

# CISV International

Building global friendship

## 2021 Finance Update

Governing Board and Secretary General



- 2021 Outlook
- 2021 Budget
- Cash Flow Modelling Assumptions
- 2021 Cash Flow Projection
- 2022 Cash Flow Projection (3 cases)
- Gaps
- Next Steps / Options



- June to August Programme season cancelled
- Still feel that there could be some programmes in December / January season
- For Cash Flow projections we assumed 0% programmes in 2021 to remain conservative



- Negotiated a 50% reduction of our office costs for Jan – Jun 2021, in May we will renegotiate. Looking at different options: reducing space, negotiating further reductions, etc. Per our last survey, we were paying rent significantly below market value already
- With the cancellation of June – August 21 season we will again use the furlough scheme from April to September whenever possible
- Redundancies and hiring freeze have reduced staff from 14 beginning 2020 to 8 in June 21. Also not replacing Sophia, currently on maternity leave



### **Budget is at the minimum possible: Please see full budget on this [link](#)**

- Cut all Board, Committee, Regional Team and IO travel and any other expense not deemed essential
- Highest remaining cost is that of staff, reduced from £570k budgeted early 2020 to £325k in 2021 and increased to £346k and £407k in 2022 (depending on programme needs)
- Staff costs represents about 58% of remaining costs



- 2021 has 0% Programmes
- No further loans / dividends from Insurance Company (capacity to be evaluated based on bringing in US into the coverage)
- A £50k loan under the UK Bounce Back Loan Scheme (very advantageous terms) already applied for and received funds
- Using £42k of pre-payments for Global Conference Cost sharing for G&A – these reserves will need to be re-built ASAP
- Use of as much of furlough scheme this April – August period as possible
- Hiring Freeze until at least end 2022 – not realistic once programmes start happening



	Year 2021
<b>INCOME</b>	
<b>From Nas</b>	
Membership fee	24
Participation fee	(5)
<b>Total income from NAs</b>	<b>19</b>
<b>Other Income</b>	
Grants	30
Loans	158
VAT Refund and others	25
<b>Total Other Income</b>	<b>213</b>
<b>Total Income</b>	<b>232</b>
<b>EXPENDITURE</b>	
Employee Related Costs (salary + benefit)	357
Office Related	61
Other (Committee, IT, Bank Costs, professional fees)	114
Liability + Travel Insurance	79
Loans repayment	2
<b>Total Expenses</b>	<b>613</b>
<b>Income less Expenditures</b>	<b>(381)</b>
Balance Brought Forward	615
Restricted Balance	285
<b>Balance carried forwards</b>	<b>234</b>

- Blue: fixed, not linked to participation; green: variable, linked to participation; orange: other.
- Even by freeing up the Glo Co costs and with the BBLs: end the year just under restricted cash
- Assumes £60k of debits from NAs not paid in 2021, also that £178k of credits remain in restricted cash end of 2021



	Jan £000	Feb £000	Mar £000	Apr £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Year 2022
<b>INCOME</b>													
<b>From NAs</b>													
Membership fee					6	6	6	3	2			1	24
Participation fee				0	61	57	49	12	43	5	3	7	236
<b>Total income from NAs</b>					<b>67</b>	<b>63</b>	<b>55</b>	<b>15</b>	<b>45</b>	<b>5</b>	<b>3</b>	<b>8</b>	<b>260</b>
<b>Other Income</b>													
Grants													
Loans													
VAT Refund and others													
<b>Total Other Income</b>													
<b>Total Income</b>					<b>67</b>	<b>63</b>	<b>55</b>	<b>15</b>	<b>45</b>	<b>5</b>	<b>3</b>	<b>8</b>	<b>260</b>
<b>EXPENDITURE</b>													
Employee Related Costs (salary + benefit)	26	30	30	26	27	30	26	30	30	26	30	36	346
Office Related	10	1	2	9	1	3	9	1	2	9	1	2	50
Other (Committee, IT, Bank Costs, professional fees)	6	6	8	6	6	6	6	6	6	6	6	7	75
Liability + Travel Insurance			26	13					44	13			96
Loans repayment				1	3	1	1	1	1	1	1	1	9
<b>Total Expenses</b>	<b>42</b>	<b>37</b>	<b>66</b>	<b>55</b>	<b>37</b>	<b>40</b>	<b>42</b>	<b>38</b>	<b>83</b>	<b>55</b>	<b>38</b>	<b>46</b>	<b>577</b>
<b>Income less Expenditures</b>	(42)	(37)	(66)	(55)	30	24	13	(23)	(38)	(50)	(35)	(38)	(317)
Balance Brought Forward	234	192	155	89	34	65	89	101	78	40	(10)	(44)	234
Restricted Balance	285	285	285	285	285	285	285	285	285	285	285	285	285
<b>Balance carried forwards</b>	<b>192</b>	<b>155</b>	<b>89</b>	<b>34</b>	<b>65</b>	<b>89</b>	<b>101</b>	<b>78</b>	<b>40</b>	<b>(10)</b>	<b>(44)</b>	<b>(83)</b>	<b>(83)</b>





	Jan £000	Feb £000	Mar £000	Apr £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Year 2022
<b>INCOME</b>													
<b>From NAs</b>													
Membership fee					6	6	6	3	2			1	24
Participation fee				0	122	115	97	23	85	10	6	13	472
<b>Total income from NAs</b>					<b>128</b>	<b>121</b>	<b>103</b>	<b>26</b>	<b>87</b>	<b>10</b>	<b>6</b>	<b>14</b>	<b>496</b>
<b>Other Income</b>													
Grants													
Loans													
VAT Refund and others													
<b>Total Other Income</b>													
<b>Total Income</b>					<b>128</b>	<b>121</b>	<b>103</b>	<b>26</b>	<b>87</b>	<b>10</b>	<b>6</b>	<b>14</b>	<b>496</b>
<b>EXPENDITURE</b>													
Employee Related Costs (salary + benefit)	26	30	30	26	27	30	26	30	30	26	30	36	346
Office Related	10	1	2	9	1	3	9	1	2	9	1	2	50
Other (Committee, IT, Bank Costs, professional fees)	6	6	8	6	6	6	6	6	6	6	6	7	75
Liability + Travel Insurance			26	24					44	24			118
Loans repayment				1	3	1	1	1	1	1	1	1	9
<b>Total Expenses</b>	<b>42</b>	<b>37</b>	<b>66</b>	<b>66</b>	<b>37</b>	<b>40</b>	<b>42</b>	<b>38</b>	<b>83</b>	<b>66</b>	<b>38</b>	<b>46</b>	<b>599</b>
<b>Income less Expenditures</b>	(42)	(37)	(66)	(66)	91	81	61	(11)	4	(56)	(31)	(32)	(103)
Balance Brought Forward	234	192	155	89	23	115	196	257	246	250	195	163	234
Restricted Balance	285	285	285	285	285	285	285	285	285	285	285	285	285
<b>Balance carried forwards</b>	<b>192</b>	<b>155</b>	<b>89</b>	<b>23</b>	<b>115</b>	<b>196</b>	<b>257</b>	<b>246</b>	<b>250</b>	<b>195</b>	<b>163</b>	<b>131</b>	<b>131</b>



	Jan £000	Feb £000	Mar £000	Apr £000	May £000	Jun £000	Jul £000	Aug £000	Sep £000	Oct £000	Nov £000	Dec £000	Year 2022
<b>INCOME</b>													
<b>From Nas</b>													
Membership fee					6	6	6	3	2			1	24
Participation fee				0	183	172	146	35	128	15	9	20	708
<b>Total income from NAs</b>					<b>189</b>	<b>178</b>	<b>152</b>	<b>38</b>	<b>130</b>	<b>15</b>	<b>9</b>	<b>21</b>	<b>732</b>
<b>Other Income</b>													
Grants													
Loans													
VAT Refund and others													
<b>Total Other Income</b>													
<b>Total Income</b>					<b>189</b>	<b>178</b>	<b>152</b>	<b>38</b>	<b>130</b>	<b>15</b>	<b>9</b>	<b>21</b>	<b>732</b>
<b>EXPENDITURE</b>													
Employee Related Costs (salary + benefit)	26	30	30	26	27	30	26	30	30	26	30	36	346
Office Related	10	1	2	9	1	3	9	1	2	9	1	2	50
Other (Committee, IT, Bank Costs, professional fees)	6	6	8	6	6	6	6	6	6	6	6	7	75
Liability + Travel Insurance			33	34					51	34			151
Loans repayment				1	3	1	1	1	1	1	1	1	9
<b>Total Expenses</b>	<b>42</b>	<b>37</b>	<b>73</b>	<b>76</b>	<b>37</b>	<b>40</b>	<b>42</b>	<b>38</b>	<b>89</b>	<b>76</b>	<b>38</b>	<b>46</b>	<b>632</b>
<b>Income less Expenditures</b>	(42)	(37)	(73)	(76)	153	139	110		40	(61)	(28)	(25)	100
Balance Brought Forward	234	192	155	83	7	159	298	408	408	448	388	359	234
Restricted Balance	285	285	285	285	285	285	285	285	285	285	285	285	285
<b>Balance carried forwards</b>	<b>192</b>	<b>155</b>	<b>83</b>	<b>7</b>	<b>159</b>	<b>298</b>	<b>408</b>	<b>408</b>	<b>448</b>	<b>388</b>	<b>359</b>	<b>334</b>	<b>334</b>



With measures taken up to date:

- 40% of Programmes or less in 2022 will place CISV International in danger, below 20% would probably require unwinding the Insurance Company to survive
- In all scenarios there is a slump below reserves from November 2021 to at least May 2022
- Most of the costs currently in model relate to Employee Costs (58% in case of 40% programme) and these are currently deemed insufficient to cover a programme season



- We estimate that CISV International will still needs to free cash or raise between £200 – £300k in the period November 2021 – May 2022 to avoid dipping into restricted cash
- Over 50% of expected costs in 2022 relate to employee costs
- There is little leeway in the budget: assumed professional fees that may not be needed to the same extent, but these represent less than £30k, besides that most costs are minimal required to function



The Board approved studying the following next steps:

- Request NA's that currently have credits with International not to offset these credits in 2021 or 2022 (this could free up to £178k or restricted cash) – we understand not all NAs will be able to do so
- Ask NA's to repay outstanding debits to International (up to £60k)
- Request donations from NA's (or loan)
- Request NA's, when possible, to advance their payments of the programme season to avoid the slump between November 21 and May 22
- Continue liaising insurance company for a dividend payment (or loan)
- Use £30k loan from Peace Fund
- Continue exploring grants, corporate donations and donation campaign on social media



## Our NA's / PA's could take many actions to help International sail through:

- **Credits:** Decide not to claim your credits sitting at International when you receive your next invoice – and let us know! This will allow us a lower level of reserved cash in 2022 and bring in some needed cash. These credits will stay in place for later of course
- **Debits:** if your NA / PA has the possibility – pay outstanding debt towards International
- **Early Payments:** as you saw on the cash flow projections, December – May we continue to have costs and no income. Can you advance your payments to International to meet these dates? Let us know so we know when to invoice you. This is applicable for 2022 and 2023
- **Donate to International:** if you have reserves you may be happy to do a one-off payment to International for services rendered or a donation (depending on tax restrictions). Let us know and we can see how to make it work
- **Fee:** if you are hosting any type of program this summer (national, in person, virtual) – consider adding a small fee per participant that can then be paid to International for the support (a solidarity fee?)
- **Other ideas?** Please let us know! We are happy to work together to get through his together

