



# **MANAGEMENT ACCOUNTS**

**FOR THE MONTH ENDED**

**31<sup>st</sup> May 2018**

## CONTENTS

	<b>PAGE</b>
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

Mixed results from Commercial areas with drinks sales generally lower and food catering sales higher than expected. Continuing challenges being faced in room hire and marketing income streams, and also some negative timing and one-off income effects. The combined impact is almost off-set by a number of cost savings being recognised in the month. Income was (£27,459) under budget in the month, leaving year to date income 3% behind budget. Against this, total expenditure was £22,370 under budget, leaving the Union overall (£5,089) under budget, which represents a surplus of £29,873 for the month.

In relation to income, Catering performed strongly coming in £14,965 ahead of budget. However with margins continuing to trail behind budget, Catering gross profit of £35,097 was just £6,822 above budget. On the other hand, bar sales across all sites were below budget for the month, by (£7,584) in total. Of this, (£4,140) relates to functions. Room hire was (£5,092) below budget, of which approximately (£3,000) relates to the ad hoc sales target. In addition, the weak Marketing sales pipeline contributed (£5,012) to the month's negative variance. On the upside, Retail performed strongly, coming in just (£1,613) under budget despite a negative phasing issue of approximately (£5,600) as noted last month. This confirms the positive impact of new product lines such as the Food to Go range.

This month the budget phasing issue in relation to interest income from cash and investments contributed a negative variance of (£7,405). Additionally, it had been planned to sell the last of three minibuses to be disposed this year in May, but all three were sold earlier in the year, leading to a negative income variance in the month of (£2,400).

In relation to expenditure, permanent staff costs are again less than budget, by £4,920, reflecting positions remaining vacant or filled during the month mainly in Systems, Catering, and Education & Welfare. These savings were partially off-set by the combination of higher than planned staff costs elsewhere (reflecting successful pay relativity applications) and increased temporary and agency staff costs (reflecting some temporary backfilling of vacant roles and higher than planned trading volumes in Catering). There is a saving of over £2,500 on depreciation costs due mainly to a number of delayed capital expenditure items, and a saving of over £15,000 on cleaning costs as agreed with College Estates. Unplanned recruitment costs contributed a negative variance of (£6,630), but the effect of this has been unintentionally offset in the month by a missed accrual for boat insurance (to be picked up again next month).

Overall, the Union currently has a surplus of £390,457, which is £7,913 ahead of budget. When the full year forecast is updated for May and adjusted for a small number of known factors (including the missed boat insurance accrual and an unplanned consultancy fee for redesigning the layout of Shop Extra), it shows a net deficit of just (£1,067) for the year – placing the Union firmly on track to meet its budget target, or at least break even, for the year. Management remains committed to breaking even for the year, and will achieve this while protecting frontline services by continuing to adopt a value for money approach and managing risks.

In relation to the Union's assets and liabilities as at 31 May 2018, cash and bank balances continue to grow and now stand at well over £3,500,000 – an 18% increase on the same time last year. This is partially explained by an increase in the net amount owed to College, standing at (£768,131), mainly representing a number of month's salary invoices not yet received. Trade debtors of £188,113 is down 20% compared to last month, largely reflecting the effect of an enhanced credit control process. Management remains committed to recovering all amounts owed but will provision any aged debts if not cleared by the end of the year. Overall, the Union's net assets remain practically unchanged on last year.

# Consolidated Summaries

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

	May-18					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
<b>Union</b>												
Income	511,656	523,799	482,703	(12,144)	28,952	4,823,447	4,959,652	4,588,242	(136,205)	235,205	5,446,093	5,315,545
Cost of Sales	(153,193)	(137,878)	(129,456)	(15,315)	(23,737)	(1,185,269)	(1,142,430)	(1,069,466)	(42,840)	(115,804)	(1,330,970)	(1,375,055)
<b>Gross Profit</b>	<b>358,462</b>	<b>385,921</b>	<b>353,247</b>	<b>(27,459)</b>	<b>5,215</b>	<b>3,638,177</b>	<b>3,817,222</b>	<b>3,518,776</b>	<b>(179,045)</b>	<b>119,401</b>	<b>4,115,123</b>	<b>3,940,490</b>
Staff Pay Costs	(261,647)	(266,215)	(230,911)	4,568	(30,737)	(2,502,503)	(2,545,242)	(2,294,278)	42,739	(208,225)	(3,073,030)	(3,027,960)
Other Direct Costs	(66,942)	(84,744)	(74,493)	17,802	7,551	(745,217)	(889,437)	(750,586)	144,219	5,368	(1,039,015)	(913,597)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Surplus/(Deficit)</b>	<b>29,873</b>	<b>34,962</b>	<b>47,843</b>	<b>(5,089)</b>	<b>(17,970)</b>	<b>390,457</b>	<b>382,544</b>	<b>473,913</b>	<b>7,913</b>	<b>(83,456)</b>	<b>3,078</b>	<b>(1,067)</b>
<b>Student Groups</b>												
Grant	14,608	-	16,685	14,608	(2,077)	47,273	-	14,500	47,273	32,773	-	47,273
SGL	(18,258)	-	7,233	(18,258)	(25,490)	338,345	-	453,350	338,345	(115,004)	-	338,345
Harlington	20,698	-	-	20,698	20,698	41,135	-	8,398	41,135	32,737	-	41,135
IC Trust	(2,018)	-	(3,388)	(2,018)	1,371	12,875	-	(27,772)	12,875	40,647	-	12,875
College	4,247	-	4,063	4,247	185	55,267	-	28,606	55,267	26,661	-	55,267
<b>Net Surplus/(Deficit)</b>	<b>19,277</b>	<b>-</b>	<b>24,592</b>	<b>19,277</b>	<b>(5,315)</b>	<b>494,896</b>	<b>-</b>	<b>477,082</b>	<b>494,896</b>	<b>17,814</b>	<b>-</b>	<b>494,896</b>
<b>Funds Analysis</b>												
Unrestricted Funds	44,481	34,962	64,528	9,519	(20,048)	437,730	382,544	488,413	55,187	(50,683)	3,078	46,206
Restricted Funds	4,669	-	7,907	4,669	(3,237)	447,622	-	462,582	447,622	(14,959)	-	447,622
Capital Funds	(19,326)	-	(19,326)	(19,326)	-	(193,260)	-	(193,260)	(193,260)	-	-	(193,260)
<b>Total Surplus/(Deficit)</b>	<b>29,824</b>	<b>34,962</b>	<b>53,109</b>	<b>(5,138)</b>	<b>(23,285)</b>	<b>692,092</b>	<b>382,544</b>	<b>757,734</b>	<b>309,549</b>	<b>(65,642)</b>	<b>3,078</b>	<b>300,568</b>

## Commercial Services Income & Expenditure Account (Statement of Financial Performance)

	May-18					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
Income	361,082	361,933	343,134	(850)	17,949	3,065,446	3,137,575	2,957,185	(72,129)	108,260	3,669,098	3,593,444
Cost of Sales	(153,193)	(137,878)	(129,456)	(15,315)	(23,737)	(1,185,269)	(1,142,430)	(1,069,466)	(42,840)	(115,804)	(1,330,970)	(1,375,055)
<b>Gross Profit</b>	<b>207,889</b>	<b>224,055</b>	<b>213,677</b>	<b>(16,166)</b>	<b>(5,788)</b>	<b>1,880,176</b>	<b>1,995,145</b>	<b>1,887,720</b>	<b>(114,969)</b>	<b>(7,543)</b>	<b>2,338,128</b>	<b>2,218,390</b>
Staff Pay Costs	(114,230)	(116,109)	(101,789)	1,879	(12,440)	(1,075,941)	(1,063,648)	(1,027,173)	(12,293)	(48,768)	(1,268,448)	(1,286,369)
Other Direct Costs	(30,071)	(30,933)	(32,780)	862	2,709	(301,874)	(322,643)	(320,957)	20,769	19,083	(377,309)	(365,929)
Overheads	-	-	-	-	-	-	-	-	-	-	(14,713)	(6,312)
<b>Net Profit/(Loss)</b>	<b>63,588</b>	<b>77,013</b>	<b>79,108</b>	<b>(13,424)</b>	<b>(15,520)</b>	<b>502,361</b>	<b>608,854</b>	<b>539,590</b>	<b>(106,493)</b>	<b>(37,229)</b>	<b>677,658</b>	<b>559,779</b>

## ICU Debtors as at 31/05/2018

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL
Clubs, Society & Projects	8,694 8%	10,375 10%	20,142 19%	25,489 24%	41,477 39%	106,177
Union	18,182 22%	7,921 10%	17,871 22%	5,595 7%	32,367 40%	81,937
Grand Total	26,876 14%	18,296 10%	38,013 20%	31,084 17%	73,844 39%	188,113

### Debtor Days\*

December 2017	84.38 days
January 2018	107.69 days
February 2018	98.12 days
March 2018	114.11 days
April 2018	107.45 days
May-18	84.08 days

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

**Imperial College Union**  
**Balance Sheet as at 31 May 2018**

	Notes	31 May 2018		31 May 2017		31 July 2017	
		£	£	£	£	£	£
<b>TANGIBLE FIXED ASSETS</b>	<b>1</b>		4,364,309		4,751,894		4,714,624
<b>INVESTMENTS</b>	<b>2</b>		129,235		119,731		129,235
<b>CURRENT ASSETS</b>							
Stock		247,649		265,654		229,171	
Debtors	<b>3</b>	260,206		136,000		185,043	
Cash and bank balances	<b>4</b>	3,608,132		3,045,001		2,112,951	
		<u>4,115,987</u>		<u>3,446,655</u>		<u>2,527,165</u>	
<b>CREDITORS: Falling due within one year</b>	<b>5</b>	<u>(1,209,542)</u>		<u>(895,885)</u>		<u>(663,127)</u>	
<b>NET CURRENT ASSETS</b>			2,906,445		2,550,770		1,864,039
<b>TOTAL NET ASSETS</b>			<u><b>7,399,990</b></u>		<u><b>7,422,395</b></u>		<u><b>6,707,898</b></u>
<b>Restricted Funds</b>							
Capital Grants	<b>6</b>	2,615,689		2,847,602		2,808,950	
Student Activities		1,420,872		1,312,391		973,249	
			4,036,562		4,159,993		3,782,199
<b>Unrestricted Funds</b>							
Designated Funds	<b>7</b>	1,726,504		1,915,669		2,076,835	
General Reserve		<u>1,636,924</u>		<u>1,346,733</u>		<u>848,864</u>	
			3,363,428		3,262,402		2,925,699
			<u><b>7,399,990</b></u>		<u><b>7,422,395</b></u>		<u><b>6,707,898</b></u>

Imperial College Union

Balance Sheet Notes as at 31 May 2018

	31 May 2018	31 May 2017	31 July 2017
	£	£	£
<b>1 TANGIBLE FIXED ASSETS</b>			
Cost	9,422,467	9,129,184	9,129,184
Additions	94,429	292,791	352,652
Disposals Cost	37,128	233,058	88,695
Disposals Accumulated Depreciation	(37,128)	(233,058)	(88,695)
Accumulated Depreciation	<u>(5,152,587)</u>	<u>(4,670,081)</u>	<u>(4,767,213)</u>
	<b><u>4,364,309</u></b>	<b><u>4,751,894</u></b>	<b><u>4,714,624</u></b>
<b>2 INVESTMENTS</b>			
Investment Cost	2,687	2,687	2,687
Unrealised Value	<u>126,548</u>	<u>117,044</u>	<u>126,548</u>
	<b><u>129,235</u></b>	<b><u>119,731</u></b>	<b><u>129,235</u></b>
<b>3 DEBTORS</b>			
Trade Debtors	188,113	94,490	123,794
Provision for Bad Debts	(6,240)	(29,818)	(22,426)
Prepayments	16,646	19,920	4,753
Accrued Income	(1,051)	8,873	7,787
Other Debtors	<u>62,738</u>	<u>42,536</u>	<u>71,135</u>
	<b><u>260,206</u></b>	<b><u>136,000</u></b>	<b><u>185,043</u></b>
<b>4 CASH AND BANK</b>			
Main Account	3,597,245	3,033,674	2,084,341
Club & Societies	(2,753)	(3,813)	4,970
Floats	11,160	12,660	21,160
Petty Cash	<u>2,480</u>	<u>2,480</u>	<u>2,480</u>
	<b><u>3,608,132</u></b>	<b><u>3,045,001</u></b>	<b><u>2,112,951</u></b>
<b>5 CREDITORS</b>			
Trade creditors	90,108	170,806	(83,305)
College Interdivision Creditor	(768,131)	(600,425)	(104,679)
VAT	(69,312)	(94,394)	(46,594)
Credit Card Control	(10,535)	(884)	3,333
Accruals	(86,866)	(64,365)	(122,048)
Deferred income	(90,004)	(71,955)	(63,925)
Other creditors	<u>(274,802)</u>	<u>(234,669)</u>	<u>(245,908)</u>
	<b><u>(1,209,542)</u></b>	<b><u>(895,885)</u></b>	<b><u>(663,127)</u></b>
<b>6 RESTRICTED FUNDS</b>			
Capital Grants	2,615,689	2,847,602	2,808,950
Student Activities/Halls	<u>1,420,872</u>	<u>1,312,391</u>	<u>973,249</u>
	<b><u>4,036,562</u></b>	<b><u>4,159,993</u></b>	<b><u>3,782,199</u></b>
<b>7 UNRESTRICTED FUNDS</b>			
Asset and Investment Funds	1,558,030	1,716,625	1,908,361
Investment Revaluation Reserve	126,548	117,044	126,548
Other Designated Funds	41,925	82,000	41,925
General Reserves	<u>1,636,924</u>	<u>1,346,733</u>	<u>848,864</u>
	<b><u>3,363,428</u></b>	<b><u>3,262,402</u></b>	<b><u>2,925,699</u></b>



## Imperial College Union

### Cashflow Statement as at 31 May 2018

<b>Current Year Surplus/(Deficit)</b>	<b>692,092</b>	
Add back Depreciation	423,084	
Investment Income Eliminated	(18,904)	
(Increase)/Decrease in unrealised investments	-	
Loss/(Profit) on sales of fixed assets	(4,500)	
(Increase)/Decrease in Stock	(18,478)	
(Increase)/Decrease in Debtors	(75,164)	
Increase/(Decrease) in Creditors	546,415	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,544,546</b>
<b>Returns on investment and servicing of finance</b>		
Charifund Interest Received	6,060	
Bank Interest Received	12,844	
		<b>18,904</b>
<b>Capital Expenditure</b>		
Payments to acquire tangible fixed assets	(72,187)	
Receipts from sales of tangible fixed assets	3,917	
Deferred Capital Grants received during the year	-	
		<b>(68,270)</b>
<b>Change in net funds</b>		<b>1,495,180</b>
<b>Reconciliation of cash flow to movements in funds</b>		
Net funds as at 01 August 2017	2,112,951	
Net funds as at 31 May 2018	3,608,132	
<b>Change in net funds</b>		<b>1,495,180</b>

### Cashflow Statement as at 31 May 2018

The Union has seen a net increase of £1,495k in the year so far. The main cash inflow of funds was £1,545k received from operating activities with an additional £19k from interest and investments.

The main cash outflow of funds was £68k of capital expenditure.