



# **MANAGEMENT ACCOUNTS**

**FOR THE MONTH ENDED**

**30 November 2018**

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

## Executive Summary

November's income of £537,309 for the Union was trailing budget by £43,078 (-7.43) but £16,510 (3.17%) ahead of previous year. As income has decreased the corresponding cost of sales has also gone down (by £17,850), resulting in an unfavourable gross profit variance of £25,228 in the month. The contributing factors for the decrease in income are:

1) Marketing: Income from advertising and career sales have not been generated as expected, being £11,134 lower than budget in November. As mentioned last month the Freshers Fair has not produced income as desired resulting in an adverse variance of £16,103 year to date although during the month £3,016 net income came in.

2) Minibuses: Income from hire of the minibuses is down by £2,184 compared to budget however this is under investigation as Student Activities believe more income was earned but is not captured in the accounts. The College are not hiring from the Union (£1,207 less in the month than predicted) and are using external hire companies instead as there are no constraints regarding drivers etc. The sale of minibuses has been deferred to January/February next year therefore £1,600 income in the month and £8,000 year to-date has not yet been made.

3) Commercially, the Union has not performed as predicted in the budget by £35,542 in the month however £6,121 up on last year's income. There still is upheaval in this area due to staffing which will resolve when an operating manager is appointed in 2019. Retail continues to have a strong trading performance, just falling behind budget by £1,810 in the month but ahead of last year by £18,562.

Staff pay costs have exceeded expectation by £29,393 in the month. This is mainly in Commercial Services where the attrition rate is high as mentioned in last month's summary. 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 £21,210 above budget as some of the deferred expenditure such as printing is now being incurred. Year to date the other direct costs are below budget by £24,582.

Overall, the Union has a net deficit of £22,371 in the month with an unfavourable variance of £75,831 compared to budget and £129,718 (-38.88%) behind budget year to-date. The Union's income has surpassed prior years by £93,116 but it is the staff costs that are hitting the bottom line, resulting in a £104,326 adverse variance year to-date compared to last year (-33.85% lag).

The Union continues to have a strong robust balance sheet with net assets of £7.556m, better than last year this time (£7.540m) and better than as at 31 July 2018 (£6.885m). The bank balance remains healthy. The creditors balance has gone down significantly by £1.117m (payments made relating to activities by clubs and societies in October). The debtors too have decreased (by £63k) as outstanding balances are being chased and thus are paying up.

# Consolidated Summaries

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

|                                | Nov-18          |                |                |                 |                 | Year to Date     |                  |                  |                  |                  | Full Year Budget |
|--------------------------------|-----------------|----------------|----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                | Actual          | Budget         | Last Year      | Variance        | Change          | Actual           | Budget           | Last Year        | Variance         | Change           |                  |
| <b>Union</b>                   |                 |                |                |                 |                 |                  |                  |                  |                  |                  |                  |
| Income                         | 537,309         | 580,387        | 520,799        | (43,078)        | 16,510          | 2,224,141        | 2,379,970        | 2,131,025        | (155,829)        | 93,116           | 5,772,659        |
| Cost of Sales                  | (119,100)       | (136,950)      | (129,056)      | 17,850          | 9,956           | (487,897)        | (526,149)        | (528,962)        | 38,252           | 41,065           | (1,365,513)      |
| <b>Gross Profit</b>            | <b>418,209</b>  | <b>443,437</b> | <b>391,743</b> | <b>(25,228)</b> | <b>26,466</b>   | <b>1,736,244</b> | <b>1,853,821</b> | <b>1,602,062</b> | <b>(117,577)</b> | <b>134,182</b>   | <b>4,407,147</b> |
| Staff Pay Costs                | (338,932)       | (309,539)      | (255,067)      | (29,393)        | (83,865)        | (1,181,407)      | (1,144,684)      | (970,702)        | (36,723)         | (210,705)        | (3,412,050)      |
| Other Direct Costs             | (101,649)       | (80,439)       | (75,147)       | (21,210)        | (26,502)        | (350,918)        | (375,501)        | (323,116)        | 24,582           | (27,802)         | (991,343)        |
| Overheads etc.                 | -               | -              | -              | -               | -               | -                | -                | -                | -                | -                | -                |
| Contingency                    | -               | -              | -              | -               | -               | -                | -                | -                | -                | -                | -                |
| <b>Net Surplus/(Deficit)</b>   | <b>(22,371)</b> | <b>53,460</b>  | <b>61,529</b>  | <b>(75,831)</b> | <b>(83,901)</b> | <b>203,918</b>   | <b>333,636</b>   | <b>308,244</b>   | <b>(129,718)</b> | <b>(104,326)</b> | <b>3,754</b>     |
| <b>Student Groups</b>          |                 |                |                |                 |                 |                  |                  |                  |                  |                  |                  |
| Grant                          | (15,858)        | -              | (6,731)        | (15,858)        | (9,128)         | 46,730           | -                | 48,075           | 46,730           | (1,344)          | -                |
| SGL                            | 214,099         | -              | 94,000         | 214,099         | 120,099         | 502,695          | -                | 492,982          | 502,695          | 9,713            | -                |
| Harlington                     | -               | -              | 12,029         | -               | (12,029)        | (31,780)         | -                | 8,504            | (31,780)         | (40,284)         | -                |
| IC Trust                       | (2,336)         | -              | (5,285)        | (2,336)         | 2,949           | (5,083)          | -                | (1,658)          | (5,083)          | (3,424)          | -                |
| College                        | 8,113           | -              | 7,111          | 8,113           | 1,002           | 31,147           | -                | 52,944           | 31,147           | (21,798)         | -                |
| <b>Net Surplus/(Deficit)</b>   | <b>204,017</b>  | <b>-</b>       | <b>101,125</b> | <b>204,017</b>  | <b>102,893</b>  | <b>543,708</b>   | <b>-</b>         | <b>600,846</b>   | <b>543,708</b>   | <b>(57,138)</b>  | <b>-</b>         |
| <b>Funds Analysis</b>          |                 |                |                |                 |                 |                  |                  |                  |                  |                  |                  |
| Unrestricted Funds             | (38,230)        | 53,460         | 54,799         | (91,690)        | (93,029)        | 250,649          | 333,636          | 356,319          | (82,988)         | (105,670)        | 3,754            |
| Restricted Funds               | 219,876         | -              | 107,855        | 219,876         | 112,021         | 496,978          | -                | 552,771          | 496,978          | (55,793)         | -                |
| Capital Funds                  | (19,326)        | (19,326)       | (19,326)       | -               | -               | (77,304)         | (77,304)         | (77,304)         | -                | -                | (231,912)        |
| <b>Total Surplus/(Deficit)</b> | <b>162,320</b>  | <b>34,134</b>  | <b>143,328</b> | <b>128,186</b>  | <b>18,992</b>   | <b>670,323</b>   | <b>256,332</b>   | <b>831,786</b>   | <b>413,990</b>   | <b>(161,463)</b> | <b>(228,158)</b> |

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

Imperial College Union

Management Accounts 2018/19

Commercial Services

|                          | Nov-18         |                |                |                 |                 | Year to Date   |                  |                |                 |                | Full Year        |
|--------------------------|----------------|----------------|----------------|-----------------|-----------------|----------------|------------------|----------------|-----------------|----------------|------------------|
|                          | Actual         | Budget         | Last Year      | Variance        | Change          | Actual         | Budget           | Last Year      | Variance        | Change         | Budget           |
| Income                   | 362,378        | 397,921        | 356,258        | (35,542)        | 6,121           | 1,476,782      | 1,553,139        | 1,392,064      | (76,358)        | 84,718         | 3,961,963        |
| Cost of Sales            | (119,069)      | (136,950)      | (129,056)      | 17,881          | 9,987           | (487,866)      | (526,149)        | (528,962)      | 38,283          | 41,096         | (1,365,513)      |
| <b>Gross Profit</b>      | <b>243,309</b> | <b>260,971</b> | <b>227,202</b> | <b>(17,661)</b> | <b>16,108</b>   | <b>988,916</b> | <b>1,026,991</b> | <b>863,102</b> | <b>(38,075)</b> | <b>125,814</b> | <b>2,596,450</b> |
| Staff Pay Costs          | (178,778)      | (144,716)      | (119,675)      | (34,061)        | (59,103)        | (551,643)      | (501,982)        | (436,314)      | (49,661)        | (115,329)      | (1,460,863)      |
| Other Direct Costs       | (43,408)       | (33,474)       | (30,372)       | (9,934)         | (13,036)        | (141,761)      | (158,307)        | (138,761)      | 16,546          | (3,000)        | (406,525)        |
| Overheads                | -              | -              | -              | -               | -               | -              | -                | -              | -               | -              | (4,178)          |
| <b>Net Profit/(Loss)</b> | <b>21,124</b>  | <b>82,780</b>  | <b>77,154</b>  | <b>(61,657)</b> | <b>(56,031)</b> | <b>295,512</b> | <b>366,702</b>   | <b>288,026</b> | <b>(71,190)</b> | <b>7,485</b>   | <b>724,884</b>   |

## ICU Debtors as at 30/11/2018

|                           | 0 - 30<br>Days | 31 - 60<br>Days | 61 - 90<br>Days | 91- 120<br>Days | 121+<br>Days  | TOTAL   |     |
|---------------------------|----------------|-----------------|-----------------|-----------------|---------------|---------|-----|
| Clubs, Society & Projects | 74,318<br>43%  | 29,676<br>17%   | 13,073<br>8%    | 660<br>0%       | 54,769<br>32% | 172,496 | 71% |
| Union                     | 38,870<br>55%  | 8,257<br>12%    | 9,917<br>14%    | 2,143<br>3%     | 11,412<br>16% | 70,600  | 29% |
| Grand Total               | 113,188<br>47% | 37,933<br>16%   | 22,991<br>9%    | 2,803<br>1%     | 66,181<br>27% | 243,096 |     |

### Debtor 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  |
| Nov-18 | 111.69 days |

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

**Imperial College Union**  
**Balance Sheet as at 30 November 2018**

|   |          | 30 November 2018 |                         | 30 November 2017 |                         | 31 July 2018       |                         |
|---|----------|------------------|-------------------------|------------------|-------------------------|--------------------|-------------------------|
|   | Notes    | £                | £                       | £                | £                       | £                  | £                       |
| <b>TANGIBLE FIXED ASSETS</b>                  | <b>1</b> |                  | 4,151,139               |                  | 4,616,066               |                    | 4,287,097               |
| <b>INVESTMENTS</b>                            | <b>2</b> |                  | 1,623,511               |                  | 129,235                 |                    | 130,670                 |
| <b>CURRENT ASSETS</b>                         |          |                  |                         |                  |                         |                    |                         |
| Stock   |          | 236,080          |                         | 246,778          |                         | 213,396            |                         |
| Debtors                                       | <b>3</b> | 354,581          |                         | 235,556          |                         | 262,991            |                         |
| Cash and bank balances                        | <b>4</b> | <u>1,526,448</u> |                         | <u>2,934,855</u> |                         | <u>3,548,618</u>   |                         |
|   |          | 2,117,109        |                         | 3,417,189        |                         | 4,025,005          |                         |
| <b>CREDITORS: Falling due within one year</b> | <b>5</b> | <u>(336,130)</u> |                         | <u>(622,807)</u> |                         | <u>(1,557,466)</u> |                         |
| <b>NET CURRENT ASSETS</b>                     |          |                  | 1,780,979               |                  | 2,794,382               |                    | 2,467,539               |
| <b>TOTAL NET ASSETS</b>                       |          |                  | <u><b>7,555,629</b></u> |                  | <u><b>7,539,684</b></u> |                    | <u><b>6,885,306</b></u> |
| <b>Restricted Funds</b>                       |          |                  |                         |                  |                         |                    |                         |
| Capital Grants                                | <b>6</b> | 2,499,733        |                         | 2,731,646        |                         | 2,577,037          |                         |
| Student Activities                            |          | 1,856,949        |                         | 1,534,020        |                         | 1,346,240          |                         |
|   |          |                  | 4,356,683               |                  | 4,265,666               |                    | 3,923,278               |
| <b>Unrestricted Funds</b>                     |          |                  |                         |                  |                         |                    |                         |
| Designated Funds                              | <b>7</b> | 1,729,309        |                         | 1,978,277        |                         | 1,867,550          |                         |
| General Reserve                               |          | <u>1,469,637</u> |                         | <u>1,295,741</u> |                         | <u>1,094,478</u>   |                         |
|   |          |                  | 3,198,946               |                  | 3,274,017               |                    | 2,962,028               |
|   |          |                  | <u><b>7,555,629</b></u> |                  | <u><b>7,539,684</b></u> |                    | <u><b>6,885,306</b></u> |





**Imperial College Union**  
**Balance Sheet Notes as at 30 November 2018**

|                                    | <b>30 November 2018</b> | <b>30 November 2017</b> | <b>31 July 2018</b>       |
|------------------------------------|-------------------------|-------------------------|---------------------------|
|                                    | £                       | £                       | £                         |
| <b>1 TANGIBLE FIXED ASSETS</b>     |                         |                         |                           |
| Cost                               | 9,528,763               | 9,459,595               | 9,422,467                 |
| Additions                          | 42,742                  | 79,016                  | 106,295                   |
| Disposals Cost                     | 59,370                  | -                       | 59,370                    |
| Disposals Accumulated Depreciation | (59,370)                | -                       | (59,370)                  |
| Accumulated Depreciation           | <u>(5,420,365)</u>      | <u>(4,922,545)</u>      | <u>(5,241,665)</u>        |
|                                    | <b><u>4,151,139</u></b> | <b><u>4,616,066</u></b> | <b><u>4,287,097</u></b>   |
| <b>2 INVESTMENTS</b>               |                         |                         |                           |
| Investment Cost                    | 1,495,528               | 2,687                   | 2,687                     |
| Unrealised Value                   | <u>127,983</u>          | <u>126,548</u>          | <u>127,983</u>            |
|                                    | <b><u>1,623,511</u></b> | <b><u>129,235</u></b>   | <b><u>130,670</u></b>     |
| <b>3 DEBTORS</b>                   |                         |                         |                           |
| Trade Debtors                      | 233,103                 | 195,129                 | 174,968                   |
| Provision for Bad Debts            | (38,935)                | (22,426)                | (38,935)                  |
| Prepayments                        | 9,934                   | 8,119                   | 4,372                     |
| Accrued Income                     | 66,411                  | 5,827                   | 77,479                    |
| Other Debtors                      | <u>84,067</u>           | <u>48,908</u>           | <u>45,107</u>             |
|                                    | <b><u>354,581</u></b>   | <b><u>235,556</u></b>   | <b><u>262,991</u></b>     |
| <b>4 CASH AND BANK</b>             |                         |                         |                           |
| Main Account                       | 1,513,348               | 2,930,365               | 3,538,154                 |
| Club & Societies                   | (541)                   | (9,149)                 | (3,176)                   |
| Floats                             | 11,160                  | 11,160                  | 11,160                    |
| Petty Cash                         | <u>2,480</u>            | <u>2,480</u>            | <u>2,480</u>              |
|                                    | <b><u>1,526,448</u></b> | <b><u>2,934,855</u></b> | <b><u>3,548,618</u></b>   |
| <b>5 CREDITORS</b>                 |                         |                         |                           |
| Trade creditors                    | 252,599                 | 93,553                  | 54,999                    |
| College Interdivision Creditor     | (93,156)                | (125,168)               | (1,132,455)               |
| VAT                                | (127,972)               | (165,695)               | (39,302)                  |
| Credit Card Control                | (22,860)                | 3,359                   | (1,038)                   |
| Accruals                           | (95,661)                | (106,830)               | (180,829)                 |
| Deferred income                    | (7,617)                 | (13,327)                | (28,188)                  |
| Other creditors                    | <u>(241,462)</u>        | <u>(308,701)</u>        | <u>(230,653)</u>          |
|                                    | <b><u>(336,130)</u></b> | <b><u>(622,807)</u></b> | <b><u>(1,557,466)</u></b> |
| <b>6 RESTRICTED FUNDS</b>          |                         |                         |                           |
| Capital Grants                     | 2,499,733               | 2,731,646               | 2,577,037                 |
| Student Activities/Halls           | <u>1,856,949</u>        | <u>1,534,020</u>        | <u>1,346,240</u>          |
|                                    | <b><u>4,356,683</u></b> | <b><u>4,265,666</u></b> | <b><u>3,923,278</u></b>   |
| <b>7 UNRESTRICTED FUNDS</b>        |                         |                         |                           |
| Asset and Investment Funds         | 1,574,506               | 1,809,803               | 1,712,747                 |
| Investment Revaluation Reserve     | 127,983                 | 126,548                 | 127,983                   |
| Other Designated Funds             | 26,820                  | 41,925                  | 26,820                    |
| General Reserves                   | <u>1,469,637</u>        | <u>1,295,741</u>        | <u>1,094,478</u>          |
|                                    | <b><u>3,198,946</u></b> | <b><u>3,274,017</u></b> | <b><u>2,962,028</u></b>   |

## Imperial College Union

### Cashflow Statement as at 30 November 2018

|  |                |                           |
|--|----------------|---------------------------|
| <b>Current Year Surplus/(Deficit)</b>                      | <b>670,323</b> |                           |
| Add back Depreciation                                      | 242,570        |                           |
| Investment Income Eliminated                               | (5,496)        |                           |
| (Increase)/Decrease in unrealised investments              | (1,492,841)    |                           |
| Loss/(Profit) on sales of fixed assets                     | (4,500)        |                           |
| (Increase)/Decrease in Stock                               | (22,685)       |                           |
| (Increase)/Decrease in Debtors                             | (91,589)       |                           |
| Increase/(Decrease) in Creditors                           | (1,221,336)    |                           |
| <b>Net cash inflow/(outflow) from operating activities</b> |                | <b>(1,925,555)</b>        |
| <b>Returns on investment and servicing of finance</b>      |                |                           |
| Charifund Interest Received                                | 1,500          |                           |
| Bank Interest Received                                     | 3,996          |                           |
|  |                | <b>5,496</b>              |
| <b>Capital Expenditure</b>                                 |                |                           |
| Payments to acquire tangible fixed assets                  | (102,112)      |                           |
| Receipts from sales of tangible fixed assets               | -              |                           |
| Deferred Capital Grants received during the year           | -              |                           |
|  |                | <b>(102,112)</b>          |
| <b>Change in net funds</b>                                 |                | <b><u>(2,022,170)</u></b> |
| <b>Reconciliation of cash flow to movements in funds</b>   |                |                           |
| Net funds as at 01 August 2018                             | 3,548,618      |                           |
| Net funds as at 30 November 2018                           | 1,526,448      |                           |
| <b>Change in net funds</b>                                 |                | <b><u>(2,022,170)</u></b> |

### Cashflow Statement as at 30 November 2018

The Union has seen a net decrease of £2,022k in the year so far. The main cash inflow of funds was £5k received from interest and investments.

The main cash outflow of funds was £1,926k of operating activities with an additional £102k from capital expenditure.