

Imperial College Union

Management Accounts – March 2021

Author(s): Rob Scully (Director of Finance & Resources)

Purpose: To summarise the financial performance of the Union against for the first 8 months of the year, to 31 March 2021, measured against the 'Stage Four Budget' approved by Trustees on 24 February.

Decisions(s): To note the position and narrative.

1. Summary

The management accounts for March 2021 (period 8) are presented against the latest iteration of the budget, which was approved by the Trustee Board in month. Work continues to finalise the 2019/20 accounts and therefore an opening balance sheet is still unavailable, but commentary is provided on key balance sheet components.

Overall, performance in March has been on budget, with a £22.3k operating surplus against a budget of £20.6k. The YTD position is an adverse £11.1k against budget, which arises due to some unexpected costs in January, not picked up in the profiling of the Stage Four Budget into period 6 – the main variances are explained below.

2. Key Variance Analysis

The table below analyses the key variances to budget, both in P8 and YTD.

	Variance P8		Variance YTD	
Income	(£3.3k)	Adverse: - (£6.4k) Furlough income - (£3.4k) Venues contribution Favourable: - £2.1k Retail contribution - £3.7k Marketing sales	(£9.6k)	Adverse: - (£14.6k) Venues contribution - (£1.2k) Other Favourable: - £2.9k Retail
Staff Expenditure	-	Adverse: - (£2k) Outsourced FD	(£5.3k)	Adverse: - (£1.6k) Permanent Staff - (£2k) Outsourced FD
Non-Staff Expenditure	£6.9k	Adverse: - (£2.7k) Training Favourable: - £2.9k Other - £2.6k Cleaning - £2.4k Elections - £1.2k Contingency	£1.8k	Adverse: - (£5.1k) Health & Safety - (£2.7k) Training - (£2.1k) Printing Favourable: - £2.4k Elections - £7.6k Cleaning - £2.4k Contingency

3. Trading

The venues and retail outlets remain closed and the only trading conducted in the period was through the Online Shop which continues to trade well since launching in December (£7.9k sales in P8).

In addition to the venues YTD adverse variance reported in the February accounts, contribution in March is a further £3.4k below budget. This is due to costs being incurred towards the end of the month to prepare for the reopening of FiveSixEight on 12 April – there has been no income forecast for venues for the remainder of the year (a key component of managing the risk when the stage 4 budget was compiled) so this position should improve over the next few months and recover to at least a position in line with forecast.

4. Charity

Overall, charity departments are in line with budget and showing a positive variance in period due general non-staff expenditure below budget and savings materialising from cleaning invoices that are now coming through below accrued levels. The YTD position is marginally favourable, as a result of the in month savings now offsetting previous month overspends.

5. Cash Position

The Union's cash position at the end of period 8 is detailed below:

£	31 Mar 2021	31 July 2020	Increase/ (Decrease)
Cash	3,637,700	776,613	2,861,087
Investments	-	1,534,516	(1,534,516)
	<u>3,637,700</u>	<u>2,311,129</u>	<u>1,326,571</u>

There has been a reduction in cash in the period, due to the timing of the block grant receipts.

This is attributable to both CSPs and the Union, and illustrated below. Whilst this looks like a particularly positive position for the Union, as previously reported this is largely a result of outstanding payroll costs (£934k) to be settled with the College – work is progressing to resolve any outstanding queries holding up invoicing and payment.

£	31 Mar 2021	31 July 2020	Increase/ (Decrease)
CSP Restricted	2,100,329	1,817,296	283,033
Union	1,537,371	493,833	1,043,538
	<u>3,637,700</u>	<u>2,311,129</u>	<u>1,326,571</u>