

SECRETARIAT OF THE PACIFIC REGIONAL ENVIRONMENT PROGRAMME (SPREP)

STATEMENT OF COMPREHENSIVE INCOME
FORECAST OUTLOOK
For the 6 months ended 30 June 2020

	USD		Delivery rate	Budget Variance	Monthly Budget	OUTLOOK 6 mths remaining	Forecast 2020 Total	Notes	Percentage of Forecast 2020
	Actuals 2020	Budget 2020							
Income		\$							
Members contributions	497,654	1,236,962	40%	(739,308)	103,080	430,067	927,722	1	75%
Programme management charges	475,584	2,202,497	22%	(1,726,913)	183,541	811,425	1,287,009	2	58%
Programme/donor fund income	5,269,330	30,838,969	17%	(25,569,639)	2,569,914	13,116,511	18,385,841	3	60%
Other donor fund income	1,180,399	2,399,705	49%	(1,219,306)	199,975	619,380	1,799,779	4	75%
Amortisation of deferred income	67,281	134,562		(67,281)	11,214	67,281	134,562		100%
Other income	99,068	51,438	193%	47,630	4,287	30,000	129,068	5	251%
Total income	7,589,316	36,864,133		(29,274,817)	3,072,011	15,074,664	22,663,980		61%
Expenses									
Executive management & corporate Support	1,797,343	5,606,529	32%	(3,809,186)	467,211	2,402,657	4,200,000	6	75%
Climate Change Resilience	1,649,789	16,357,819	10%	(14,708,030)	1,363,152	6,940,143	8,589,932	3,7	53%
Island & Ocean Ecosystems	1,952,578	6,086,939	32%	(4,134,361)	507,245	3,215,614	5,168,191	3	85%
Waste management	1,199,105	6,590,513	18%	(5,391,408)	549,209	2,328,869	3,527,974	3	54%
Environment monitoring	467,858	1,803,698	26%	(1,335,840)	150,308	631,886	1,099,744	3	61%
Depreciation and amortisation expense	154,318	308,635		(154,318)	25,720	154,318	308,635		100%
Total expenses	7,220,990	36,754,133		(29,533,142)	3,062,844	15,673,485	22,894,476		62%
Surplus / (Deficit) Before net finance income and foreign exchange	368,326	110,000				(598,822)	(230,496)		
Net finance income	(881)	(10,000)				9,119	(10,000)		
Foreign exchange gain/(loss)	-	(100,000)				(100,000)	(100,000)	8	
Net Surplus / (Deficit)	367,445	-				(707,940)	(340,496)		

Notes:

- Collection to date is 40% which has improved significantly compared to 22% collection last reported in May 2020. We have assumed at this stage only 3/4 or 75% of membership contributions will be collected by end of this year due to COVID 19 impact.
- Only collected just 22% for the first half of the year which is a substantial adverse impact relative to the budget. Updated forecast at this early stage as received in Qtr 2 from Programmes is around 60% average delivery rate due to the COVID 19 impact. This derives a forecast of about 58% Programme Fees on average by the end of 2020.
- Programme/donor fund income recognised over the first 6 months as a result of programme activity implementation is only at a rate of 17% overall. Estimate based on Budget remaining for 2020 but forecasted as last revised by Programme Forecasts this month to achieve circa 60% delivery rate. Note that Programme/Donor fund Income should equal Programme Expenditure (CCR, IOE, WMPC, EMG) as income is only recognised in the financials when programme expenditure is incurred as a result of Programme Activity Implementation/Delivery.
- Have collected 49% of the anticipated budget on Other Donor Income. Most of this income relates to Multilateral funding received for the first 6 months for Core Funding from DFAT Australia and MFAT NZ for the advanced tranches for 2020 as well as the 2020 funding from China.
- Have collected more than 100% of the anticipated budget on Other Income. Mainly from rental and insurance recoveries. Excess collection is based on rent for Jun-Dec (~\$64k) paid in advance for the new PRISMSS project not previously in 2020 budget.
- Actual expenditure for the Core for Jan - Jun period was about 32% of the budget. Monthly budget for CORE is \$467k but revised downward to \$400k/monthly given noted shortfall expected in overall income as a result of delayed projects due to COVID 19 and thus the overall impact on 2020 results.
- Forecasted Delivery for CCR by the end of 2020 is at USD\$8.59 million or 53% of the approved budget taking into account actuals for the first 6 months and the remaining forecasted activities for the period Jul to Dec. However, earlier this year, GCF VanKirap which forms a major part of the CCR budget at \$8.9 million was revised after a restructure post SPREP approval to \$2.8 million. This is a variance of \$6.1 million from the approved 2020 Budget for CCR which if revised, is USD\$10.2 million. Delivery rate therefore if based on a revised budget for 2020 would be 84%.
- Conservatively assumed adverse movement in FeX based on tolerable limit of \$100k by Dec (2019 was \$46k).