

<b>Item</b>	Financial Overview – up to 31 October 2020
<b>Purpose</b>	To be presented in the General Assembly Meeting 04 December 2020
<b>Authors</b>	Mazen Siufi - Finance Officer, Levent Altan - Executive Director
<b>Date</b>	24 November 2020

### 31 October 2020 - VSE position overview

#### 1- Income:

Total VSE income (approved grants and contracts) for 2020 is **€882,008**, which represents **33%** increase compared to **€665,081** income from 2019.

Sources of income (Budgets for 2020):

<b>Source of income</b>	<b>Amount</b>
Operating grant (Approved Budget) (EU contribution)	<b>€ 429,760</b>
EU Centre of Expertise (2020 VSE Amount)	<b>€ 156,100</b>
Membership fees	<b>€ 48,250</b>
VictorIIA Project	<b>€ 38,366</b>
PREVICT Project	<b>€ 72,698</b>
CREST Project	<b>€ 79,856</b>
Counteract Project	<b>€ 15,952</b>
INHeRE Project	<b>€ 17,804</b>
IMUHVCS Project	<b>€ 23,222</b>
<b>Total</b>	<b>€882,008</b>

The main reason for this increase is that in 2020, VSE started the contract of EU Centre of Expertise and has a larger income from the action grants (mainly PREVICT and CREST).

The EU Centre of Expertise amount is the VSE share in 2020 (the amounts that will be paid to partners are not included)

## 2- Expenditure:

Total VSE expenditure at the end of 2020 is anticipated to be **€ 766,067**, which represents a **13%** increase compared to **€ 677,996** in 2019:

<b>Source of expenditure</b>	<b>Amount Oct 2020</b>	<b>Anticipated on Dec 2020</b>
Operating grant 2020 (approved budget : 537,200 )	<b>€ 329,481</b>	<b>€ 461,322</b>
EU Centre of Expertise	<b>€ 77,604</b>	<b>€ 102,550</b>
VictorIIA	<b>€ 38,366</b>	<b>€ 38,366</b>
PREVICT	<b>€ 54,904</b>	<b>€ 67,486</b>
CREST	<b>€ 33,724</b>	<b>€ 40,266</b>
Counteract	<b>€ 11,019</b>	<b>€ 15,661</b>
INHeRE	<b>€ 14,416</b>	<b>€ 16,199</b>
IMUHVCS	<b>€ 18,317</b>	<b>€ 18,607</b>
Costs not covered by grants (e.g. Travel for members from/to non-eligible countries, Insurance, bank charges etc..)	<b>€ 4,213</b>	<b>€ 5,610</b>
<b>Total</b>	<b>€ 582,044</b>	<b>€ 766,067</b>

Member should note that in 2020, a range of activities could not be carried out under the operating grant due to Covid-19 related restrictions. VSE adapted to the circumstances and used some of the unspent funds to carry out different activities e.g. development of training platform. VSE chose not to use the full underspend to minimise overall costs in 2020, and reduce risk of debt.

### 3- Summary of Income and Expenditure (by project):

#### EU Operating Grants and Action Grants

Summary of Operating and Action Grants (2020)				
A number of project will run across one or more financial years. The percentage spend indicated in this table represents spend of the total budget. The remaining budget for projects will be used in subsequent years with the expect of near 100% usage.				
Budget Heading	Approved budget (2020)	Anticipated spending	Remaining Balance	% of spending end of 2020
Operating Grant 2020 / The end date of the grant: 31/12/2020	537,200	461,322	75,878	<b>86 % (94.16 % was the spend in 2019)</b>
VictorIIA / ended 30/04/2020	41,160	38,366	2,794	<b>The project ended in April 2020, the percentage of spending of the entire project of (€135,244) is 98%</b>
PREVICT / The end date of the grant: 31/05/2021	72,698	67,486	5,212	<b>93%</b>
CREST / The end date of the grant: 31/08/2022	79,856	40,266	39,590	<b>50%</b>
Counteract / The end date of the grant: 31/12/2020	15,952	15,661	291	<b>98.5% of the total budget</b>
INHeRE / The end date of the grant: 31/10/2021	17,804	16,199	1,605	<b>91%</b>
IMUHVCS / The end date of the grant: 30/09/2020	23,222	18,607	4,615	<b>80%</b>
	<b>787,892</b>	<b>657,907</b>		<b>84%</b>

With respect to VSE's operating grant, in 2020, we anticipate that we will only use 86% of the total available budget. Normally we aim for a spend of around 95%. The change this year is for two reasons. Firstly, many activities could not take place and there is therefore a natural underspend. In addition, VSE made the decision to not carry out many more extensive activities which would increase spend above 86%, to minimise financial risks (debt), given that there were clear identified additional sources of income to pay for VSE contributions. This underspend in our operating grant will be returned to the Commission which in turn reduces our contribution.

## Contracts

Summary of Contracts				
Budget Heading	Approved budget	Spent	Remaining Balance	% of spending end of 2020
EU Centre of Expertise	156,100	102,550	53,550	66%
<b>Total</b>	<b>156,100</b>	<b>102,550</b>	<b>53,550</b>	<b>66%</b>

Any remaining balance of this contract can be used as unrestricted income to cover the VSE contribution.

## Conclusion

Conclusion		
<b>Costs</b>	VSE contribution to the Operating Grant 20%	92,264
	VSE contribution to the VictorIla project 20%	7,673
	VSE contribution to the PREVICT project 20%	13,497
	VSE contribution to the CREST project 0%	0
	VSE contribution to the Counteract project 10%	1,566
	VSE contribution to the INHeRE project 20%	3,240
	VSE contribution to the IMUHVCS project 0%	0
	Costs not covered by grants	5,610
<b>Total costs</b>	<b>123,850</b>	
<b>Income</b>	Collected Memberships Fees	48,250
	EU Centre of Expertise	53,550
	<b>Total Income</b>	<b>101,800</b>
<b>Deficit in 2020</b>		<b>22,050</b>

## AGM 04 December 2020 – Finance update

Based on the current income and expenditure as determined by our accounting, we anticipate a deficit of 22,050 euros in 2020. However, a range of mitigations are likely to reduce this.

- We anticipate to receive a first tranche payment for the EUCVT contract. This will substantially reduce any debt in 2020, to possibly close to zero.
- A 10, 000 canadian dollar budget has just been assigned to VSE to carry a report for the Leadership in Counter terrorism organisation. We anticipate this income will be included in 2020 accounts.

As such, we believe that our final financial report for 2020 will show either a balanced budget or a slight surplus.

### 4- Reserves:

- Level of reserves on 31<sup>st</sup> December 2019 was **€ 195,610**
- Level of reserves on 31<sup>st</sup> December 2020 is **€173,560** (this represents an 11% reduction in our reserves from 2019).

To better explain the implications of VSE's reserve size and any reductions, Members are reminded that VSE committed to move towards a reserve level of €223,500. This level was based on an estimate of reserves needed to continue VSE operations for 6 months at gradually reducing levels of staffing. VSE set a 2021 aim to achieve this reserves level.

The €173,560 reserve level leaves VSE, €50,000 short of its reserves objective. This means that approximately VSE could operate for 1.5 months less time compared with the 223, 500 reserve level.

However, this is based on VSE having no identified immediate income. In reality, VSE's EU framework contract runs until end 2021. The EU Commission has also confirmed that there will be no reduction in the DG Justice budget for victims. In addition, VSE has several ongoing and new projects running in 2021 and 2022.

This places VSE in a much safer position than anticipated, though of course there are always risks.

AGM 04 December 2020 – Finance update

### **Confirmed new projects:**

VSE has won new action grants which will start on 2021:

- **FYDO Project:** 150,000 Euro for 24 months period (Coordinator)
- **Infovictims III:** 55,000 Euro for 24 months period (Partner)
- **Estonian government:** 500,000 Euro for 24 months