

Cover note University Council

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Details		
Topic		Highlights reports – August 2023
To be discussed before		November 2023
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Handled by (to be invited to the committee)		Financial committee of the UC
Date		20-11-2023

Context / Reason
<p>The August 2023 Highlights Report provides a comprehensive overview of the financial position of the different organizational units (part of the consolidation) of the Erasmus University.</p> <p>The August 2023 report includes a forecasted result until August 2023. The financial position outlined in the March 2023 report has changed when compared to the initial 2023 budget. The August 2023 report includes an explanation of the main drivers the budgeted financial figures of 2023 compared to the most recent forecast until August 2023. The forecast of FGG/Erasmus MC is reassessed as per the end of July 2023.</p> <p>The Highlight report includes a brief overview of relevant non-financial information.</p> <p>The August 2023 Highlights Report received official approval from the Executive Board on November 7, 2023.</p>

Jurisdiction UC / Question to the UC
The Highlights Report is provided to the University Council for information purposes.

Short Summary
<p>The Highlights report has the following structure:</p> <ul style="list-style-type: none">-An analysis of the reassessed forecast 2023 versus budget 2023 for EUR Woudestein excluding the related parties;-An analysis of the reassessed forecast 2023 versus budget 2023 for FGG/ Erasmus MC;-An analysis of the reassessed forecast 2023 versus budget 2023 for EUR related parties;-A description of the relevant developments regarding non-financial information. <p>Refer to the Highlights report August 2023 for the analysis described.</p> <p>The 2023 consolidated forecasted result is EUR -16.2m and the budgeted result is EUR -12.5m. The result (forecast) of EUR Woudestein (including related parties) is EUR -23.6m and the budget EUR -15.7m. The equity of EUR Woudestein (including related parties) for 2023, including the forecasted result 2023, is EUR 207.2m. The result of Erasmus MC has no impact on the equity of EUR Woudestein (including related parties).</p>

In summary, the deviation between the forecast and budget is explained by the following main drivers:

1. Due to expected underspending (compared to budget) of strategic (financial) resources by EUR components. The estimation of the financial impact due to the underspending has been included in the financial forecast and amounts to EUR +8,9m. This estimation is the most significant uncertainty in the forecast.

2. The one-off (additional) contribution to Erasmus MC for an amount of EUR -12m, refer also to the March 2023 report for further explanation.

3. Lower personnel expenses compared to budget because of outstanding (and budgeted) vacancies for ongoing programs not being filled. This effect is partially compensated by the fact that not the full CAO indexation (as materialized) was taken into consideration in the 2023 budgeted financial figures. The cost of hiring is also included in the budget as part of the total personnel expenses and is higher than budgeted to address the lack of capacity as aforementioned.

The deviation between the forecast and the budget that pertains to the personnel expenses is explained per organizational unit, refer to the Highlights report.

There are several one-off items with a (significant) impact on the financial result and therefore being normalized in order to provide a clearer view on the development in the financial figures. The Highlight report therefore includes a reconciliation (bridge) between the reported forecast and the normalized result (e.g. corrected for one-off items). This applies to both EUR Woudestein and in particular Erasmus MC/FGG, see the Highlights report.

Follow-up process

n/a

Specifics

n/a

Documents to be attached

Highlights report August 2023 (in English)