

General Manager's Report A Note by Peter Haldane

Finance

Restructuring of the Finance Office is now underway being conducted by the Union Head of Finance.

A draft SLA has been proposed to College Finance Division with penalty clauses for inadequate reporting performance.

Trading

Business in all trading areas remains firm. Management Accounts as at 31st May 2008 indicate that the Union continues overall in a healthy financial position.

The current surplus is 38% above this time last year, largely because expected major expenditure for Phase 2 of the Building Project is not now going to take place until September 2008.

Generally income has increased year on year by 14% (trading 12%). Cost of sales has risen 14%, largely due to increases in cost of materials for re-sale. However a healthy GP margin of 44% has been maintained for trading.

Bars maintain the improvement in turnover on last year; income is up 18% to date. We continue to take advantage of our ability to serve alcohol to the public through the mechanism of the Refectory Club. Again this summer we will make use of our USPs, the Quad area and the Union Bar to maximise our trade from the Albert Hall artistes, staff and audiences.

Catering remains in support of bars and subsidised by the bar trade. The new offer of evening plated meals which started on 6th May has been well received. Catering takings are up 36% year on year. Losses are adequately covered by bar profits.

The breakfast offer, started in October 2007, is being reassessed for next year. It runs at a small loss but again this is covered by bar profits. The question is whether there is adequate footfall to justify this service. College is currently using the ground floor of the Union in the summer vacation for breakfast preparation in support of the Beit Hall residential programme. There is a useful trading spin off for us. In return, they have provided the Union with a new computerised oven, dishwasher, hot trolley and some new furniture.

Retail (Shop and newsagent) maintains its considerable improvement on last year; sales being up by 14%. Turnover is on-line for £1m this year with profit

in excess of £90k. However, College Commercial Services are again showing an interest in acquiring this asset, their offer will need to be carefully judged as a Union retail strategy is proposed that should increase our profits significantly in coming years. A due diligence process is now taking place.,

Master Plan Building Project

Phase 2 of the Master Plan building project continues to time and cost plan. Construction is still expected to start in September and is anticipated to last for 8 months.

- New mezzanine floor in old gym space – 2nd floor West
- New Student Activity Centre / Advice Centre on mezzanine floor
- New meeting rooms in East Basement
- New activity / dance space on 3rd floor West
- Fit out of new changing rooms – male and female on 2nd mezz and 3rd floors.

It is anticipated that proposed enhancements to the scheme such as under-floor heating and wall mirrors in the new activity / dance space and room divider in East basement meeting room will be accommodated within currently proposed costs.

Four tenderers have been identified for the contract and a selection process is about to start:

- Parkeray
- Brennans
- Crispin and Borst
- Russell Cawberry

Key Union Systems

A new version of the SAP Business 1 accounting system is now available to the Union finance office for testing.

It remains an objective to establish a new Chart of Accounts for the SAP system for FY 2008-09.