



MANAGEMENT ACCOUNTS

FOR THE MONTH ENDED

31st December 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

Union income was a further **£28,130 (7%)** under budget in December, and total costs remained under budget by only £5,768, resulting in a deficit of **£22,862** for the month, compared with a budget deficit of just £499. Continued strong trading results in Catering, where core sales were £4,780 (17%) ahead of budget and Retail sales, which were £2,761 ahead of budget, were offset in other commercial areas, particularly core drinks sales at the Beit bars and Reynolds, **£3,880** and **£2,257** respectively under budget, and across functions, which were **£3,773** under budget. In addition, total advertising sales were **£6,772** under budget and room hire sales **£6,072** under. Also contributing, associate membership sales and minibus hires respectively missed their targets by **£4,976** and **£3,913**. The budget phasing issue in relation to interest income from cash and investments had a positive impact in the month of £2,120.

In terms of expenditure, permanent staff costs were £13,238 less than budget. This reflects ongoing vacant positions in Marketing, Leadership, Finance, Systems, and Beit Venues. These savings were partially offset by a number of permanent and one-off pay relativity awards that took effect in the month, in addition to increased temporary and agency staff costs, which reflect some temporary backfilling of vacant roles and the higher than planned trading volumes in Catering. A number of vacant roles were filled in the month, resulting in recruitment costs of £6,210, which was **£5,910** higher than budget. The remaining variances are due to delayed or deferred expenditure, particularly training (Student Development social enterprise programme), card commissions, and maintenance, as well as some additional cost savings on hospitality.

Overall, the Union has a surplus of £285,382, which is now **£33,242 (10%)** under budget. This reflects year to date income being **£152,560** behind budget and mostly offset by total year to date costs being £119,318 under budget also. When cost of sales are excluded, the expenditure variance becomes £137,436 under budget. Of this, realised savings from staff vacancies are approximately £96,000, with depreciation cost savings of approximately £9,000, and other cost savings currently estimated in the region of £9,000 to £12,000. The remainder is expected to be largely due to delayed expenditure, but the mid-year forecasting process due to take place in January will bring significantly more clarity to this. However, at the current point in time, the income gap that still needs to be bridged remains apparently significant, in the region of **£50-55,000**. In addition, there remains a risk of this gap widening. While a new Marketing manager has recently been appointed and started in their role, and a new Events Coordinator has been appointed and will be starting in due course, the Union is still seeking to fill the role of Sales and Sponsorship manager. In the meantime, sales pipelines remain a challenge.

Consolidated Summaries

Union & Student Groups Summaries (Statement of Financial Performance)

Imperial College Union

Management Accounts 2017/18

Union

Union	December					Year to Date					Full Year Budget
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	
Income	387,310	415,440	378,659	(28,130)	8,651	2,491,756	2,644,316	2,403,583	(152,560)	88,174	5,446,093
Cost of Sales	(94,404)	(88,874)	(82,395)	(5,530)	(12,008)	(608,880)	(590,762)	(551,069)	(18,118)	(57,812)	(1,330,970)
Gross Profit	292,906	326,566	296,264	(33,660)	(3,358)	1,882,876	2,053,554	1,852,514	(170,678)	30,362	4,115,123
Staff Pay Costs	(242,861)	(248,861)	(223,419)	6,001	(19,441)	(1,208,157)	(1,253,995)	(1,126,950)	45,838	(81,207)	(3,073,030)
Other Direct Costs	(72,907)	(78,204)	(74,038)	5,297	1,131	(389,336)	(480,934)	(367,134)	91,598	(22,202)	(1,039,015)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	(22,862)	(499)	(1,193)	(22,363)	(21,668)	285,382	318,625	358,429	(33,242)	(73,047)	3,078

Student Groups

Grant	5,281	-	(9,612)	5,281	14,893	53,355	-	38,942	53,355	14,414	-
SGL	(86,044)	-	(20,170)	(86,044)	(65,874)	406,938	-	393,950	406,938	12,988	-
Harlington	(2,435)	-	9,955	(2,435)	(12,390)	6,069	-	7,911	6,069	(1,842)	-
IC Trust	4,670	-	(317)	4,670	4,988	3,012	-	(15,506)	3,012	18,519	-
College	7,949	-	(6,616)	7,949	14,565	60,893	-	29,141	60,893	31,752	-
Net Surplus/(Deficit)	(70,579)	-	(26,761)	(70,579)	(43,819)	530,267	-	454,437	530,267	75,830	-

Funds Analysis

Unrestricted Funds	(17,581)	(499)	(10,806)	(17,082)	(6,775)	338,738	318,625	397,371	20,113	(58,633)	3,078
Restricted Funds	(75,860)	-	(17,148)	(75,860)	(58,712)	476,911	-	415,495	476,911	61,416	-
Capital Funds	(19,326)	-	(19,326)	(19,326)	-	(96,630)	-	(96,630)	(96,630)	0	-
Total Surplus/(Deficit)	(112,767)	(499)	(47,280)	(112,268)	(65,487)	719,019	318,625	716,236	400,394	2,783	3,078

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

Imperial College Union

Management Accounts 2017/18

Social Enterprise

	December					Year to Date					Full Year
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget
Income	236,132	245,560	227,372	(9,428)	8,760	1,601,618	1,660,246	1,546,882	(58,628)	54,736	3,669,098
Cost of Sales	(94,404)	(88,874)	(82,395)	(5,530)	(12,008)	(608,880)	(590,762)	(551,069)	(18,118)	(57,812)	(1,330,970)
Gross Profit	141,728	156,687	144,977	(14,958)	(3,248)	992,738	1,069,484	995,814	(76,746)	(3,076)	2,338,128
Staff Pay Costs	(97,927)	(98,290)	(97,742)	363	(185)	(529,452)	(520,882)	(505,213)	(8,570)	(24,239)	(1,268,448)
Other Direct Costs	(26,768)	(28,802)	(30,686)	2,034	3,919	(158,225)	(177,080)	(160,693)	18,854	2,467	(377,309)
Overheads	-	-	-	-	-	-	-	-	-	-	(14,713)
Net Profit/(Loss)	17,034	29,595	16,548	(12,562)	485	305,060	371,522	329,908	(66,461)	(24,848)	677,658

ICU Debtors as at 31/12/2017

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL
Clubs, Society & Projects	25,386 19%	35,603 26%	23,188 17%	24,728 18%	27,678 20%	136,583
Union	21,343 56%	(10,585) -28%	6,412 17%	6,579 17%	14,644 38%	38,393
Grand Total	46,729 27%	25,018 14%	29,600 17%	31,307 18%	42,323 24%	174,976

Debtor Days*

July 2017	57.33 days
August 2017	57.33 days
September 2017	84.67 days
October 2017	83.34 days
November 2017	94.70 days
December 2017	84.38 days

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

Imperial College Union
Balance Sheet as at 31 December 2017

	Notes	31 December 2017		31 December 2016		31 July 2017	
		£	£	£	£	£	£
TANGIBLE FIXED ASSETS	1		4,572,227		4,796,237		4,714,624
INVESTMENTS	2		129,235		119,731		129,235
CURRENT ASSETS							
Stock		237,598		253,068		229,171	
Debtors	3	207,280		178,767		185,043	
Cash and bank balances	4	2,981,908		2,378,217		2,112,951	
		<u>3,426,786</u>		<u>2,810,052</u>		<u>2,527,165</u>	
CREDITORS: Falling due within one year	5	<u>(701,332)</u>		<u>(345,123)</u>		<u>(663,127)</u>	
NET CURRENT ASSETS			2,725,454		2,464,929		1,864,039
TOTAL NET ASSETS			<u><u>7,426,917</u></u>		<u><u>7,380,896</u></u>		<u><u>6,707,898</u></u>
Restricted Funds							
Capital Grants	6	2,712,320		2,944,232		2,808,950	
Student Activities		1,450,161		1,265,304		973,249	
			4,162,481		4,209,536		3,782,199
Unrestricted Funds							
Designated Funds	7	1,934,239		1,959,776		2,076,835	
General Reserve		<u>1,330,196</u>		<u>1,211,584</u>		<u>848,864</u>	
			3,264,435		3,171,360		2,925,699
			<u><u>7,426,917</u></u>		<u><u>7,380,896</u></u>		<u><u>6,707,898</u></u>

Imperial College Union

Balance Sheet Notes as at 31 December 2017

	31 December 2017	31 December 2016	31 July 2017
1 TANGIBLE FIXED ASSETS	£	£	£
Cost	9,459,595	9,211,945	9,129,184
Additions	79,698	123,397	352,652
Disposals Cost	-	150,297	88,695
Disposals Accumulated Depreciation	-	(150,297)	(88,695)
Accumulated Depreciation	(4,967,066)	(4,539,105)	(4,767,213)
	<u>4,572,227</u>	<u>4,796,237</u>	<u>4,714,624</u>
2 INVESTMENTS	£	£	£
Investment Cost	2,687	2,687	2,687
Unrealised Value	126,548	117,044	126,548
	<u>129,235</u>	<u>119,731</u>	<u>129,235</u>
3 DEBTORS	£	£	£
Trade Debtors	174,976	178,452	123,794
Provision for Bad Debts	(22,426)	(29,818)	(22,426)
Prepayments	21,442	8,716	4,753
Accrued Income	(8,858)	2,630	7,787
Other Debtors	42,146	18,787	71,135
	<u>207,280</u>	<u>178,767</u>	<u>185,043</u>
4 CASH AND BANK	£	£	£
Main Account	2,973,908	2,357,501	2,084,341
Club & Societies	(5,640)	5,275	4,970
Floats	11,160	12,660	21,160
Petty Cash	2,480	2,780	2,480
	<u>2,981,908</u>	<u>2,378,217</u>	<u>2,112,951</u>
5 CREDITORS	£	£	£
Trade creditors	173,040	208,254	(83,305)
College Interdivision Creditor	(383,744)	(193,318)	(104,679)
VAT	(49,852)	(78,023)	(46,594)
Credit Card Control	(8,872)	12,122	3,333
Accruals	(102,721)	(59,948)	(122,048)
Deferred income	(11,892)	(3,466)	(63,925)
Other creditors	(317,291)	(230,744)	(245,908)
	<u>(701,332)</u>	<u>(345,123)</u>	<u>(663,127)</u>
6 RESTRICTED FUNDS	£	£	£
Capital Grants	2,712,320	2,944,232	2,808,950
Student Activities/Halls	1,450,161	1,265,304	973,249
	<u>4,162,481</u>	<u>4,209,536</u>	<u>3,782,199</u>
7 UNRESTRICTED FUNDS	£	£	£
Asset and Investment Funds	1,765,766	1,760,732	1,908,361
Investment Revaluation Reserve	126,548	117,044	126,548
Other Designated Funds	41,925	82,000	41,925
General Reserves	1,330,196	1,211,584	848,864
	<u>3,264,435</u>	<u>3,171,360</u>	<u>2,925,699</u>

Imperial College Union

Cashflow Statement as at 31 December 2017

Current Year Surplus/(Deficit)	719,019	
Add back Depreciation	196,946	
Investment Income Eliminated	(6,313)	
(Increase)/Decrease in unrealised investments	-	
Loss/(Profit) on sales of fixed assets	(7,527)	
(Increase)/Decrease in Stock	(8,427)	
(Increase)/Decrease in Debtors	(22,237)	
Increase/(Decrease) in Creditors	38,205	
Net cash inflow/(outflow) from operating activities		909,666
Returns on investment and servicing of finance		
Charifund Interest Received	3,560	
Bank Interest Received	2,753	
		6,313
Capital Expenditure		
Payments to acquire tangible fixed assets	(57,456)	
Receipts from sales of tangible fixed assets	10,433	
Deferred Capital Grants received during the year	-	
		(47,023)
Change in net funds		868,957
Reconciliation of cash flow to movements in funds		
Net funds as at 01 August 2017		2,112,951
Net funds as at 31 December 2017		2,981,908
Change in net funds		868,957

Cashflow Statement as at 31 December 2017

The Union has seen a net increase of £869k in the year so far. The main cash inflow of funds was £910k received from operating activities with an additional £6k from interest and investments.

The main cash outflow of funds was £47k of capital expenditure.