



# **MANAGEMENT ACCOUNTS**

**FOR THE MONTH ENDED**

**30<sup>th</sup> April 2017**

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

## Executive Summary

As expected, income for April is £10,457 (4%) under budget, and £61,279 down on the same period last year (phasing). Year to date, income is £66,212 (2%) ahead of budget. After cost of sales and all other expenditure are factored in, the Union is showing a net deficit of £62,368 for the month, reducing the net surplus year to date to £426,069, which nevertheless remains ahead of budget by £117,850 (38%).

The income figures reflect a mixture of results across the main trading areas. The Beit bars continued to deliver strong trading performance in the month, as did Beit Venues. Catering also continued to perform well. In addition there was a one-off windfall of £4,600 from the sale of three decommissioned minibuses. However, due mainly to some budget phasing issues, Retail sales were under budget for the month, and this is expected to be recovered next month. H-Bar sales were also under budget, due mainly to the bar being quieter than expected in the period running up to Easter.

Expenditure, overall, was largely on budget for the month, but remains significantly under budget year to date. This reflects some significant savings on staff costs due to staff turnover and hiring delays during the year. There are also a number of other smaller savings in other costs due to a number of events, activities, and capital purchases being postponed or cancelled. However a significant proportion of planned expenditure remains delayed, particularly in relation to planned training across the Union. These costs are still expected to be incurred between now and the end of the year, and are estimated at between £25,000 and £35,000.

Spotlight - areas of financial challenge		Spotlight - areas of financial success or cost savings	
1	Marketing pipeline – year to date income gap of £37,362 (32%). At this stage of the year, there is little prospect of achieving much of the remaining budget of £9,500, which is consequently at risk.	1	Continuing strong sales performance across a number of key areas, combined with cost savings from unplanned vacancies, hiring delays, and the delayed implementation of the new EPOS system, continue to help buffer against a number of areas where income targets are challenged, and higher than planned temporary and agency staff costs.
2	Licensed Trade temporary and agency staff costs are over budget year to date and the negative trend is anticipated to continue for the remainder of the year.	2	Catering margins are not yet on target, due mainly to delayed hiring of planned new staff. However, with a full team now in place, the planned supplier pricing review has commenced, and some improvement in Catering margins may be expected before the end of the year, but the main impact of this will now be next year.
3	Despite being back on track and the positive impact of windfall income from planned disposals, minibus income is expected to come in approximately £17,000 behind budget. However, savings elsewhere (particularly depreciation due to delayed capital expenditure) should mean that overall minibuses come relatively close to breaking even for the year.	3	As the Union remains well positioned to achieve and exceed its overall budget targets for the year, it is likely that the planned (£75,000) contingency will not be required.

### Balance Sheet

Short term cash balances remain adequate and are necessary to underpin Clubs, Societies and Project activities.

The Union continues to focus on improving its aged debtors profile. At the end of April, the proportion of debtors balances billed within the last 60 days increased from 21% to 32%, and the proportion of debtors balances outstanding greater than 90 days remained largely unchanged at 67%. Fifty five per cent of balances outstanding greater than 90 days relate to two clients, both of which are being actively managed in terms of payment plans.

### Conclusion

The Union has achieved a year to date surplus of £426,055, and against this it is currently projecting to have a deficit of (£337,946) for the remaining months of this year. However, this projection does not include the delayed expenditure identified earlier, the risk to remaining marketing income, and a number of other risks. Additionally, it is now expected that approximately £20,000 of expenditure originally intended for next year, can beneficially be brought forward into this year. On the other hand, trading revenues, particularly for Catering, remain buoyant, and additional staff cost savings are likely to be realised during the remainder of the year. Given all of these factors, it is reasonable to expect the Union to be on track to deliver a surplus for the year of approximately £65,000-£75,000.

# Consolidated Summaries

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

	Apr-17					Year to Date					Full Year Budget
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	
<b>Union</b>											
Income	273,447	283,904	334,726	(10,457)	(61,279)	4,105,539	4,039,327	3,809,553	66,212	295,986	4,963,123
Cost of Sales	(49,903)	(51,680)	(81,082)	1,778	31,179	(940,010)	(903,749)	(933,744)	(36,260)	(6,266)	(1,197,397)
<b>Gross Profit</b>	<b>223,544</b>	<b>232,223</b>	<b>253,644</b>	<b>(8,679)</b>	<b>(30,100)</b>	<b>3,165,529</b>	<b>3,135,578</b>	<b>2,875,809</b>	<b>29,951</b>	<b>289,720</b>	<b>3,765,727</b>
Staff Pay Costs	(208,197)	(217,588)	(183,265)	9,391	(24,932)	(2,063,367)	(2,119,135)	(1,756,353)	55,768	(307,015)	(2,855,878)
Other Direct Costs	(77,714)	(67,918)	(96,029)	(9,796)	18,314	(676,092)	(708,224)	(709,686)	32,131	33,594	(930,849)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	(75,000)
<b>Net Surplus/(Deficit)</b>	<b>(62,368)</b>	<b>(53,283)</b>	<b>(25,650)</b>	<b>(9,084)</b>	<b>(36,717)</b>	<b>426,069</b>	<b>308,219</b>	<b>409,771</b>	<b>117,850</b>	<b>16,299</b>	<b>(96,000)</b>
<b>Student Groups</b>											
Grant	12,823	-	(9,922)	12,823	22,745	(2,485)	-	30,152	(2,485)	(32,637)	-
SGL	174,432	-	(144,255)	174,432	318,687	446,417	-	66,191	446,417	380,226	-
Harlington	2,406	-	(8,337)	2,406	10,742	8,398	-	(1,786)	8,398	10,184	-
IC Trust	(682)	-	(2,156)	(682)	1,474	(24,384)	-	17,695	(24,384)	(42,079)	-
College	1,179	-	901	1,179	279	24,544	-	(21,719)	24,544	46,263	-
<b>Net Surplus/(Deficit)</b>	<b>190,158</b>	<b>-</b>	<b>(163,769)</b>	<b>190,158</b>	<b>353,927</b>	<b>452,490</b>	<b>-</b>	<b>90,533</b>	<b>452,490</b>	<b>361,957</b>	<b>-</b>
<b>Funds Analysis</b>											
Unrestricted Funds	(49,545)	(53,283)	(35,573)	3,738	(13,972)	423,584	308,219	439,923	115,365	(16,338)	(96,000)
Restricted Funds	177,335	-	(153,847)	177,335	331,182	454,975	-	60,381	454,975	394,594	-
Capital Funds	(19,326)	(19,326)	-	-	(19,326)	(173,934)	(173,934)	-	-	(173,934)	(231,912)
<b>Total Surplus/(Deficit)</b>	<b>108,464</b>	<b>(72,609)</b>	<b>(189,419)</b>	<b>181,073</b>	<b>297,883</b>	<b>704,625</b>	<b>134,285</b>	<b>500,304</b>	<b>570,340</b>	<b>204,321</b>	<b>(327,912)</b>

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

	Apr-17					Year to Date					Full Year
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget
Income	123,954	135,045	178,500	(11,091)	(54,545)	2,614,052	2,489,895	2,439,682	124,157	174,370	3,307,962
Cost of Sales	(49,903)	(51,680)	(81,082)	1,778	31,179	(940,010)	(903,749)	(933,744)	(36,260)	(6,266)	(1,197,397)
<b>Gross Profit</b>	<b>74,052</b>	<b>83,365</b>	<b>97,418</b>	<b>(9,313)</b>	<b>(23,366)</b>	<b>1,674,042</b>	<b>1,586,146</b>	<b>1,505,938</b>	<b>87,896</b>	<b>168,104</b>	<b>2,110,565</b>
Staff Pay Costs	(81,447)	(83,303)	(78,974)	1,855	(2,473)	(925,383)	(919,022)	(838,022)	(6,361)	(87,361)	(1,228,411)
Other Direct Costs	(32,594)	(28,226)	(32,239)	(4,368)	(355)	(288,177)	(283,904)	(240,034)	(4,274)	(48,144)	(373,358)
Overheads	-	-	-	-	-	-	-	-	-	-	(12,946)
<b>Net Profit/(Loss)</b>	<b>(39,990)</b>	<b>(28,164)</b>	<b>(13,796)</b>	<b>(11,826)</b>	<b>(26,194)</b>	<b>460,481</b>	<b>383,220</b>	<b>427,882</b>	<b>77,262</b>	<b>32,599</b>	<b>495,851</b>

## ICU Debtors as at 30/04/2017

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL
Clubs, Society & Projects	10,078 13%	13,471 17%	22,180 29%	5,078 7%	26,670 34%	77,477
Union	14,392 26%	2,744 5%	914 2%	8,670 16%	27,674 51%	54,394
Grand Total	24,470 19%	16,215 12%	23,094 18%	13,748 10%	54,344 41%	131,871

### Debtor Days\*

April 2016	47.69	days
May 2016	46.03	days
June 2016	61.32	days
July 2016	77.63	days
August 2016	98.53	days
September 2016	106.90	days

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

**Imperial College Union**  
**Balance Sheet as at 30 April 2017**

		30 April 2017		30 April 2016		31 July 2016	
	Notes	£	£	£	£	£	£
<b>TANGIBLE FIXED ASSETS</b>	<b>1</b>		4,720,626		4,918,953		4,878,624
<b>INVESTMENTS</b>	<b>2</b>		119,731		118,594		119,731
<b>CURRENT ASSETS</b>							
Stock		276,995		267,918		228,207	
Debtors	<b>3</b>	163,429		130,011		157,108	
Cash and bank balances	<b>4</b>	2,520,208		2,186,633		1,744,511	
		<u>2,960,632</u>		<u>2,584,562</u>		<u>2,129,826</u>	
<b>CREDITORS: Falling due within one year</b>	<b>5</b>	<u>(431,703)</u>		<u>(182,045)</u>		<u>(463,521)</u>	
<b>NET CURRENT ASSETS</b>			2,528,929		2,402,518		1,666,305
<b>TOTAL NET ASSETS</b>			<u><u>7,369,286</u></u>		<u><u>7,440,064</u></u>		<u><u>6,664,661</u></u>
<b>Restricted Funds</b>							
Capital Grants	<b>6</b>	2,886,254		3,098,840		3,040,862	
Student Activities		1,147,098		1,069,938		849,809	
			4,033,352		4,168,778		3,890,671
<b>Unrestricted Funds</b>							
Designated Funds	<b>7</b>	1,918,140		2,066,396		2,039,493	
General Reserve		<u>1,417,794</u>		<u>1,204,890</u>		<u>734,496</u>	
			3,335,934		3,271,286		2,773,989
			<u><u>7,369,286</u></u>		<u><u>7,440,064</u></u>		<u><u>6,664,661</u></u>



Imperial College Union

Balance Sheet Notes as at 30 April 2017

	30 April 2017	30 April 2016	31 July 2016
	£	£	£
<b>1 TANGIBLE FIXED ASSETS</b>			
Cost	9,156,947	9,162,561	9,095,834
Additions	216,810	43,045	122,046
Disposals Cost	205,296	77,636	144,363
Disposals Accumulated Depreciation	(205,296)	(77,636)	(144,363)
Accumulated Depreciation	(4,653,132)	(4,286,653)	(4,339,255)
	<u><b>4,720,626</b></u>	<u><b>4,918,953</b></u>	<u><b>4,878,624</b></u>
<b>2 INVESTMENTS</b>			
Investment Cost	2,687	2,687	2,687
Unrealised Value	117,044	115,907	117,044
	<u><b>119,731</b></u>	<u><b>118,594</b></u>	<u><b>119,731</b></u>
<b>3 DEBTORS</b>			
Trade Debtors	131,871	91,786	156,750
Provision for Bad Debts	(29,818)	(17,235)	(29,818)
Prepayments	21,019	28,577	11,100
Accrued Income	6,010	9,269	4,166
Other Debtors	34,346	17,612	14,911
	<u><b>163,429</b></u>	<u><b>130,011</b></u>	<u><b>157,108</b></u>
<b>4 CASH AND BANK</b>			
Main Account	2,509,748	2,173,837	1,726,393
Club & Societies	(4,680)	(2,644)	2,678
Floats	12,660	12,910	12,910
Petty Cash	2,480	2,530	2,530
	<u><b>2,520,208</b></u>	<u><b>2,186,633</b></u>	<u><b>1,744,511</b></u>
<b>5 CREDITORS</b>			
Trade creditors	203,758	223,960	(9,209)
College Interdivision Creditor	(267,976)	(151,270)	15,664
VAT	(66,725)	(67,698)	(37,823)
Credit Card Control	16,717	(695)	475
Accruals	(52,664)	(114,392)	(131,768)
Deferred income	(29,158)	(34,925)	(63,525)
Other creditors	(235,656)	(37,023)	(237,336)
	<u><b>(431,703)</b></u>	<u><b>(182,045)</b></u>	<u><b>(463,521)</b></u>
<b>6 RESTRICTED FUNDS</b>			
Capital Grants	2,886,254	3,098,840	3,040,862
Student Activities/Halls	1,147,098	1,069,938	849,809
	<u><b>4,033,352</b></u>	<u><b>4,168,778</b></u>	<u><b>3,890,671</b></u>
<b>7 UNRESTRICTED FUNDS</b>			
Asset and Investment Funds	1,719,095	1,950,489	1,840,449
Investment Revaluation Reserve	117,044	115,907	117,044
Other Designated Funds	82,000	-	82,000
General Reserves	1,417,794	1,204,890	734,496
	<u><b>3,335,934</b></u>	<u><b>3,271,286</b></u>	<u><b>2,773,989</b></u>

## Imperial College Union

### Cashflow Statement as at 30 April 2017

<b>Current Year Surplus/(Deficit)</b>	<b>859,233</b>	
Add back Depreciation	374,809	
Investment Income Eliminated	(8,448)	
(Increase)/Decrease in unrealised investments	-	
(Increase)/Decrease in Stock	(48,788)	
(Increase)/Decrease in Debtors	(6,321)	
Increase/(Decrease) in Creditors	(31,818)	
Deferred Income Release Eliminated	(154,608)	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>984,060</b>
<b>Returns on investment and servicing of finance</b>		
Charifund Interest Received	4,280	
Bank Interest Received	4,168	
Short Term Deposits Interest Received	-	
		<b>8,448</b>
<b>Capital Expenditure</b>		
Payments to acquire tangible fixed assets	(216,810)	
Receipts from sales of tangible fixed assets	-	
Deferred Capital Grants received during the year	-	
		<b>(216,810)</b>
<b>CHANGE IN CASH</b>		<b>775,697</b>
<b>Reconciliation of cash flow to movements in funds</b>		
Increase/(Decrease) in cash in the year		775,697
Increase/(Decrease) in liquid resources		-
<b>Change in net funds</b>		<b>775,697</b>
Net funds as at 01 August 2016		1,744,511
Net funds as at 30 April 2017		2,520,208
<b>Change in net funds</b>		<b>775,697</b>

### Cashflow Statement as at 30 April 2017

The Union has seen a net increase of £776k in the year so far. The main cash inflow of funds was £984k received from operating activities with an additional £8k from interest and investments.

The main cash outflow of funds was £217k of capital expenditure.