g. contracts with OSCE and UNDP. Additional income is being explored through a gala event at the Autumn conference. We are also developing a 6 part television series with investors and Transcendent media. This is likely to result in unrestricted income in 2019/2020.