



MANAGEMENT ACCOUNTS

FOR THE MONTH ENDED

31st October 2017

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

Executive Summary

Union income was slightly under budget for the key month of October by an overall £8,854 (1%), and total costs were slightly under budget also by £1,698. This resulted in a net surplus of £168,398, which was £7,155 (4%) below budget. Income was bolstered by a strong Catering performance, outperforming the sales targets for extended catering times, and coming in £12,818 (23%) ahead of budget. In addition, the annual Fresher's Fair came in £6,675 ahead of budget, and Welcome Week events sales were £2,006 ahead of budget. Retail sales were £2,543 ahead of budget, reflecting successful graduation day results. These successful results were more than offset, however, by advertising income, minibus hires, and H Bar sales all coming in below budget. Advertising income was £14,985 (60%) under budget, reflecting a lack of sales activity, and with the Sales and Sponsorship role still unfilled, this income is at risk going into future months.

In terms of expenditure, permanent staff costs were £22,100 less than budget. This reflects ongoing vacant positions in Marketing and Finance, as well as vacancies in Systems, Beit Venues, and Catering. These savings were partially offset by increased temporary and agency staff costs, reflecting some temporary backfilling of vacant roles, and the higher than planned trading volumes referred to above. Cost of sales were also higher than budget largely in line with sales income variances. The remaining variances are due to delayed or deferred expenditure, particularly training, publicity and Marketing licences.

Overall, the Union has a surplus of £246,715, which is £8,308 ahead of budget. This reflects year to date income being £89,671 behind budget and more than offset by total year to date costs being £97,978 under budget also. Of this, realised savings from staff vacancies is approximately £48,000, and the remainder is expected to be largely due to delayed expenditure, leaving a significant overall income gap remaining to be bridged. However, there is a risk that this gap could widen in the months ahead due to some issues with functions targets, particularly for H Bar, and a slack advertising sales pipeline.

Consolidated Summaries

Union & Student Groups Summaries (Statement of Financial Performance)

Imperial College Union

Management Accounts 2017/18

Union

| | October | | | | | Year to Date | | | | | Full Year Budget |
|------------------------------|----------------|----------------|----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| | Actual | Budget | Last Year | Variance | Change | Actual | Budget | Last Year | Variance | Change | |
| Union | | | | | | | | | | | |
| Income | 743,010 | 751,864 | 698,147 | (8,854) | 44,863 | 1,583,017 | 1,672,688 | 1,504,526 | (89,671) | 78,492 | 5,446,093 |
| Cost of Sales | (207,051) | (189,670) | (157,715) | (17,381) | (49,336) | (385,420) | (371,207) | (338,283) | (14,213) | (47,137) | (1,330,970) |
| Gross Profit | 535,960 | 562,194 | 540,432 | (26,234) | (4,472) | 1,197,597 | 1,301,481 | 1,166,243 | (103,884) | 31,354 | 4,115,123 |
| Staff Pay Costs | (266,955) | (277,777) | (248,194) | 10,822 | (18,760) | (710,285) | (738,594) | (662,501) | 28,309 | (47,784) | (3,073,030) |
| Other Direct Costs | (100,607) | (108,864) | (80,171) | 8,257 | (20,436) | (240,598) | (324,480) | (224,615) | 83,882 | (15,982) | (1,039,015) |
| Overheads etc. | - | - | - | - | - | - | - | - | - | - | - |
| Contingency | - | - | - | - | - | - | - | - | - | - | - |
| Net Surplus/(Deficit) | 168,398 | 175,553 | 212,067 | (7,155) | (43,669) | 246,715 | 238,406 | 279,126 | 8,308 | (32,412) | 3,078 |

Student Groups

| | | | | | | | | | | | |
|------------------------------|----------------|----------|----------------|----------------|---------------|----------------|----------|----------------|----------------|---------------|----------|
| Grant | 225 | - | 3,211 | 225 | (2,986) | 54,805 | - | 61,836 | 54,805 | (7,031) | - |
| SGL | 264,996 | - | 267,397 | 264,996 | (2,400) | 398,981 | - | 374,700 | 398,981 | 24,281 | - |
| Harlington | (2,243) | - | (1,390) | (2,243) | (853) | (3,526) | - | (1,390) | (3,526) | (2,136) | - |
| IC Trust | 3,706 | - | (18,396) | 3,706 | 22,103 | 3,627 | - | (6,569) | 3,627 | 10,197 | - |
| College | 12,972 | - | 16,200 | 12,972 | (3,229) | 45,834 | - | 20,570 | 45,834 | 25,263 | - |
| Net Surplus/(Deficit) | 279,656 | - | 267,022 | 279,656 | 12,634 | 499,722 | - | 449,148 | 499,722 | 50,574 | - |

Funds Analysis

| | | | | | | | | | | | |
|--------------------------------|----------------|----------------|----------------|----------------|-----------------|----------------|----------------|----------------|----------------|---------------|--------------|
| Unrestricted Funds | 168,623 | 175,553 | 215,278 | (6,930) | (46,655) | 301,520 | 238,406 | 340,962 | 63,114 | (39,442) | 3,078 |
| Restricted Funds | 279,432 | - | 263,811 | 279,432 | 15,620 | 444,916 | - | 387,311 | 444,916 | 57,605 | - |
| Capital Funds | (19,326) | - | (19,326) | (19,326) | - | (57,978) | - | (57,978) | (57,978) | - | - |
| Total Surplus/(Deficit) | 428,728 | 175,553 | 459,763 | 253,176 | (31,035) | 688,458 | 238,406 | 670,296 | 450,052 | 18,162 | 3,078 |

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

Imperial College Union

Management Accounts 2017/18

Social Enterprise

| | October | | | | | Year to Date | | | | | Full Year |
|--------------------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|------------------|
| | Actual | Budget | Last Year | Variance | Change | Actual | Budget | Last Year | Variance | Change | Budget |
| Income | 524,108 | 527,363 | 488,921 | (3,255) | 35,187 | 1,008,598 | 1,045,939 | 967,959 | (37,341) | 40,639 | 3,669,098 |
| Cost of Sales | (207,051) | (189,670) | (157,715) | (17,381) | (49,336) | (385,420) | (371,207) | (338,283) | (14,213) | (47,137) | (1,330,970) |
| Gross Profit | 317,057 | 337,693 | 331,206 | (20,636) | (14,149) | 623,178 | 674,731 | 629,677 | (51,554) | (6,499) | 2,338,128 |
| Staff Pay Costs | (127,002) | (130,675) | (120,490) | 3,673 | (6,512) | (311,850) | (303,656) | (290,902) | (8,194) | (20,949) | (1,268,448) |
| Other Direct Costs | (43,213) | (40,623) | (38,039) | (2,590) | (5,174) | (100,455) | (118,270) | (94,030) | 17,814 | (6,425) | (377,309) |
| Overheads | - | - | - | - | - | - | - | - | - | - | (14,713) |
| Net Profit/(Loss) | 146,842 | 166,395 | 172,677 | (19,553) | (25,835) | 210,872 | 252,806 | 244,745 | (41,934) | (33,873) | 677,658 |

ICU Debtors as at 31/10/2017

| | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91- 120 Days | 121+ Days | TOTAL |
|---------------------------|----------------|-----------------|-----------------|-----------------|---------------|---------|
| Clubs, Society & Projects | 38,991 31% | 45,545 36% | 6,416 5% | 6,617 5% | 28,051 22% | 125,620 |
| Union | 25,385 52% | 6,792 14% | 2,129 4% | 3,900 8% | 10,299 21% | 48,505 |
| Grand Total | 64,376 37% | 52,337 30% | 8,545 5% | 10,517 6% | 38,350 22% | 174,125 |

Debtor Days*

| | |
|----------------|------------|
| May 2017 | 44.33 days |
| June 2017 | 48.20 days |
| July 2017 | 57.33 days |
| August 2017 | 57.33 days |
| September 2017 | 84.67 days |
| October 2017 | 83.34 days |

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

Imperial College Union
Balance Sheet as at 31 October 2017

| | Notes | 31 October 2017 | | 31 October 2016 | | 31 July 2017 | |
|---|----------|--------------------|-------------------------|------------------|-------------------------|------------------|-------------------------|
| | | £ | £ | £ | £ | £ | £ |
| TANGIBLE FIXED ASSETS | 1 | | 4,643,782 | | 4,872,268 | | 4,714,624 |
| INVESTMENTS | 2 | | 129,235 | | 119,731 | | 129,235 |
| CURRENT ASSETS | | | | | | | |
| Stock | | 258,383 | | 258,598 | | 229,171 | |
| Debtors | 3 | 204,073 | | 265,795 | | 185,043 | |
| Cash and bank balances | 4 | 3,398,341 | | 2,324,102 | | 2,112,951 | |
| | | <u>3,860,797</u> | | <u>2,848,494</u> | | <u>2,527,165</u> | |
| CREDITORS: Falling due within one year | 5 | <u>(1,237,458)</u> | | <u>(505,537)</u> | | <u>(663,127)</u> | |
| NET CURRENT ASSETS | | | 2,623,338 | | 2,342,957 | | 1,864,039 |
| TOTAL NET ASSETS | | | <u><u>7,396,356</u></u> | | <u><u>7,334,956</u></u> | | <u><u>6,707,898</u></u> |
| Restricted Funds | | | | | | | |
| Capital Grants | 6 | 2,750,972 | | 2,982,884 | | 2,808,950 | |
| Student Activities | | 1,418,166 | | 1,237,121 | | 973,249 | |
| | | | 4,169,138 | | 4,220,005 | | 3,782,199 |
| Unrestricted Funds | | | | | | | |
| Designated Funds | 7 | 2,005,993 | | 2,035,807 | | 2,076,835 | |
| General Reserve | | <u>1,221,224</u> | | <u>1,079,144</u> | | <u>848,864</u> | |
| | | | 3,227,218 | | 3,114,951 | | 2,925,699 |
| | | | <u><u>7,396,356</u></u> | | <u><u>7,334,956</u></u> | | <u><u>6,707,898</u></u> |

Imperial College Union

Balance Sheet Notes as at 31 October 2017

| | 31 October 2017 | 31 October 2016 | 31 July 2017 |
|------------------------------------|--------------------|------------------|------------------|
| | £ | £ | £ |
| 1 TANGIBLE FIXED ASSETS | | | |
| Cost | 9,459,595 | 9,211,945 | 9,129,184 |
| Additions | 62,097 | 118,112 | 352,652 |
| Disposals Cost | - | 150,297 | 88,695 |
| Disposals Accumulated Depreciation | - | (150,297) | (88,695) |
| Accumulated Depreciation | (4,877,910) | (4,457,789) | (4,767,213) |
| | 4,643,782 | 4,872,268 | 4,714,624 |
| 2 INVESTMENTS | | | |
| Investment Cost | 2,687 | 2,687 | 2,687 |
| Unrealised Value | 126,548 | 117,044 | 126,548 |
| | 129,235 | 119,731 | 129,235 |
| 3 DEBTORS | | | |
| Trade Debtors | 174,125 | 258,448 | 123,794 |
| Provision for Bad Debts | (22,426) | (29,818) | (22,426) |
| Prepayments | 10,829 | 10,040 | 4,753 |
| Accrued Income | (465) | 3,870 | 7,787 |
| Other Debtors | 42,010 | 23,254 | 71,135 |
| | 204,073 | 265,795 | 185,043 |
| 4 CASH AND BANK | | | |
| Main Account | 3,395,432 | 2,326,597 | 2,084,341 |
| Club & Societies | (10,731) | (17,935) | 4,970 |
| Floats | 11,160 | 12,910 | 21,160 |
| Petty Cash | 2,480 | 2,530 | 2,480 |
| | 3,398,341 | 2,324,102 | 2,112,951 |
| 5 CREDITORS | | | |
| Trade creditors | 32,448 | 43,064 | (83,305) |
| College Interdivision Creditor | (753,935) | (115,644) | (104,679) |
| VAT | (127,951) | (139,937) | (46,594) |
| Credit Card Control | 547 | (4,046) | 3,333 |
| Accruals | (115,059) | (25,695) | (122,048) |
| Deferred income | (13,852) | (21,756) | (63,925) |
| Other creditors | (259,657) | (241,524) | (245,908) |
| | (1,237,458) | (505,537) | (663,127) |
| 6 RESTRICTED FUNDS | | | |
| Capital Grants | 2,750,972 | 2,982,884 | 2,808,950 |
| Student Activities/Halls | 1,418,166 | 1,237,121 | 973,249 |
| | 4,169,138 | 4,220,005 | 3,782,199 |
| 7 UNRESTRICTED FUNDS | | | |
| Asset and Investment Funds | 1,837,520 | 1,836,763 | 1,908,361 |
| Investment Revaluation Reserve | 126,548 | 117,044 | 126,548 |
| Other Designated Funds | 41,925 | 82,000 | 41,925 |
| General Reserves | 1,221,224 | 1,079,144 | 848,864 |
| | 3,227,218 | 3,114,951 | 2,925,699 |

Imperial College Union

Cashflow Statement as at 31 October 2017

| | | |
|--|------------------|--|
| Current Year Surplus/(Deficit) | 688,458 | |
| Add back Depreciation | 107,790 | |
| Investment Income Eliminated | (4,183) | |
| (Increase)/Decrease in unrealised investments | - | |
| Loss/(Profit) on sales of fixed assets | (7,527) | |
| (Increase)/Decrease in Stock | (29,211) | |
| (Increase)/Decrease in Debtors | (19,030) | |
| Increase/(Decrease) in Creditors | 574,331 | |
| Net cash inflow/(outflow) from operating activities | 1,310,629 | |
| | | |
| Returns on investment and servicing of finance | | |
| Charifund Interest Received | 1,440 | |
| Bank Interest Received | 2,743 | |
| | 4,183 | |
| | | |
| Capital Expenditure | | |
| Payments to acquire tangible fixed assets | (39,855) | |
| Receipts from sales of tangible fixed assets | 10,433 | |
| Deferred Capital Grants received during the year | - | |
| | (29,422) | |
| | | |
| Change in net funds | 1,285,390 | |
| | | |
| Reconciliation of cash flow to movements in funds | | |
| Net funds as at 01 August 2017 | 2,112,951 | |
| Net funds as at 31 October 2017 | 3,398,341 | |
| Change in net funds | 1,285,390 | |

Cashflow Statement as at 31 October 2017

The Union has seen a net increase of £1,285k in the year so far. The main cash inflow of funds was £1,311k received from operating activities with an additional £4k from interest and investments.

The main cash outflow of funds was £29k of capital expenditure.