



# **MANAGEMENT ACCOUNTS**

**FOR THE MONTH ENDED**

**31<sup>st</sup> July 2017**

## CONTENTS

	PAGE
i. EXECUTIVE SUMMARY	3
2. CONSOLIDATED SUMMARIES,	
i. Imperial College Union Consolidated Income & Expenditure	4
ii. Social Enterprise Income & Expenditure	5
3. DEBTORS	6
4. BALANCE SHEET AND CASHFLOW STATEMENTS	
i. Balance Sheet	7-8
ii. Cashflow statement	9

***NB: Management Accounts for individual cost centres are now provided as a separate document***

## Executive Summary

The Union's total income for July was £15,102 ahead of budget, bringing total income for the year to £5,195,973, which is 6% higher than the previous year, and £232,849 ahead of budget. After cost of sales and all other expenditure are factored in, the Union's net deficit for the month was £21,498 lower than budget. In terms of full year, the Union achieved a net surplus of £109,909, which is £101,377 better than the previous year and £205,909 better than the budgeted net deficit.

Income for the month reflects a continuation of stronger than expected trading results across the licenced trade areas and Retail. The negative impact of Summer Ball timing differences and the Reynolds closure were more than made up by the positive impact of Catering, Beit bars, Union Shop and Newsagent sales. Year on year, income from the licenced trade was up £252,237 (+13%), of which £136,796 (+11%) comes from Beit bars and a further £107,988 (+30%) from Catering. Combined, these two areas achieved income of £1,803,937, which is £213,471 (+13%) ahead of budget. Despite the expected reduction on income due to the discontinuation of tobacco sales (Newsagent sales £113,451 down year on year) Retail sales outstripped budget by £19,328 (+2%).

Expenditure, overall, was (£48,275) over budget in the month, reflecting mainly the impact of year-end adjustments and some timing issues. In terms of full year, staff costs were up £352,962 (+14%) on the previous year, but are under budget by £61,788. This reflects significant budget savings on permanent staff costs due to a high level of staff turnover during the year, partly offset by significantly higher than planned temporary staff costs driven, mainly, by the higher than expected trade volumes in the licenced trade areas, but also by permanent staff hiring delays.

Overall, all other costs are down on the previous year, reflecting a number of factors. The cost of the pension deficit provision at the end of the year was £11,443, which was significantly lower than the cost of £88,190 the previous year, when the provision was first created. Another significant year on year change were sabbatical accommodation costs, which were discontinued in 2016/17, with officer trustees being paid at a new higher point on the pay scale to compensate. Finally, the previous year had higher recruitment costs as well as a number of redundancy costs. Despite budget savings on training costs and depreciation, other costs for the full year were £55,800 over budget, mainly reflecting the year-end provisions, some unplanned research and consultancy fees, and higher card commissions driven by the higher trade volumes.

### Balance Sheet

Short term cash balances remain adequate and the Union is reviewing its long term investment strategy to ensure any surplus cash is invested to yield an appropriate investment return that is consistent with its ethical investment objectives and risk profile. The Union continues to focus on improving its aged debtors profile. At the end of July, the proportion of debtors balances billed within the last 60 days rose significantly from 39% to 87%, reflecting the effect of the BBC invoice issued during the month. In contrast, the proportion of debtors balances outstanding greater than 90 days decreased from 61% to 12%.

### Conclusion

The Union ended the year in a very healthy financial position having achieved a surplus instead a deficit, as had been budgeted. Beit bars and Catering capitalised on a busy season at the BBC Proms last year, getting the year off to a very good start with a combined sales budget variance of £54,500. Both areas continued to perform strongly throughout the year, Catering in particular, delivering sales on average 34% ahead of budget. The other significant element in the results was the saving on permanent staff costs due to staff turnover and a number of hiring delays. The negative financial impact associated with this was comparatively small besides some higher agency and temporary staff costs – in particular for Catering where there were hiring delays of several months.

# Consolidated Summaries

## Union & Student Groups Summaries (Statement of Financial Performance)

	Jul-17					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
<b>Union</b>												
Income	206,657	191,555	262,955	15,102	(56,298)	5,195,973	4,963,123	4,904,403	232,849	291,570	4,963,123	5,195,973
Cost of Sales	(92,194)	(71,865)	(100,726)	(20,329)	8,532	(1,305,325)	(1,197,397)	(1,298,852)	(107,928)	(6,473)	(1,197,397)	(1,305,325)
<b>Gross Profit</b>	<b>114,463</b>	<b>119,690</b>	<b>162,229</b>	<b>(5,227)</b>	<b>(47,766)</b>	<b>3,890,648</b>	<b>3,765,727</b>	<b>3,605,551</b>	<b>124,921</b>	<b>285,097</b>	<b>3,765,727</b>	<b>3,890,648</b>
Staff Pay Costs	(242,669)	(248,928)	(223,533)	6,259	(19,136)	(2,794,090)	(2,855,878)	(2,441,128)	61,788	(352,962)	(2,855,878)	(2,794,090)
Other Direct Costs	(126,610)	(72,076)	(244,106)	(54,534)	117,496	(986,649)	(930,849)	(1,155,890)	(55,800)	169,241	(930,849)	(986,649)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	(75,000)	-	75,000	-	-	(75,000)	-	75,000	-	(75,000)	-
<b>Net Surplus/(Deficit)</b>	<b>(254,816)</b>	<b>(276,314)</b>	<b>(305,410)</b>	<b>21,498</b>	<b>50,594</b>	<b>109,909</b>	<b>(96,000)</b>	<b>8,532</b>	<b>205,909</b>	<b>101,377</b>	<b>(96,000)</b>	<b>109,909</b>
<b>Student Groups</b>												
Grant	18,710	-	25,430	18,710	(6,720)	41,800	-	24,692	41,800	17,108	-	41,800
SGI	(232,013)	-	(201,085)	(232,013)	(30,929)	123,729	-	(157,343)	123,729	281,072	-	123,729
Harlington	(3,712)	-	(8,664)	(3,712)	4,952	1,782	-	3,153	1,782	(1,371)	-	1,782
IC Trust	34,003	-	(6,005)	34,003	40,008	(9,022)	-	7,028	(9,022)	(16,050)	-	(9,022)
College	(19,053)	-	(2,862)	(19,053)	(16,191)	6,951	-	(12,586)	6,951	19,537	-	6,951
<b>Net Surplus/(Deficit)</b>	<b>(202,065)</b>	<b>-</b>	<b>(193,185)</b>	<b>(202,065)</b>	<b>(8,879)</b>	<b>165,240</b>	<b>-</b>	<b>(135,056)</b>	<b>165,240</b>	<b>300,296</b>	<b>-</b>	<b>165,240</b>
<b>Funds Analysis</b>												
Unrestricted Funds	(236,106)	(276,314)	(279,979)	40,208	43,874	151,709	(96,000)	33,225	247,709	118,485	(96,000)	151,709
Restricted Funds	(220,775)	-	(218,616)	(220,775)	(2,159)	123,440	-	(159,748)	123,440	283,188	-	123,440
Capital Funds	(19,326)	(19,326)	-	-	(19,326)	(231,912)	(231,912)	-	0	(231,912)	(231,912)	(231,912)
<b>Total Surplus/(Deficit)</b>	<b>(476,207)</b>	<b>(295,640)</b>	<b>(498,595)</b>	<b>(180,567)</b>	<b>22,388</b>	<b>43,237</b>	<b>(327,912)</b>	<b>(126,523)</b>	<b>371,149</b>	<b>169,760</b>	<b>(327,912)</b>	<b>43,237</b>

## Social Enterprise Income & Expenditure Account (Statement of Financial Performance)

	Jul-17					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
Income	225,953	213,775	246,380	12,178	(20,427)	3,595,267	3,307,962	3,386,431	287,305	208,836	3,307,962	3,595,267
Cost of Sales	(92,194)	(71,865)	(100,726)	(20,329)	8,532	(1,305,325)	(1,197,397)	(1,298,852)	(107,928)	(6,473)	(1,197,397)	(1,305,325)
<b>Gross Profit</b>	<b>133,760</b>	<b>141,911</b>	<b>145,655</b>	<b>(8,151)</b>	<b>(11,895)</b>	<b>2,289,942</b>	<b>2,110,565</b>	<b>2,087,579</b>	<b>179,377</b>	<b>202,364</b>	<b>2,110,565</b>	<b>2,289,942</b>
Staff Pay Costs	(99,620)	(92,566)	(96,664)	(7,054)	(2,956)	(1,254,813)	(1,228,411)	(1,152,096)	(26,402)	(102,717)	(1,228,411)	(1,254,813)
Other Direct Costs	(44,038)	(28,453)	(44,781)	(15,585)	743	(436,745)	(373,358)	(378,269)	(63,387)	(58,475)	(373,358)	(436,745)
Overheads	(11,082)	(12,946)	(7,578)	1,864	(3,504)	(11,082)	(12,946)	(7,578)	1,864	(3,504)	(12,946)	(11,082)
<b>Net Profit/(Loss)</b>	<b>(20,981)</b>	<b>7,946</b>	<b>(3,368)</b>	<b>(28,927)</b>	<b>(17,613)</b>	<b>587,303</b>	<b>495,851</b>	<b>549,635</b>	<b>91,452</b>	<b>37,668</b>	<b>495,851</b>	<b>587,303</b>

## ICU Debtors as at 31/07/2017

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL
Clubs, Society & Projects	8,989 23%	1,243 3%	7,840 20%	1,235 3%	19,715 51%	39,022
Union	74,449 88%	8,201 10%	359 0%	(1,694) -2%	3,457 4%	84,772
Grand Total	83,438 67%	9,443 8%	8,199 7%	(459) 0%	23,172 19%	123,794

### Debtor Days\*

February 2017	80.01 days
March 2017	63.27 days
April 2017	59.87 days
May 2017	44.33 days
June 2017	48.20 days
July 2017	57.33 days

\*closing month end debt/total annual credit sales X 365 days

**Imperial College Union**  
**Balance Sheet as at 31 July 2017**

	Notes	31 July 2017		31 July 2016		31 July 2016	
		£	£	£	£	£	£
<b>TANGIBLE FIXED ASSETS</b>	<b>1</b>		4,714,624		4,878,624		4,878,624
<b>INVESTMENTS</b>	<b>2</b>		129,235		119,731		119,731
<b>CURRENT ASSETS</b>							
Stock		229,171		228,207		228,207	
Debtors	<b>3</b>	185,043		157,108		157,108	
Cash and bank balances	<b>4</b>	2,112,951		1,744,511		1,744,511	
		<u>2,527,165</u>		<u>2,129,826</u>		<u>2,129,826</u>	
<b>CREDITORS: Falling due within one year</b>	<b>5</b>		<u>(663,127)</u>		<u>(463,521)</u>		<u>(463,521)</u>
<b>NET CURRENT ASSETS</b>			1,864,039		1,666,305		1,666,305
<b>TOTAL NET ASSETS</b>			<u><b>6,707,898</b></u>		<u><b>6,664,661</b></u>		<u><b>6,664,661</b></u>
<b>Restricted Funds</b>							
Capital Grants	<b>6</b>	2,808,950		3,040,862		3,040,862	
Student Activities		973,249		849,809		849,809	
			3,782,199		3,890,671		3,890,671
<b>Unrestricted Funds</b>							
Designated Funds	<b>7</b>	2,076,835		2,039,493		2,039,493	
General Reserve		848,864		734,496		734,496	
		<u>2,925,699</u>		<u>2,773,989</u>		<u>2,773,989</u>	
		<u><b>6,707,898</b></u>		<u><b>6,664,661</b></u>		<u><b>6,664,661</b></u>	

Imperial College Union

Balance Sheet Notes as at 31 July 2017

	31 July 2017	31 July 2016	31 July 2016
	£	£	£
<b>1 TANGIBLE FIXED ASSETS</b>			
Cost	9,129,184	9,095,834	9,095,834
Additions	352,652	122,046	122,046
Disposals Cost	88,695	144,363	144,363
Disposals Accumulated Depreciation	(88,695)	(144,363)	(144,363)
Accumulated Depreciation	(4,767,213)	(4,339,255)	(4,339,255)
	<b>4,714,624</b>	<b>4,878,624</b>	<b>4,878,624</b>
<b>2 INVESTMENTS</b>			
Investment Cost	2,687	2,687	2,687
Unrealised Value	126,548	117,044	117,044
	<b>129,235</b>	<b>119,731</b>	<b>119,731</b>
<b>3 DEBTORS</b>			
Trade Debtors	123,794	156,750	156,750
Provision for Bad Debts	(22,426)	(29,818)	(29,818)
Prepayments	4,753	11,100	11,100
Accrued Income	7,787	4,166	4,166
Other Debtors	71,135	14,911	14,911
	<b>185,043</b>	<b>157,108</b>	<b>157,108</b>
<b>4 CASH AND BANK</b>			
Main Account	2,084,341	1,726,393	1,726,393
Club & Societies	4,970	2,678	2,678
Floats	21,160	12,910	12,910
Petty Cash	2,480	2,530	2,530
	<b>2,112,951</b>	<b>1,744,511</b>	<b>1,744,511</b>
<b>5 CREDITORS</b>			
Trade creditors	(83,305)	(9,209)	(9,209)
College Interdivision Creditor	(104,679)	15,664	15,664
VAT	(46,594)	(37,823)	(37,823)
Credit Card Control	3,333	475	475
Accruals	(122,048)	(131,768)	(131,768)
Deferred income	(63,925)	(63,525)	(63,525)
Other creditors	(245,908)	(237,336)	(237,336)
	<b>(663,127)</b>	<b>(463,521)</b>	<b>(463,521)</b>
<b>6 RESTRICTED FUNDS</b>			
Capital Grants	2,808,950	3,040,862	3,040,862
Student Activities/Halls	973,249	849,809	849,809
	<b>3,782,199</b>	<b>3,890,671</b>	<b>3,890,671</b>
<b>7 UNRESTRICTED FUNDS</b>			
Asset and Investment Funds	1,908,361	1,840,449	1,840,449
Investment Revaluation Reserve	126,548	117,044	117,044
Other Designated Funds	41,925	82,000	82,000
General Reserves	848,864	734,496	734,496
	<b>2,925,699</b>	<b>2,773,989</b>	<b>2,773,989</b>



## Imperial College Union

### Cashflow Statement as at 31 July 2017

<b>Current Year Surplus/(Deficit)</b>	<b>43,237</b>	
Add back Depreciation	513,747	
Investment Income Eliminated	(12,165)	
(Increase)/Decrease in unrealised investments	(9,504)	
Loss/(Profit) on sales of fixed assets	(7,527)	
(Increase)/Decrease in Stock	(964)	
(Increase)/Decrease in Debtors	(27,935)	
Increase/(Decrease) in Creditors	199,606	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>698,494</b>
<b>Returns on investment and servicing of finance</b>		
Charifund Interest Received	5,740	
Bank Interest Received	6,425	
		<b>12,165</b>
<b>Capital Expenditure</b>		
Payments to acquire tangible fixed assets	(352,652)	
Receipts from sales of tangible fixed assets	10,433	
Deferred Capital Grants received during the year	-	
		<b>(342,219)</b>
<b>Change in net funds</b>		<b>368,440</b>
<b>Reconciliation of cash flow to movements in funds</b>		
Net funds as at 01 August 2016	1,744,511	
Net funds as at 31 July 2017	2,112,951	
<b>Change in net funds</b>		<b>368,440</b>

### Cashflow Statement as at 31 July 2017

The Union has seen a net increase of £368k in the year so far. The main cash inflow of funds was £698k received from operating activities with an additional £12k from interest and investments.

The main cash outflow of funds was £342k of capital expenditure.