



MANAGEMENT ACCOUNTS

FOR THE MONTH ENDED

29 February 2020

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

Executive Summary

During the month of February, the Union made a net loss of £60,243 against a projected net deficit of £13,825. YTD the Union made a net surplus of £35,520, compared to a net surplus budget expectation of £161,670, an adverse variance of £126,150 and shortfall of £17,021 compared to this time last year.

Total gross profit (GP) for all commercial activity (Bars, Venue hire and Retail) was below forecast by £41,402 (20.5%) with net contribution deficit of £15,927. This is mainly because the Union has lost its customer base owing to loss of reputation over the state of the kitchen and subsequent closure, students not knowing that the bar/kitchen has re-opened and students already changing their behaviour and eating elsewhere. There has been some price hikes on food as well. The standards in the bar have improved and are more consistent now but the recovery is going to take time. Total core income has fallen by £6.4k. Core wet sales are 3.9% short of the forecast and only 0.6% behind last year. Core dry sales are 28.8% less than forecasted in the month. Overall the bars and catering income is trailing forecast by 5.4% in February and by 22.5% YTD. Please see appendix (iii) for the full Bars and Catering performance analysis. H Bar will not be offering any food now until the new academic year.

February trade for Retail was slightly down compared to target for the month by £2.6k in income and £4.8k gross profit. Income generated by ShopExtra fell below expectations by £1.5k. However there are plans to offer hot food and vegan sushi going forwards, possibly milkshakes and ice cream too. Additionally, the main Shop & Online's income was down by £1.5k and by £4.5k for the gross profit. Sales were struggling due to lower footfall thus the number of sales through the till were still 20% down. College are also reporting lower footfall in their outlets. The pricing structure for clothing has been revised down so this should increase footfall. The Shop are also introducing updated gift ranges and launching facebook campaigns on new student essentials and gift products to further entice students to purchase goods. Beit Venues room hire income is down by 12.3% (£1.7k). Both the Beit Venues staff have now left, leaving no-one in the team, so this will impact future room hire sales until an appointment has been made.

Minibus income was below forecast this month by £1,930 (12.4%). However, Marketing income exceeded aspiration by £2.5k.

Staff costs were £15k under forecast due to there being many permanent vacancies such as in Beit venues, Education and Welfare, Student Activities and Finance. Agency costs are high as the 568 bar and other departments having to utilise agency staff too eg in Finance there is a temp covering the Assistant Management Accountant role. YTD the Union's staff costs are behind budget largely due to the afore-mentioned staff vacancies as well as the vacant permanent position of the MD. In the month other costs came in above forecast by £22k mainly due to training, security and recruitment costs (for appointing an MD) by £3k, £2.5k and £7K respectively. YTD the direct costs are only £2.8k behind.

The Union continues to have a strong robust balance sheet with net assets of £7.22m, slightly lower than last year this time (£7.45m) and better than as at 31 July 2019 (£6.418m). The bank balance remains healthy at £2.1m. Both debtors and creditors have fallen in the month. The rapidly declining surplus made during this year will deplete the Union's reserves at the end of the year again as per last year as a large loss predicted.

Appendix (i)
Consolidated Summaries
Union & Student Groups Summaries (Statement of Financial Performance)

| | Feb-20 | | | | | Year to Date | | | | | Full Year | |
|--------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|-----------------|------------------|------------------|
| | Actual | Forecast | Last Year | Variance | Change | Actual | Budget | Last Year | Variance | Change | Budget | Forecast |
| Union | | | | | | | | | | | | |
| Income | 456,846 | 492,781 | 469,231 | (35,935) | (12,385) | 3,381,918 | 3,723,444 | 3,568,412 | (341,526) | (186,493) | 5,770,903 | 5,428,359 |
| Cost of Sales | (113,705) | (109,790) | (118,956) | (3,916) | 5,250 | (758,119) | (879,213) | (868,343) | 121,094 | 110,224 | (1,455,536) | (1,313,415) |
| Gross Profit | 343,140 | 382,991 | 350,275 | (39,851) | (7,135) | 2,623,799 | 2,844,231 | 2,700,069 | (220,432) | (76,270) | 4,315,367 | 4,114,944 |
| Staff Pay Costs | (281,082) | (296,548) | (286,951) | 15,466 | 5,869 | (1,929,150) | (2,020,580) | (1,976,439) | 91,430 | 47,289 | (3,453,473) | (3,332,044) |
| Other Direct Costs | (122,301) | (100,268) | (101,124) | (22,033) | (21,177) | (659,129) | (661,981) | (671,088) | 2,852 | 11,959 | (1,060,125) | (1,170,930) |
| Overheads etc. | - | - | - | - | - | - | - | - | - | - | - | - |
| Contingency | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Surplus/(Deficit) | (60,243) | (13,825) | (37,800) | (46,419) | (22,443) | 35,520 | 161,670 | 52,542 | (126,150) | (17,021) | (198,230) | (388,029) |
| Student Groups | | | | | | | | | | | | |
| Grant | 5,069 | - | (20,150) | 5,069 | 25,219 | 36,685 | - | 6,510 | 36,685 | 30,174 | - | 36,685 |
| SGL | 30,221 | - | (38,685) | 30,221 | 68,906 | 765,258 | - | 551,859 | 765,258 | 213,398 | - | 765,258 |
| Harlington | (869) | - | (1,114) | (869) | 245 | 3,244 | - | (33,178) | 3,244 | 36,423 | - | 3,244 |
| IC Trust | - | - | 40,665 | - | (40,665) | (3,203) | - | 36,119 | (3,203) | (39,322) | - | (3,203) |
| College | 3,689 | - | 370 | 3,689 | 3,319 | 51,593 | - | 42,012 | 51,593 | 9,581 | - | 51,593 |
| Net Surplus/(Deficit) | 38,110 | - | (18,914) | 38,110 | 57,025 | 853,576 | - | 603,322 | 853,576 | 250,254 | - | 853,576 |
| Funds Analysis | | | | | | | | | | | | |
| Unrestricted Funds | (55,174) | (13,825) | (57,950) | (41,350) | 2,776 | 72,205 | 161,670 | 59,052 | (89,465) | 13,153 | (198,230) | (351,345) |
| Restricted Funds | 33,041 | - | 1,235 | 33,041 | 31,806 | 816,891 | - | 596,812 | 816,891 | 220,080 | - | 816,891 |
| Capital Funds | (19,326) | (19,326) | (19,326) | - | - | (86,339) | (135,282) | (135,282) | 48,943 | 48,943 | (231,912) | (182,969) |
| Total Surplus/(Deficit) | (41,459) | (33,151) | (76,041) | (8,308) | 34,582 | 802,757 | 26,388 | 520,582 | 776,369 | 282,175 | (430,142) | 282,577 |

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

Commercial Services

| | Feb-20 | | | | | Year to Date | | | | | Full Year | |
|--------------------------|-----------------|----------------|----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Actual | Forecast | Last Year | Variance | Change | Actual | Budget | Last Year | Variance | Change | Budget | Forecast |
| Income | 274,463 | 311,950 | 308,892 | (37,486) | (34,429) | 2,053,763 | 2,358,572 | 2,313,422 | (304,808) | (259,659) | 3,898,584 | 3,561,140 |
| Cost of Sales | (113,705) | (109,790) | (118,956) | (3,916) | 5,250 | (758,119) | (879,213) | (868,312) | 121,094 | 110,193 | (1,455,536) | (1,313,415) |
| Gross Profit | 160,758 | 202,160 | 189,937 | (41,402) | (29,179) | 1,295,644 | 1,479,358 | 1,445,111 | (183,714) | (149,466) | 2,443,048 | 2,247,725 |
| Staff Pay Costs | (122,670) | (114,989) | (140,654) | (7,681) | 17,984 | (804,629) | (823,018) | (850,095) | 18,390 | 45,466 | (1,378,278) | (1,322,184) |
| Other Direct Costs | (54,015) | (42,525) | (39,967) | (11,491) | (14,049) | (338,814) | (294,568) | (317,130) | (44,246) | (21,683) | (478,322) | (615,506) |
| Overheads | - | - | - | - | - | - | - | - | - | - | - | - |
| Net Profit/(Loss) | (15,927) | 44,646 | 9,316 | (60,574) | (25,244) | 152,202 | 361,773 | 277,886 | (209,571) | (125,684) | 586,448 | 310,035 |

Appendix (iii)

BARS AND CATERING PERFORMANCE ANALYSIS (568 Bar, Metric, H Bar, Reynolds and UDH)

AS AT 29 FEBRUARY 2020

| Income Type | Section | Actual | Forecast | Variance | | Prior Year | Variance | |
|---------------------------------------|---------------------------------|----------------|-----------------|--------------------------|-------------------|-------------------|----------------------------|-------------------|
| | | | | Actual v Forecast | Variance % | | Actual v Prior Year | Variance % |
| Core Wet Sales | 568 & Union Bar | 82,954 | 82,000 | 954 | 1.2 | 86,259 | (3,306) | (3.8) |
| | H Bar | 22,121 | 22,000 | 121 | 0.5 | 23,993 | (1,873) | (7.8) |
| | Metric | 11,589 | 14,000 | (2,411) | (17.2) | 12,090 | (500) | (4.1) |
| | Reynolds | 15,289 | 9,000 | 6,289 | 69.9 | 8,887 | 6,402 | 72.0 |
| | Total Core Wet Sales | 131,952 | 127,000 | 4,952 | 3.9 | 131,229 | 723 | 0.6 |
| Function Wet Sales | 568 & Union Bar | - | - | - | - | 8,415 | (8,415) | - |
| | H Bar | - | - | - | - | 81 | (81) | - |
| | Metric | - | 500 | (500) | - | - | - | - |
| | Reynolds | - | - | - | - | 4,170 | (4,170) | - |
| | Total Function Wet Sales | - | 500 | (500) | - | 12,665 | (12,665) | - |
| Core Dry Sales | 568 & Union Bar | 28,172 | 39,406 | (11,234) | (28.5) | 47,355 | (19,182) | (40.5) |
| | H Bar | - | - | - | - | - | - | - |
| | Reynolds | 38 | 198 | (160) | (80.6) | 377 | (338) | (89.8) |
| | Total Core Dry Sales | 28,211 | 39,604 | (11,393) | (28.8) | 47,731 | (19,520) | (40.9) |
| Function Dry Sales | 568 & Union Bar | - | - | - | - | 187 | (187) | - |
| | Metric | - | - | - | - | - | - | - |
| | Total Function Dry Sales | - | - | - | - | 187 | (187) | - |
| UDH Sales | Conference Sales | 1,100 | 1,050 | 50 | - | 2,973 | (1,873) | - |
| Other Income | Other Income | 963 | 3,367 | (2,404) | - | 1,357 | (394) | (29.0) |
| Total Bars and Catering Income | | 162,227 | 171,522 | (9,295) | (5.4) | 196,144 | (33,917) | (17.3) |

Appendix (iii) contin...

BARS AND CATERING PERFORMANCE ANALYSIS (568 Bar, Metric,H Bar, Reynolds and UDH)

AS AT YEAR-TO-DATE 29 FEBRUARY 2020

| Income Type | Section | Actual | Forecast | Variance | | Prior Year | Variance | |
|---------------------------------------|---------------------------------|------------------|------------------|-------------------|-----------------|------------------|---------------------|-----------------|
| | | | | Actual v Forecast | Variance % | | Actual v Prior Year | Variance % |
| Core Wet Sales | 568 & Union Bar | 610,831 | 594,500 | 16,331 | 2.7 | 613,629 | (2,798) | (0.5) |
| | H Bar | 124,310 | 147,500 | (23,190) | (15.7) | 136,560 | (12,249) | (9.0) |
| | Metric | 47,233 | 86,500 | (39,267) | (45.4) | 96,658 | (49,425) | (51.1) |
| | Reynolds | 72,147 | 90,000 | (17,853) | (19.8) | 79,977 | (7,830) | (9.8) |
| | Total Core Wet Sales | | 854,522 | 918,500 | (63,978) | (7.0) | 926,824 | (72,301) |
| Function Wet Sales | 568 & Union Bar | (2,623) | - | (2,623) | - | 33,959 | (36,582) | (107.7) |
| | H Bar | - | - | - | - | 81 | (81) | - |
| | Metric | - | 3,500 | (3,500) | - | 2,428 | (2,428) | - |
| | Reynolds | (2,426) | - | (2,426) | - | 4,861 | (7,287) | - |
| | Total Function Wet Sales | (5,049) | 3,500 | (8,549) | - | 41,328 | (46,378) | (112.2) |
| Core Dry Sales | 568 & Union Bar | 160,208 | 296,544 | (136,336) | (46.0) | 300,805 | (140,597) | (46.7) |
| | H Bar | - | 73,750 | (73,750) | - | - | - | - |
| | Reynolds | 275 | 4,091 | (3,816) | - | 1,655 | (1,380) | (83.4) |
| | Total Core Dry Sales | 160,483 | 374,385 | (213,902) | (57.1) | 302,460 | (141,977) | (46.9) |
| Function Dry Sales | 568 & Union Bar | - | - | - | - | 6,370 | (6,370) | (100.0) |
| | Metric | - | - | - | - | - | - | - |
| | Total Function Dry Sales | - | - | - | - | 6,370 | (6,370) | (100.0) |
| UDH Sales | Conference Sales | 9,116 | 14,519 | (5,403) | - | 7,142 | 1,974 | - |
| Other Income | Other Income | 46,605 | 63,761 | (17,156) | - | 60,548 | (13,942) | (23.0) |
| Total Bars and Catering Income | | 1,065,678 | 1,374,665 | (308,988) | (22.5) | 1,344,672 | (278,994) | (20.7) |

ICU Debtors as at 29/02/2020

| | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91- 120 Days | 121+ Days | TOTAL | |
|---------------------------|----------------|-----------------|-----------------|-----------------|----------------|---------|-----|
| Clubs, Society & Projects | 21,296 8% | 46,929 17% | 20,128 7% | 46,500 17% | 139,822 51% | 274,674 | 75% |
| Union | 13,998 15% | 8,789 9% | 11,882 13% | (6,294) -7% | 64,419 69% | 92,794 | 25% |
| Grand Total | 35,294 10% | 55,718 15% | 32,010 9% | 40,206 11% | 204,241 56% | 367,468 | |

Debtor Days*

| | |
|--------|-------------|
| Sep-19 | 104.91 days |
| Oct-19 | 117.81 days |
| Nov-19 | 127.36 days |
| Dec-19 | 171.92 days |
| Jan-20 | 158.07 days |
| Feb-20 | 122.96 days |

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

Imperial College Union
Balance Sheet as at 29 February 2020

| | | 29 February 2020 | | 28 February 2019 | | 31 July 2019 | |
|------------------------------|--------------|------------------|-------------------------|------------------|-------------------------|--------------------|-------------------------|
| | | £ | £ | £ | £ | £ | £ |
| | Notes | | | | | | |
| TANGIBLE FIXED ASSETS | 1 | | 3,634,187 | | 4,070,149 | | 3,863,698 |
| INVESTMENTS | 2 | | 1,582,027 | | 1,619,809 | | 1,582,027 |
| CURRENT ASSETS | | | | | | | |
| Stock | | 247,933 | | 251,824 | | 257,378 | |
| Debtors | 3 | 610,871 | | 589,401 | | 390,330 | |
| Cash and bank balances | 4 | 2,094,507 | | 1,521,668 | | 2,031,560 | |
| | | <u>2,953,311</u> | | <u>2,362,893</u> | | <u>2,679,269</u> | |
| CREDITORS | 5 | <u>(948,839)</u> | | <u>(646,963)</u> | | <u>(1,707,064)</u> | |
| NET CURRENT ASSETS | | | 2,004,472 | | 1,715,930 | | 972,204 |
| TOTAL NET ASSETS | | | <u>7,220,686</u> | | <u>7,405,888</u> | | <u>6,417,929</u> |
| Restricted Funds | | | | | | | |
| Capital Grants | 6 | 2,209,439 | | 2,441,755 | | 2,345,125 | |
| Student Activities | | 2,305,563 | | 1,956,783 | | 1,488,672 | |
| | | | 4,515,002 | | 4,398,539 | | 3,833,797 |
| Unrestricted Funds | | | | | | | |
| Designated Funds | 7 | 1,458,962 | | 1,647,006 | | 1,687,408 | |
| General Reserve | | 1,246,722 | | 1,360,344 | | 896,724 | |
| | | <u>2,705,684</u> | | <u>3,007,349</u> | | <u>2,584,132</u> | |
| | | | <u>7,220,686</u> | | <u>7,405,888</u> | | <u>6,417,929</u> |

Imperial College Union
Balance Sheet Notes as at 29 February 2020

| | 29 February 2020 | 28 February 2019 | 31 July 2019 |
|------------------------------------|-------------------------|-------------------------|---------------------------|
| 1 TANGIBLE FIXED ASSETS | £ | £ | £ |
| Cost | 9,570,033 | 9,458,288 | 9,450,466 |
| Additions | 62,380 | 102,928 | 120,578 |
| Disposals Cost | 1,012 | 129,844 | 78,296 |
| Disposals Accumulated Depreciation | (1,012) | (129,844) | (78,296) |
| Accumulated Depreciation | <u>(5,998,226)</u> | <u>(5,491,067)</u> | <u>(5,707,347)</u> |
| | <u>3,634,187</u> | <u>4,070,149</u> | <u>3,863,698</u> |
| 2 INVESTMENTS | £ | £ | £ |
| Investment Cost | 1,493,528 | 1,491,827 | 1,493,528 |
| Unrealised Value | <u>88,499</u> | <u>127,983</u> | <u>88,499</u> |
| | <u>1,582,027</u> | <u>1,619,809</u> | <u>1,582,027</u> |
| 3 DEBTORS | £ | £ | £ |
| Trade Debtors | 367,468 | 381,081 | 160,021 |
| Provision for Bad Debts | (28,525) | (38,935) | (28,525) |
| Prepayments | 10,992 | 12,782 | 11,190 |
| Accrued Income | 102,155 | 140,532 | 113,411 |
| Other Debtors | <u>158,780</u> | <u>93,941</u> | <u>134,233</u> |
| | <u>610,871</u> | <u>589,401</u> | <u>390,330</u> |
| 4 CASH AND BANK | £ | £ | £ |
| Main Account | 2,133,363 | 1,522,714 | 2,029,056 |
| Club & Societies | (40,285) | (14,686) | (7,185) |
| Floats | 661 | 11,160 | 8,660 |
| Petty Cash | <u>768</u> | <u>2,480</u> | <u>1,030</u> |
| | <u>2,094,507</u> | <u>1,521,668</u> | <u>2,031,560</u> |
| 5 CREDITORS | £ | £ | £ |
| Trade creditors | 479,411 | 151,790 | (53,621) |
| College Interdivision Creditor | (711,676) | (322,917) | (988,586) |
| VAT | (81,227) | (53,526) | (39,867) |
| Credit Card Control | 6,092 | (8,601) | (8,484) |
| Accruals | (196,413) | (115,981) | (194,713) |
| Deferred income | (31,243) | (34,906) | (64,991) |
| Other creditors | <u>(413,783)</u> | <u>(262,822)</u> | <u>(356,802)</u> |
| | <u>(948,839)</u> | <u>(646,963)</u> | <u>(1,707,064)</u> |
| 6 RESTRICTED FUNDS | £ | £ | £ |
| Capital Grants | 2,209,439 | 2,441,755 | 2,345,125 |
| Student Activities/Halls | <u>2,305,563</u> | <u>1,956,783</u> | <u>1,488,672</u> |
| | <u>4,515,002</u> | <u>4,398,539</u> | <u>3,833,797</u> |
| 7 UNRESTRICTED FUNDS | £ | £ | £ |
| Asset and Investment Funds | 1,290,127 | 1,492,203 | 1,518,573 |
| Investment Revaluation Reserve | 92,887 | 127,983 | 92,887 |
| Other Designated Funds | 75,948 | 26,820 | 75,948 |
| General Reserves | <u>1,246,722</u> | <u>1,360,344</u> | <u>896,724</u> |
| | <u>2,705,684</u> | <u>3,007,349</u> | <u>2,584,132</u> |

Imperial College Union

Cashflow Statement as at 29 February 2020

| | | |
|--|----------------|-----------------|
| Current Year Surplus/(Deficit) | 802,757 | |
| Add back Depreciation | 290,878 | |
| Investment Income Eliminated | (25,883) | |
| (Increase)/Decrease in unrealised investments | - | |
| Loss/(Profit) on sales of fixed assets | 1,012 | |
| (Increase)/Decrease in Stock | 9,445 | |
| (Increase)/Decrease in Debtors | (220,540) | |
| Increase/(Decrease) in Creditors | (758,226) | |
| Net cash inflow/(outflow) from operating activities | | 99,443 |
| | | |
| Returns on investment and servicing of finance | | |
| Rathbones Interest Received | 15,000 | |
| Bank Interest Received | 10,883 | |
| | | 25,883 |
| | | |
| Capital Expenditure | | |
| Payments to acquire tangible fixed assets | (62,380) | |
| Receipts from sales of tangible fixed assets | - | |
| Deferred Capital Grants received during the year | - | |
| | | (62,380) |
| | | |
| Change in net funds | | 62,947 |
| | | |
| Reconciliation of cash flow to movements in funds | | |
| Net funds as at 01 August 2019 | | 2,031,560 |
| Net funds as at 29 February 2020 | | 2,094,507 |
| Change in net funds | | 62,947 |

Cashflow Statement as at 29 February 2020

The Union has seen a net increase of £63k in the year so far. The main cash inflow of funds was £99k received from operating activities with an additional £26k from interest and investments.

The main cash outflow of funds was £62k of capital expenditure.