

**Imperial College Union
Board of Trustees
Managing Director's Report
January 2016**

Financial Performance

It is no accident that each of my reports to the Board of Trustees have started with an update of Financial Performance. Of course, being a charitable organisation with a primary focus on representation and services to our members, financial performance isn't the most important thing. However, without strong financial health, financial reporting or a reputation for sound financial management, we can't achieve our charitable objectives.

I am pleased to be able to report that the Union is in a healthy financial state, with £1.2m in free reserves and a net current assets position of £2.5 million. Four years ago, both these figures were negative and is through the focus and dedication of Officers, Trustees, Managers, budget holders and all of our staff that this has turned around. Our financial forecasting shows that the future looks challenging and the Union must continue to take a robust and disciplined approach to financial management as we move forward.

Interim Arrangements

I am pleased that Alex McKee has been appointed as Interim Managing Director – I know that he will do a great job and will be well supported by the entire Management team. We have agreed a number of measures to ensure that the Union continues to move forward during this period which are detailed in a separate note to the Board.

Thanks to Colin

We are, quite rightly, taking some time on the evening of the Board meeting to thank Julia for her contribution to the Union as she finishes her time as Chair. However, I wanted to take this opportunity to recognise and thanks Colin Kerr for his contribution to the Union as this is also his last meeting as a Trustee. Colin has been involved with, and supportive of the Union for a very long time, and has been a constant support during a time of significant change. We are grateful for his significant contribution to the Union and wish him well for the future.

Thanks and Goodbye

This will be my last report to the Board of Trustees as I move on to a new role for Imperial College at the start of February. I have immensely enjoyed my four years in post and it has been a privilege to work with, and have support from, members of the Board throughout this time.

I feel that the Board, whilst not being complacent for the future of the organisation, should be proud of what it has achieved over the past few years - taking the Union through Governance reform, Charity registration, organisational restructure, financial turnaround and the development and delivery of a Strategic Plan.

There is plenty more to do, and although I am sorry not to be part of the organisation any more, I look forward to seeing what the Union will achieve in the future.

**Joe Cooper
Managing Director
January 2016**

Financial Performance	Top 5 future risks
<ol style="list-style-type: none"> 1. Summary – The Union is currently in a strong financial position – with a healthy level of reserve and a strong liquidity position. However, as the forecast reveals, achieving the Union’s budget for this year will be as challenging as ever. 2. Latest management accounts – November’s accounts show an operating surplus of £311K, representing a £76k positive variance to budget and a YOY improvement of £95k 3. Financial Reporting – Our financial reporting has been significantly improved by our in-house online management accounting tool and the hard work of our finance team to ensure that weekly and monthly reporting is timely and accurate. 4. Current revenue performance – Revenue performance is very strong so far this year. The most recent ‘flash report’ shows a six week total of £446k, a £35k positive variance to budget. Of particular note are Catering revenues, which show a positive variance of £12k over the six-week period, representing a positive variance of 37% to budget! 5. Financial Control – The Union received extremely positive feedback at the College Audit Committee, held in November, regarding the Union’s financial and operational performance. 	<ol style="list-style-type: none"> 1. Financial Performance - Despite a strong start to the year achieving the Union’s financial objectives will be challenging – I believe it is still possible for the Union to achieve its budgeted surplus for the year. 2. Strategic Development and funding – Our financial forecasting shows that a step change in grant funding will be required to enable the Union to continue to strategically grow and develop its services and provision. 3. Involvement in Imperial White City – The Union needs to continue to be involved in discussions regarding the future of the campus. 4. Student Media – Despite attempts to improve support and guidance for the student newspaper this remains a largely unaccountable part of the Union and an uncontrolled risk for the Board. The Union should consider how best to reform our approach to Student Media in the future. 5. Interim period and new Managing Director – Whilst I am extremely confident of Alex’s and the Senior Manager’s ability to continue the Union’s support and development, additional support and advice from the Board will be crucial during this time. The appointment of a new Managing Director is a huge opportunity to move the Union further forward but it is essential that the process is effective and robust to ensure that the right individual is found.
Top 5 things achieved since last Board meeting	Top 5 issues we are managing at the moment
<ol style="list-style-type: none"> 1. Financial Performance - As outlined above, this is underpinned by excellent revenue performance and good budgetary control from all budget holders. 2. Catering Performance – This has been a significant step forward this year with weekly revenues consistently c. £1000 ahead of budget (25%) 3. Recruitment process and Interim arrangements – A process has been agreed, consultants appointed and recruitment campaign launched. Thanks to all Board members who have contributed so far. 4. Election performance - More than 4500 students took part in the October elections to elect Academic representatives, Liberation Officers and Union Councillors. 5. Reform of Student Development and Student Advice – both these areas, for differing reasons are growing in scale and scope and are increasingly becoming core to the Union’s activity. 	<ol style="list-style-type: none"> 1. Investors in Volunteers - after an enormous amount of effort over the past two years we are hoping for a positive outcome from our IIV assessment in February 2. IIP Reassessment – The IIP assessor visits the Union in late January – we are hoping to receive Silver or Gold accreditation 3. Strategic Plan Development - The research phase is underway and will culminate in a Strategy conference in the Spring 4. MD Recruitment and Interim arrangements – A separate paper outlines the resources required for the Interim period but I am confident that the Union is in a healthy and robust position 5. Launch of second round of Diploma in Management Studies – Following the completion of the course by the first cohort and very positive feedback we are opening applications for the second cohort in February.