



MANAGEMENT ACCOUNTS

FOR THE MONTH ENDED

31st October 2018

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

Executive Summary

October's income of £754,131 for the Union was trailing budget by £92,785 and £14,892 behind previous year. As income has decreased the corresponding cost of sales has also gone down (by £39,893), resulting in an unfavourable gross profit variance of £52,892 in the month. The two main areas contributing to the shortfall in income are Marketing and Commercial.

Marketing: The Freshers Fair's budget was an ambitious one and 17 extra standard stalls were expected to be taken up, unfortunately this was not possible. Additionally, this year's net income from the fair has been further dented by miscoding of invoices and prior year credit notes being processed. All these factors have resulted in an adverse variance of £18,950 in the month. Some costs incurred this year (eg signage) are investment costs, meaning they will not be incurred again for next year's Fair as the items purchased can be used for it and for other events generally throughout the year. It also appears that last year there were some costs incurred that were those for the Fair but actually hit the main Marketing budget instead. The sponsorship and advertising budgets were aspiring ones too but unfortunately could not be met in the month (adverse variances of £5,000 and £7,223 respectively). The Careers Fair resulted in an adverse variance of £10,970 year to-date (but favourable in the month by £4,430). There used to be another Careers Fair, separate from that held at Fresher's Fair, which was discontinued, however this was erroneously incorporated in the budget figure.

Commercially, the Union has not performed as predicted in the budget by £53,708. Apart from the budget being quite enterprising there are numerous other factors affecting the Bars and Catering area such as there being several newcomers who need training and the lack of controls in place regarding stock, proper use of recipes etc as there are not enough managers in place at the moment to carry out these important duties. In summary there is some upheaval currently which is being addressed. Investigations have commenced in order to ensure information is being collated correctly by budget holders eg functions income and that transactions are correctly posted within our systems. Marketing have plans going forward to help deliver the commercial strategy. Retail continues to have a strong trading performance.

Staff pay costs have exceeded expectation by £28,772. This is mainly in Commercial Services where the attrition rate is high. Agency staff have had to be utilised due to increased labour in the kitchen - the Head Chef and one other staff member being on sick leave and extra staff required for the implementation of the lack of processes/procedures mentioned above have led to this unfavourable variance.

Other direct costs in the month were lower than expected due to deferred costs (eg printing of £3,160), budget phasing (eg Licences of £5,565 which will be incurred in November) in the Marketing department and security costs in 568/Union bar are understated. These costs are thus under investigation as invoices are not being received for processing (£5,173 variance to budget).

Overall, the Union has a net deficit of £53,887 year to-date and £20,425 year to-date compared to last year. The Union continues to have a strong healthy balance sheet with net assets of £7.393m, practically the same position as last year this time (£7.396m) and better than as at 31 July 2018 (£6.885m). The bank balance is robust. Debtors and creditors have gone up significantly, £206,234 and £471,078 respectively, from the previous month owing to increased activities by the clubs and societies.

Consolidated Summaries

Union & Student Groups Summaries (Statement of Financial Performance)

	Oct-18					Year to Date					Full Year Budget
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	
Union											
Income	754,131	846,916	769,023	(92,785)	(14,892)	1,686,832	1,799,582	1,610,225	(112,750)	76,607	5,772,659
Cost of Sales	(172,287)	(212,180)	(221,537)	39,893	49,250	(368,797)	(389,199)	(399,906)	20,402	31,109	(1,365,513)
Gross Profit	581,844	634,736	547,486	(52,892)	34,358	1,318,035	1,410,383	1,210,319	(92,348)	107,716	4,407,147
Staff Pay Costs	(347,477)	(318,705)	(271,906)	(28,772)	(75,572)	(842,475)	(835,145)	(715,635)	(7,330)	(126,840)	(3,412,050)
Other Direct Costs	(90,571)	(104,019)	(107,182)	13,448	16,611	(249,270)	(295,062)	(247,969)	45,792	(1,300)	(991,343)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	143,795	212,012	168,398	(68,216)	(24,603)	226,290	280,177	246,715	(53,887)	(20,425)	3,754
Student Groups											
Grant	(462)	-	225	(462)	(687)	62,589	-	54,805	62,589	7,783	-
SGI	231,888	-	264,996	231,888	(33,109)	288,595	-	398,981	288,595	(110,386)	-
Harlington	(5,500)	-	(2,243)	(5,500)	(3,257)	(31,780)	-	(3,526)	(31,780)	(28,255)	-
IC Trust	(402)	-	3,706	(402)	(4,109)	(2,746)	-	3,627	(2,746)	(6,374)	-
College	10,903	-	12,972	10,903	(2,069)	23,034	-	45,834	23,034	(22,800)	-
Net Surplus/(Deficit)	236,427	-	279,656	236,427	(43,230)	339,691	-	499,722	339,691	(160,031)	-
Funds Analysis											
Unrestricted Funds	143,333	212,012	168,623	(68,679)	(25,290)	288,879	280,177	301,520	8,702	(12,641)	3,754
Restricted Funds	236,889	-	279,432	236,889	(42,543)	277,102	-	444,916	277,102	(167,814)	-
Capital Funds	(19,326)	(19,326)	(19,326)	-	-	(57,978)	(57,978)	(57,978)	0	0	(231,912)
Total Surplus/(Deficit)	360,896	192,686	428,728	168,210	(67,832)	508,003	222,199	688,458	285,804	(180,456)	(228,158)

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

Imperial College Union

Management Accounts 2018/19

Commercial Services

	Oct-18					Year to Date					Full Year
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget
Income	562,103	615,812	550,120	(53,708)	11,983	1,114,403	1,155,219	1,035,806	(40,815)	78,597	3,961,963
Cost of Sales	(172,287)	(212,180)	(221,537)	39,893	49,250	(368,797)	(389,199)	(399,906)	20,402	31,109	(1,365,513)
Gross Profit	389,817	403,632	328,584	(13,815)	61,233	745,606	766,020	635,900	(20,413)	109,706	2,596,450
Staff Pay Costs	(181,932)	(153,164)	(131,791)	(28,768)	(50,140)	(372,865)	(357,265)	(316,639)	(15,600)	(56,226)	(1,460,863)
Other Direct Costs	(40,910)	(47,108)	(49,951)	6,198	9,040	(98,353)	(124,833)	(108,389)	26,480	10,036	(406,525)
Overheads	-	-	-	-	-	-	-	-	-	-	(4,178)
Net Profit/(Loss)	166,975	203,360	146,842	(36,385)	20,133	274,388	283,921	210,872	(9,533)	63,516	724,884

ICU Debtors as at 31/10/2018

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL
Clubs, Society & Projects	87,239 54%	19,198 12%	900 1%	390 0%	54,379 34%	162,106
Union	10,147 25%	17,380 43%	1,668 4%	(1,981) -5%	13,670 33%	40,884
Grand Total	97,386 48%	36,577 18%	2,568 1%	(1,591) -1%	68,050 34%	202,989

Debtor Days*

May-18	84.08	days
Jun-18	77.91	days
Jul-18	82.70	days
Aug-18	94.82	days
Sep-18	72.77	days
Oct-18	97.26	days

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

Imperial College Union
Balance Sheet as at 31 October 2018

		31 October 2018		31 October 2017		31 July 2018	
		£	£	£	£	£	£
TANGIBLE FIXED ASSETS	Notes						
	1		4,173,147		4,643,782		4,287,097
INVESTMENTS	2		1,623,511		129,235		130,670
CURRENT ASSETS							
Stock		251,722		258,383		213,396	
Debtors	3	418,003		204,073		262,991	
Cash and bank balances	4	2,379,791		3,398,341		3,548,618	
		<u>3,049,516</u>		<u>3,860,797</u>		<u>4,025,005</u>	
CREDITORS: Falling due within one year	5	<u>(1,452,865)</u>		<u>(1,237,458)</u>		<u>(1,557,466)</u>	
NET CURRENT ASSETS			1,596,651		2,623,338		2,467,539
TOTAL NET ASSETS			<u><u>7,393,309</u></u>		<u><u>7,396,356</u></u>		<u><u>6,885,306</u></u>
Restricted Funds							
Capital Grants	6	2,519,059		2,750,972		2,577,037	
Student Activities		1,637,073		1,426,166		1,346,240	
			4,156,133		4,177,138		3,923,278
Unrestricted Funds							
Designated Funds	7	1,750,878		2,005,993		1,867,550	
General Reserve		1,486,298		1,213,224		1,094,478	
		<u>3,237,176</u>		<u>3,219,218</u>		<u>2,962,028</u>	
		<u><u>7,393,309</u></u>		<u><u>7,396,356</u></u>		<u><u>6,885,306</u></u>	

Imperial College Union
Balance Sheet Notes as at 31 October 2018

	31 October 2018	31 October 2017	31 July 2018
1 TANGIBLE FIXED ASSETS	£	£	£
Cost	9,528,763	9,459,595	9,422,467
Additions	20,516	62,097	106,295
Disposals Cost	59,370	-	59,370
Disposals Accumulated Depreciation	(59,370)	-	(59,370)
Accumulated Depreciation	(5,376,132)	(4,877,910)	(5,241,665)
	<u>4,173,147</u>	<u>4,643,782</u>	<u>4,287,097</u>
2 INVESTMENTS	£	£	£
Investment Cost	1,495,528	2,687	2,687
Unrealised Value	127,983	126,548	127,983
	<u>1,623,511</u>	<u>129,235</u>	<u>130,670</u>
3 DEBTORS	£	£	£
Trade Debtors	189,503	174,125	174,968
Provision for Bad Debts	(38,935)	(22,426)	(38,935)
Prepayments	9,453	10,829	4,372
Accrued Income	190,818	(465)	77,479
Other Debtors	67,164	42,010	45,107
	<u>418,003</u>	<u>204,073</u>	<u>262,991</u>
4 CASH AND BANK	£	£	£
Main Account	2,394,168	3,395,432	3,538,154
Club & Societies	(28,017)	(10,731)	(3,176)
Floats	11,160	11,160	11,160
Petty Cash	2,480	2,480	2,480
	<u>2,379,791</u>	<u>3,398,341</u>	<u>3,548,618</u>
5 CREDITORS	£	£	£
Trade creditors	188,402	32,448	54,999
College Interdivision Creditor	(963,332)	(753,935)	(1,132,455)
VAT	(88,543)	(127,951)	(39,302)
Credit Card Control	(20,053)	547	(1,038)
Accruals	(212,283)	(115,059)	(180,829)
Deferred income	(10,572)	(13,852)	(28,188)
Other creditors	(346,484)	(259,657)	(230,653)
	<u>(1,452,865)</u>	<u>(1,237,458)</u>	<u>(1,557,466)</u>
6 RESTRICTED FUNDS	£	£	£
Capital Grants	2,519,059	2,750,972	2,577,037
Student Activities/Halls	1,637,073	1,426,166	1,346,240
	<u>4,156,133</u>	<u>4,177,138</u>	<u>3,923,278</u>
7 UNRESTRICTED FUNDS	£	£	£
Asset and Investment Funds	1,596,075	1,837,520	1,712,747
Investment Revaluation Reserve	127,983	126,548	127,983
Other Designated Funds	26,820	41,925	26,820
General Reserves	1,486,298	1,213,224	1,094,478
	<u>3,237,176</u>	<u>3,219,218</u>	<u>2,962,028</u>

Imperial College Union

Cashflow Statement as at 31 October 2018

Current Year Surplus/(Deficit)	508,003	
Add back Depreciation	198,337	
Investment Income Eliminated	(4,108)	
(Increase)/Decrease in unrealised investments	(1,492,841)	
Loss/(Profit) on sales of fixed assets	(4,500)	
(Increase)/Decrease in Stock	(38,327)	
(Increase)/Decrease in Debtors	(155,011)	
Increase/(Decrease) in Creditors	(104,601)	
Net cash inflow/(outflow) from operating activities		(1,093,049)
Returns on investment and servicing of finance		
Charifund Interest Received	1,500	
Bank Interest Received	2,608	
		4,108
Capital Expenditure		
Payments to acquire tangible fixed assets	(79,886)	
Receipts from sales of tangible fixed assets	-	
Deferred Capital Grants received during the year	-	
		(79,886)
Change in net funds		(1,168,827)
Reconciliation of cash flow to movements in funds		
Net funds as at 01 August 2018	3,548,618	
Net funds as at 31 October 2018	2,379,791	
Change in net funds		(1,168,827)

Cashflow Statement as at 31 October 2018

The Union has seen a net decrease of £1,169k in the year so far. The main cash inflow of funds was £4k received from interest and investments.

The main cash outflow of funds was £1,093k of operating activities with an additional £80k from capital expenditure.