



MANAGEMENT ACCOUNTS

FOR THE MONTH ENDED

31 January 2019

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

Executive Summary

January's income of £477,862 for the Union was trailing budget by £65,717 (-12.1%) and £37,563 behind previous year. Cost of sales has exceeded the budget by £50,980. The result is a gross profit of £305,213 for the month and an adverse variance of £116,697 (-27.66%) in the month.

There is a continuing trend of declining income in the Commercial area (£56,012 less than budgeted and £12,820 behind last year) and an increase in cost of sales (£50,980 above budget and £58,944 up on previous year). The major contributor for this state of affairs is the Bars and Catering area where core income is down by £39,494 (-18.6%) and functions income is down by £8,859 (-78.6%) as well as the cost of sales jumping up by £61,797 due to prior months invoices all hitting in January. Room hires in Beit Venues is slightly lower than budgeted by £353. Retail has maintained its strong trading performance, only being £2,742 behind budget. Obviously the disappointing January figures have put the Bars and Catering area further behind forecast as well as budget.

Income earned from associate memberships and hire of minibuses is still a challenge with income being £3,762 and £2,010 behind budget in January. Career sales is another area struggling with generating income, being £2,500 and £22,814 below budget in the month and year to-date respectively.

Like last month the staff pay costs are stable, being £5,979 below budget, though they are £25,494 higher year to-date. Other Direct Costs in the month were £10,519 lower than budget (£31,139 below budget year to-date) largely due to deferred capital expenditure.

Overall, the Union has a net deficit of £51,056 in the month with an unfavourable variance of £100,198 compared to budget and £277,725 behind budget year to-date. The Union's income has surpassed prior years by £53,683 but it is the cost of sales and staff costs that are hitting the bottom line, resulting in a £261,794 adverse variance year to-date compared to last year (-75.46% lag). Subsequently, at this point in time the full year forecast is worse than first thought with a net deficit of £421,917 predicted.

The Union continues to have a strong robust balance sheet with net assets of £7.482m, better than last year this time (£7.476m) and better than as at 31 July 2018 (£6.885m). The bank balance remains healthy. The creditors balance has gone up by nearly double (up by £418k) when compared to last month due to the second term activities of the Union. Correspondingly, the debtors balance has risen too by £147k.

Consolidated Summaries

Union & Student Groups Summaries (Statement of Financial Performance)

Union

			Jan 19			Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
Income	477,862	543,579	515,425	(65,717)	(37,563)	3,089,370	3,340,397	3,035,687	(251,027)	53,683	5,772,659	5,462,543
Cost of Sales	(172,649)	(121,669)	(113,705)	(50,980)	(58,944)	(765,977)	(733,635)	(738,511)	(32,343)	(27,466)	(1,365,513)	(1,403,839)
Gross Profit	305,213	421,910	401,720	(116,697)	(96,506)	2,323,393	2,606,762	2,297,176	(283,370)	26,217	4,407,147	4,058,705
Staff Pay Costs	(289,796)	(295,776)	(255,679)	5,979	(34,117)	(1,738,118)	(1,712,624)	(1,469,336)	(25,494)	(268,782)	(3,412,050)	(3,476,209)
Other Direct Costs	(66,473)	(76,992)	(79,287)	10,519	12,814	(494,933)	(526,072)	(475,703)	31,139	(19,230)	(991,343)	(1,004,412)
Overheads etc.	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-
Net Surplus/(Deficit)	(51,056)	49,142	66,754	(100,198)	(117,810)	90,342	368,067	352,136	(277,725)	(261,794)	3,754	(421,917)

Student Groups

Grant	(27,273)	-	(10,601)	(27,273)	(16,671)	26,660	-	42,754	26,660	(16,094)	-	26,660
SGL	56,402	-	(13,514)	56,402	69,916	590,544	-	393,424	590,544	197,120	-	590,544
Harlington	(283)	-	(1,970)	(283)	1,686	(32,064)	-	4,099	(32,064)	(36,163)	-	(32,064)
IC Trust	537	-	27,614	537	(27,078)	(4,546)	-	30,627	(4,546)	(35,173)	-	(4,546)
College	(248)	-	202	(248)	(450)	41,642	-	61,095	41,642	(19,452)	-	41,642
Net Surplus/(Deficit)	29,134	-	1,731	29,134	27,403	622,237	-	531,998	622,237	90,239	-	622,237

Funds Analysis

Unrestricted Funds	(78,329)	49,142	56,153	(127,470)	(134,481)	117,002	368,067	394,890	(251,065)	(277,888)	3,754	(395,257)
Restricted Funds	56,407	-	12,332	56,407	44,075	595,576	-	489,244	595,576	106,333	-	595,576
Capital Funds	(19,326)	(19,326)	(19,326)	-	-	(115,956)	(115,956)	(115,956)	-	-	(231,912)	(231,912)
Total Surplus/(Deficit)	(41,248)	29,816	49,159	(71,064)	(90,407)	596,622	252,110	768,178	344,512	(171,556)	(228,158)	(31,593)

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

Imperial College Union

Management Accounts 2018/19

Commercial Services

	Jan 19					Year to Date					Full Year	
	Actual	Budget	Last Year	Variance	Change	Actual	Budget	Last Year	Variance	Change	Budget	Forecast
Income	302,447	358,459	315,268	(56,012)	(12,820)	2,004,530	2,160,361	1,945,391	(155,831)	59,139	3,961,963	3,763,759
Cost of Sales	(172,649)	(121,669)	(113,705)	(50,980)	(58,944)	(765,946)	(733,635)	(738,511)	(32,312)	(27,435)	(1,365,513)	(1,403,807)
Gross Profit	129,798	236,790	201,562	(106,992)	(71,764)	1,238,584	1,426,727	1,206,880	(188,143)	31,704	2,596,450	2,359,952
Staff Pay Costs	(105,634)	(132,300)	(105,831)	26,666	197	(758,696)	(743,568)	(640,099)	(15,127)	(118,597)	(1,460,863)	(1,480,509)
Other Direct Costs	(32,048)	(33,161)	(27,909)	1,113	(4,138)	(211,319)	(224,221)	(193,899)	12,902	(17,420)	(406,525)	(393,571)
Overheads	-	-	-	-	-	-	-	-	-	-	(4,178)	(4,178)
Net Profit/(Loss)	(7,883)	71,330	67,822	(79,213)	(75,705)	268,569	458,938	372,882	(190,368)	(104,313)	724,884	481,693

ICU Debtors as at 31/01/2019

	0 - 30 Days	31 - 60 Days	61 - 90 Days	91- 120 Days	121+ Days	TOTAL	
Clubs, Society & Projects	86,954 35%	49,644 20%	35,060 14%	26,945 11%	48,248 20%	246,851	75%
Union	31,655 38%	4,897 6%	27,971 34%	2,365 3%	15,374 19%	82,262	25%
Grand Total	118,609 36%	54,541 17%	63,031 19%	29,310 9%	63,622 19%	329,113	

Debtor Days*

Aug-18	94.82 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

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

Imperial College Union
Balance Sheet as at 31 January 2019

		31 January 2019		31 January 2018		31 July 2018	
		£	£	£	£	£	£
	Notes						
TANGIBLE FIXED ASSETS	1		4,093,239		4,536,160		4,287,097
INVESTMENTS	2		1,619,809		129,235		130,670
CURRENT ASSETS							
Stock		254,818		243,581		213,396	
Debtors	3	534,933		300,791		262,991	
Cash and bank balances	4	<u>1,823,586</u>		<u>3,269,043</u>		<u>3,548,618</u>	
		2,613,337		3,813,415		4,025,005	
CREDITORS: Falling due within one year	5	<u>(844,457)</u>		<u>(1,002,735)</u>		<u>(1,557,466)</u>	
NET CURRENT ASSETS			1,768,880		2,810,681		2,467,539
TOTAL NET ASSETS			<u>7,481,928</u>		<u>7,476,075</u>		<u>6,885,306</u>
Restricted Funds							
Capital Grants	6	2,461,081		2,692,994		2,577,037	
Student Activities		1,955,548		1,458,161		1,346,240	
			4,416,630		4,151,155		3,923,278
Unrestricted Funds							
Designated Funds	7	1,678,518		1,898,370		1,867,550	
General Reserve		<u>1,386,781</u>		<u>1,426,550</u>		<u>1,094,478</u>	
			3,065,299		3,324,920		2,962,028
			<u>7,481,928</u>		<u>7,476,075</u>		<u>6,885,306</u>

Imperial College Union

Balance Sheet Notes as at 31 January 2019

	31 January 2019	31 January 2018	31 July 2018
1 TANGIBLE FIXED ASSETS	£	£	£
Cost	9,458,288	9,459,595	9,422,467
Additions	81,453	88,068	106,295
Disposals Cost	129,844	-	59,370
Disposals Accumulated Depreciation	(129,844)	-	(59,370)
Accumulated Depreciation	(5,446,501)	(5,011,503)	(5,241,665)
	<u>4,093,239</u>	<u>4,536,160</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	329,113	222,034	174,968
Provision for Bad Debts	(38,935)	(22,426)	(38,935)
Prepayments	12,816	21,048	4,372
Accrued Income	145,319	33,593	77,479
Other Debtors	86,619	46,541	45,107
	<u>534,933</u>	<u>300,791</u>	<u>262,991</u>
4 CASH AND BANK	£	£	£
Main Account	1,823,565	3,261,134	3,538,154
Club & Societies	(13,619)	(5,731)	(3,176)
Floats	11,160	11,160	11,160
Petty Cash	2,480	2,480	2,480
	<u>1,823,586</u>	<u>3,269,043</u>	<u>3,548,618</u>
5 CREDITORS	£	£	£
Trade creditors	265,870	145,023	54,999
College Interdivision Creditor	(615,533)	(568,284)	(1,132,455)
VAT	(44,945)	(75,110)	(39,302)
Credit Card Control	(52,754)	(31,088)	(1,038)
Accruals	(65,939)	(135,716)	(180,829)
Deferred income	(30,882)	(36,199)	(28,188)
Other creditors	(300,273)	(301,360)	(230,653)
	<u>(844,457)</u>	<u>(1,002,735)</u>	<u>(1,557,466)</u>
6 RESTRICTED FUNDS	£	£	£
Capital Grants	2,461,081	2,692,994	2,577,037
Student Activities/Halls	1,955,548	1,458,161	1,346,240
	<u>4,416,630</u>	<u>4,151,155</u>	<u>3,923,278</u>
7 UNRESTRICTED FUNDS	£	£	£
Asset and Investment Funds	1,523,715	1,729,897	1,712,747
Investment Revaluation Reserve	127,983	126,548	127,983
Other Designated Funds	26,820	41,925	26,820
General Reserves	1,386,781	1,426,550	1,094,478
	<u>3,065,299</u>	<u>3,324,920</u>	<u>2,962,028</u>

Imperial College Union

Cashflow Statement as at 31 January 2019

Current Year Surplus/(Deficit)	596,622	
Add back Depreciation	335,404	
Investment Income Eliminated	(9,681)	
(Increase)/Decrease in unrealised investments	(1,489,140)	
Loss/(Profit) on sales of fixed assets	(4,500)	
(Increase)/Decrease in Stock	(41,423)	
(Increase)/Decrease in Debtors	(271,941)	
Increase/(Decrease) in Creditors	(713,009)	
Net cash inflow/(outflow) from operating activities		(1,597,667)
Returns on investment and servicing of finance		
Charifund Interest Received	3,820	
Bank Interest Received	5,861	
		9,681
Capital Expenditure		
Payments to acquire tangible fixed assets	(140,822)	
Receipts from sales of tangible fixed assets	3,776	
Deferred Capital Grants received during the year	-	
		(137,046)
Change in net funds		<u>(1,725,032)</u>
Reconciliation of cash flow to movements in funds		
Net funds as at 01 August 2018	3,548,618	
Net funds as at 31 January 2019	1,823,586	
Change in net funds		<u>(1,725,032)</u>

Cashflow Statement as at 31 January 2019

The Union has seen a net decrease of £1,725k in the year so far. The main cash inflow of funds was £10k received from interest and investments.

The main cash outflow of funds was £1,598k of operating activities with an additional £137k from capital expenditure.