



MANAGEMENT ACCOUNTS

FOR THE MONTH ENDED

28 February 2019

CONTENTS

	PAGE
i. EXECUTIVE SUMMARY	3
2. CONSOLIDATED SUMMARIES,	
i. Imperial College Union Consolidated Income & Expenditure	4
ii. Social Enterprise Income & Expenditure	5
iii. Bars and Catering Performance Analysis	6-7
3. DEBTORS	8
4. BALANCE SHEET AND CASHFLOW STATEMENTS	
i. Balance Sheet	9-10
ii. Cashflow statement	11

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

Executive Summary

February's income of £466,653 for the Union is trailing budget by £37,743 (-7.48%) but £11,688 ahead of prior year. Cost of sales has exceeded the budget by £4,389. The result is a gross profit of £345,197 for the month with an adverse variance of £42,132 (-10.88%), £5,407 lag behind last year.

There is a continuing trend of declining income in the Commercial area (£20,208 less than budgeted but £14,579 ahead of last year) and an increase in cost of sales (£4,389 above budget and £17,095 up on previous year). The major contributor for this predicament is the Bars and Catering area where core income is down by £18,774 (-9.4%) and functions income by £4,374 (-25.4%). Please see appendix iii) on pages 6 and 7 for detailed breakdown of income in this area. The total Bars and Catering income excluding other income is currently 5.9% behind forecast and trails last year by 2.4%. Year-to-date, the section has dropped 3.4% below the forecast and 3.5% below prior year's income. Cost of sales in the Bars and Catering only went up by £1,360 compared to budget and has a £5,727 adverse variance to last year. Room hires in Beit Venues exceeded budget by £2,533 (18%). Retail has maintained its strong trading performance, only being £17 less than budget.

Income earned from hiring of minibuses is still a challenge with income trailing budget by £6,701 in February as are advertising, career sales and sponsorship incomes, being £1,770, £1,000 and £1,000 respectively down on budget in month.

Like the last two months staff pay costs have stabilised having a favourable variance of £5,228, however they are £20,266 higher year to-date. Other Direct Costs in the month were £4,501 greater than budget (but £26,638 below budget year to-date). Recruitment costs are over budget owing to the placement fee of a new operations manager in Bars and Catering.

Overall, the Union has a net deficit of £37,800 in the month with an unfavourable variance of £41,405 compared to budget and £319,129 behind budget year to-date. The Union's income has surpassed prior years by £65,371 but it is the costs that are hitting the bottom line especially the staff costs, resulting in a £320,992 adverse variance year to-date compared to last year (-85.93%). Consequently, at this point in time the full year forecast is worse than first thought with a net deficit of £367,131 predicted.

The Union continues to have a strong robust balance sheet with net assets of £7.406m, comparing well with last year this time (£7.494m) and better than as at 31 July 2018 (£6.885m). The bank balance remains healthy at £1.5m. The creditors balance has gone down by £197k when compared to last month. The debtors balance has risen by £54k from prior month.

Appendix (i)
Consolidated Summaries

Union & Student Groups Summaries (Statement of Financial Performance)

Union

Union	Feb 19					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
Income	466,653	504,396	454,965	(37,743)	11,688	3,556,023	3,844,793	3,490,652	(288,770)	65,371	5,772,659	5,461,187
Cost of Sales	(121,456)	(117,066)	(104,361)	(4,389)	(17,095)	(887,433)	(850,701)	(842,872)	(36,732)	(44,561)	(1,365,513)	(1,434,972)
Gross Profit	345,197	387,329	350,604	(42,132)	(5,407)	2,668,590	2,994,092	2,647,780	(325,502)	20,810	4,407,147	4,026,216
Staff Pay Costs	(292,912)	(298,141)	(270,131)	5,228	(22,781)	(2,031,030)	(2,010,764)	(1,739,467)	(20,266)	(291,563)	(3,412,050)	(3,428,818)
Other Direct Costs	(90,085)	(85,584)	(59,076)	(4,501)	(31,009)	(585,018)	(611,656)	(534,779)	26,638	(50,239)	(991,343)	(964,529)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	(37,800)	3,604	21,397	(41,405)	(59,197)	52,542	371,671	373,533	(319,129)	(320,992)	3,754	(367,131)
Student Groups												
Grant	(20,150)	-	(16,180)	(20,150)	(3,970)	6,510	-	26,574	6,510	(20,064)	-	6,510
SGI	(38,685)	-	44,747	(38,685)	(83,432)	551,859	-	438,171	551,859	113,688	-	551,859
Harlington	(1,114)	-	(8,349)	(1,114)	7,234	(33,178)	-	(4,250)	(33,178)	(28,929)	-	(33,178)
IC Trust	40,665	-	(4,518)	40,665	45,183	36,119	-	26,109	36,119	10,010	-	36,119
College	370	-	11	370	358	42,012	-	61,106	42,012	(19,094)	-	42,012
Net Surplus/(Deficit)	(18,914)	-	15,712	(18,914)	(34,627)	603,322	-	547,710	603,322	55,612	-	603,322
Funds Analysis												
Unrestricted Funds	(57,950)	3,604	5,217	(61,554)	(63,167)	59,052	371,671	400,107	(312,619)	(341,055)	3,754	(360,621)
Restricted Funds	1,235	-	31,892	1,235	(30,657)	596,812	-	521,136	596,812	75,676	-	596,812
Capital Funds	(19,326)	(19,326)	(19,326)	-	-	(135,282)	(135,282)	(135,282)	-	-	(231,912)	(231,912)
Total Surplus/(Deficit)	(76,041)	(15,722)	17,783	(60,319)	(93,824)	520,582	236,389	785,961	284,193	(265,379)	(228,158)	4,278

Appendix (ii)

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

Imperial College Union

Management Accounts 2018/19

Commercial Services

	Feb 19					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
Income	308,892	329,100	294,314	(20,208)	14,579	2,313,422	2,489,462	2,239,705	(176,039)	73,718	3,961,963	3,768,844
Cost of Sales	(121,456)	(117,066)	(104,361)	(4,389)	(17,095)	(887,402)	(850,701)	(842,872)	(36,701)	(44,530)	(1,365,513)	(1,434,940)
Gross Profit	187,437	212,034	189,953	(24,597)	(2,516)	1,426,021	1,638,761	1,396,833	(212,740)	29,188	2,596,450	2,333,904
Staff Pay Costs	(146,790)	(134,205)	(115,027)	(12,584)	(31,762)	(905,485)	(877,774)	(755,126)	(27,711)	(150,359)	(1,460,863)	(1,494,338)
Other Direct Costs	(31,331)	(32,748)	(33,458)	1,418	2,127	(242,650)	(256,969)	(227,357)	14,319	(15,293)	(406,525)	(392,276)
Overheads	-	-	-	-	-	-	-	-	-	-	(4,178)	(4,178)
Net Profit/(Loss)	9,316	45,080	41,467	(35,764)	(32,151)	277,886	504,018	414,349	(226,132)	(136,463)	724,884	443,112

Appendix (iii)

BARS AND CATERING PERFORMANCE ANALYSIS (Excluding Other Income)

AS AT FEBRUARY 2019

<u>Income Type</u>	<u>Section</u>	<u>Actual</u>	<u>Variance</u>		<u>Budget</u>	<u>Variance</u>		<u>Variance</u>			
			<u>Forecast</u>	<u>Actual v Forecast</u>		<u>Actual v</u>	<u>Variance %</u>	<u>Prior Year</u>	<u>Year</u>	<u>Variance %</u>	
Core Wet Sales	568 & Union Bar	86,260	84,984	1,276	1.5	87,163	(903)	(1.0)	95,373	(9,113)	(9.6)
	H Bar	23,993	26,645	(2,652)	(10.0)	28,047	(4,054)	(14.5)	26,606	(2,613)	(9.8)
	Metric	12,090	14,997	(2,907)	(19.4)	15,382	(3,292)	(21.4)	-	12,090	-
	Reynolds	8,887	14,866	(5,979)	(40.2)	15,648	(6,761)	(43.2)	12,171	(3,284)	(27.0)
	Total Core Wet Sales	131,230	141,492	(10,262)	(7.3)	146,239	(15,009)	(10.3)	134,150	(2,920)	(2.2)
Function Wet Sales	568 & Union Bar	8,415	7,259	1,156	15.9	10,370	(1,955)	(18.9)	10,999	(2,584)	(23.5)
	H Bar	81	1,450	(1,369)	(94.4)	2,900	(2,819)	(97.2)	-	81	-
	Metric	-	1,281	(1,281)	(100.0)	1,830	(1,830)	(100.0)	-	-	-
	Reynolds	4,170	80	4,090	5,112.5	100	4,070	4,070.0	-	4,170	-
	Total Function Wet Sales	12,666	10,070	2,596	25.8	15,200	(2,534)	(16.7)	10,999	1,667	15.2
Core Dry Sales	568 & Union Bar	47,355	53,923	(6,568)	(12.2)	53,923	(6,568)	(12.2)	49,190	(1,835)	(3.7)
	Reynolds	377	437	(60)	(13.7)	546	(169)	(30.9)	399	(22)	(5.5)
	Total Core Dry Sales	47,732	54,360	(6,628)	(12.2)	54,468	(6,736)	(12.4)	49,589	(1,857)	(3.7)
Function Dry Sales	568 & Union Bar	187	861	(674)	(78.3)	1,722	(1,535)	(89.1)	1,893	(1,706)	(90.1)
	Metric	-	152	(152)	(100.0)	304	(304)	(100.0)	-	-	-
	Total Function Dry Sales	187	1,013	(826)	(81.5)	2,026	(1,839)	(90.8)	1,893	(1,706)	(90.1)
UDH Dry Sales	Conference Sales	2,973	-	2,973	-	-	2,973	-	-	-	-
Total Bars and Catering Income		194,788	206,935	(12,147)	(5.9)	217,934	(23,146)	(10.6)	196,631	(4,816)	(2.4)

Appendix (iii) contin...

BARS AND CATERING PERFORMANCE ANALYSIS (Excluding Other Income)

AS AT YEAR-TO-DATE FEBRUARY 2019

Income Type	Section	Actual	Forecast	Variance		Budget	Variance		Prior Year	Variance	
				Actual v Forecast	Variance %		Actual v Budget	Variance %		Actual v Prior Year	Variance %
Core Wet Sales	568 & Union Bar	613,563	617,217	(3,654)	(0.6)	642,068	(28,505)	(4.4)	716,486	(102,923)	(14.4)
	H Bar	136,560	143,798	(7,238)	(5.0)	160,578	(24,018)	(15.0)	141,551	(4,991)	(3.5)
	Metric	96,657	109,174	(12,517)	(11.5)	113,306	(16,649)	(14.7)	-	96,657	-
	Reynolds	79,976	90,312	(10,336)	(11.4)	104,835	(24,859)	(23.7)	88,593	(8,617)	-
	Total Core Wet Sales	926,756	960,501	(33,745)	(3.5)	1,020,787	(94,031)	(9.2)	946,630	(19,874)	(2.1)
Function Wet Sales	568 & Union Bar	33,959	32,717	1,243	3.8	52,403	(18,444)	(35.2)	57,709	(23,750)	(41.2)
	H Bar	81	1,450	(1,369)	(94.4)	4,200	(4,119)	(98.1)	-	81	-
	Metric	2,428	4,859	(2,431)	(50.0)	9,248	(6,820)	(73.7)	-	2,428	-
	Reynolds	4,861	617	4,244	687.9	4,437	424	9.6	650	4,211	-
	Total Function Wet Sales	41,329	39,643	1,686	4.3	70,288	(28,959)	(41.2)	58,359	(17,030)	(29.2)
Core Dry Sales	568 & Union Bar	300,805	317,978	(17,173)	(5.4)	326,224	(25,419)	(7.8)	295,631	5,174	1.8
	Metric	-	-	-	-	-	-	-	-	-	-
	Reynolds	1,655	1,698	(43)	(2.5)	2,823	(1,168)	(41.4)	1,867	(212)	(11.4)
	Total Core Dry Sales	302,460	319,676	(17,216)	(5.4)	329,047	(26,587)	(8.1)	297,498	4,962	1.7
Function Dry Sales	568 & Union Bar	6,370	8,835	(2,465)	(27.9)	18,702	(12,332)	(65.9)	20,848	(14,478)	(69.4)
	Metric	-	524	(524)	(100.0)	3,300	(3,300)	(100.0)	-	-	-
	Total Function Dry Sales	6,370	9,359	(2,989)	(31.9)	22,002	(15,632)	(71.0)	20,848	(14,478)	(69.4)
UDH Dry Sales	Conference Sales	7,069	-	7,069	-	-	7,069	-	-	-	-
Total Bars and Catering Income		1,283,984	1,329,179	(45,195)	(3.4)	1,442,124	(158,140)	(11.0)	1,323,335	(46,420)	(3.5)

ICU Debtors as at 28/02/2019

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL	
Clubs, Society & Projects	87,030 29%	68,710 23%	46,039 16%	26,860 9%	66,938 23%	295,578	78%
Union	30,676 36%	5,326 6%	6,542 8%	26,766 31%	16,193 19%	85,503	22%
Grand Total	117,707 31%	74,035 19%	52,582 14%	53,626 14%	83,131 22%	381,081	

Debtor Days*

Sep-18	72.77 days
Oct-18	97.26 days
Nov-18	111.69 days
Dec-18	114.01 days
Jan-19	137.42 days
Feb-19	153.95 days

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

Imperial College Union
Balance Sheet as at 28 February 2019

		28 February 2019		28 February 2018		31 July 2018	
		£	£	£	£	£	£
	Notes						
TANGIBLE FIXED ASSETS	1		4,070,149		4,494,521		4,287,097
INVESTMENTS	2		1,619,809		129,235		130,670
CURRENT ASSETS							
Stock		251,824		250,642		213,396	
Debtors	3	589,401		283,509		262,991	
Cash and bank balances	4	<u>1,521,668</u>		<u>3,566,063</u>		<u>3,548,618</u>	
		2,362,893		4,100,213		4,025,005	
CREDITORS: Falling due within one year	5	<u>(646,963)</u>		<u>(1,230,111)</u>		<u>(1,557,466)</u>	
NET CURRENT ASSETS			1,715,930		2,870,102		2,467,539
TOTAL NET ASSETS			<u>7,405,888</u>		<u>7,493,859</u>		<u>6,885,306</u>
Restricted Funds							
Capital Grants	6	2,441,755		2,673,668		2,577,037	
Student Activities		1,956,783		1,502,385		1,346,240	
			4,398,539		4,176,053		3,923,278
Unrestricted Funds							
Designated Funds	7	1,647,006		1,856,716		1,867,550	
General Reserve		<u>1,360,344</u>		<u>1,461,090</u>		<u>1,094,478</u>	
			3,007,349		3,317,806		2,962,028
			<u>7,405,888</u>		<u>7,493,859</u>		<u>6,885,306</u>

Imperial College Union

Balance Sheet Notes as at 28 February 2019

	28 February 2019	28 February 2018	31 July 2018
1 TANGIBLE FIXED ASSETS	£	£	£
Cost	9,458,288	9,437,398	9,422,467
Additions	102,928	91,212	106,295
Disposals Cost	129,844	22,196	59,370
Disposals Accumulated Depreciation	(129,844)	(22,196)	(59,370)
Accumulated Depreciation	(5,491,067)	(5,034,089)	(5,241,665)
	<u>4,070,149</u>	<u>4,494,521</u>	<u>4,287,097</u>
2 INVESTMENTS	£	£	£
Investment Cost	1,491,827	2,687	2,687
Unrealised Value	127,983	126,548	127,983
	<u>1,619,809</u>	<u>129,235</u>	<u>130,670</u>
3 DEBTORS	£	£	£
Trade Debtors	381,081	204,671	174,968
Provision for Bad Debts	(38,935)	(22,426)	(38,935)
Prepayments	12,782	17,501	4,372
Accrued Income	140,532	29,345	77,479
Other Debtors	93,941	54,418	45,107
	<u>589,401</u>	<u>283,509</u>	<u>262,991</u>
4 CASH AND BANK	£	£	£
Main Account	1,522,714	3,571,199	3,538,154
Club & Societies	(14,686)	(18,776)	(3,176)
Floats	11,160	11,160	11,160
Petty Cash	2,480	2,480	2,480
	<u>1,521,668</u>	<u>3,566,063</u>	<u>3,548,618</u>
5 CREDITORS	£	£	£
Trade creditors	151,790	151,329	54,999
College Interdivision Creditor	(322,917)	(832,441)	(1,132,455)
VAT	(53,526)	(99,435)	(39,302)
Credit Card Control	(8,601)	8,844	(1,038)
Accruals	(115,981)	(114,034)	(180,829)
Deferred income	(34,906)	(39,614)	(28,188)
Other creditors	(262,822)	(304,760)	(230,653)
	<u>(646,963)</u>	<u>(1,230,111)</u>	<u>(1,557,466)</u>
6 RESTRICTED FUNDS	£	£	£
Capital Grants	2,441,755	2,673,668	2,577,037
Student Activities/Halls	1,956,783	1,502,385	1,346,240
	<u>4,398,539</u>	<u>4,176,053</u>	<u>3,923,278</u>
7 UNRESTRICTED FUNDS	£	£	£
Asset and Investment Funds	1,492,203	1,688,242	1,712,747
Investment Revaluation Reserve	127,983	126,548	127,983
Other Designated Funds	26,820	41,925	26,820
General Reserves	1,360,344	1,461,090	1,094,478
	<u>3,007,349</u>	<u>3,317,806</u>	<u>2,962,028</u>

Imperial College Union

Cashflow Statement as at 28 February 2019

Current Year Surplus/(Deficit)	520,582	
Add back Depreciation	379,970	
Investment Income Eliminated	(11,627)	
(Increase)/Decrease in unrealised investments	(1,489,140)	
Loss/(Profit) on sales of fixed assets	(4,500)	
(Increase)/Decrease in Stock	(38,428)	
(Increase)/Decrease in Debtors	(326,410)	
Increase/(Decrease) in Creditors	(910,502)	
Net cash inflow/(outflow) from operating activities		(1,880,056)
Returns on investment and servicing of finance		
Charifund Interest Received	4,900	
Bank Interest Received	6,727	
		11,627
Capital Expenditure		
Payments to acquire tangible fixed assets	(162,298)	
Receipts from sales of tangible fixed assets	3,776	
Deferred Capital Grants received during the year	-	
		(158,521)
Change in net funds		<u>(2,026,950)</u>
Reconciliation of cash flow to movements in funds		
Net funds as at 01 August 2018	3,548,618	
Net funds as at 28 February 2019	1,521,668	
Change in net funds		<u>(2,026,950)</u>

Cashflow Statement as at 28 February 2019

The Union has seen a net decrease of £2,027k in the year so far. The main cash inflow of funds was £12k received from interest and investments.

The main cash outflow of funds was £1,880k of operating activities with an additional £159k from capital expenditure.