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**MANAGEMENT ACCOUNTS**

**FOR THE MONTH ENDED**

**31 March 2019**

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

**Executive Summary**

March’s income of £486,135 for the Union is trailing forecast by £42,413 (-8.02%) and £4,583 behind prior year. Cost of sales is less than forecast by £26,302, the result is a gross profit of £372,215 for the month with an adverse variance of £16,111 (-4.15%), £8,905 ahead of last year.

There is a continuing trend of declining income in the Commercial area (£49,302 less than forecasted and £7,142 behind last year) although cost of sales have a favourable variance when compared to forecast and March 2018 by £26,302 and £13,487 respectively. The major contributor for this predicament is the Bars and Catering area where core income is down by £38,205 (-16.6%) and functions income by £4,838 (-57.7%). Please see appendix iii) on pages 6 and 7 for detailed breakdown of income in this area. The total Bars and Catering income is 19.3% behind forecast and trails last year by 10.8%. Year-to-date, the section has dropped 11.3% below the forecast and 8.6% below prior year’s income. Cost of sales in the Bars and Catering have a favourable variance of £23,237 compared to forecast and has a £22,761 favourable variance to last year. Room hires in Beit Venues exceeded budget by £3,912 (40.7%). Retail has maintained its strong trading performance, only being £1,633 less than forecast for gross profit and £960 lag overall.

Income earnt in the month from hiring of minibuses has exceeded expectation with income surplus over forecast of £1,297 and £6,316 more than previous year. Career sales and sponsorship incomes are very much still a challenge being £2,000 behind forecast. Recruitment of a Marketing Manager is in progress so income generation from Marketing should be on the up in due course.

Staff pay costs are much lower than predicted with a favourable variance of £35,144 against forecast and £12,062 less than budgeted year to-date. Other Direct Costs in the month are also less than forecast by £10,661.

Overall, the Union has a net surplus of £29,738 in the month with a favourable variance of £29,694 compared to forecast and £17,230 ahead of last year. The Union’s income has surpassed prior years by £60,788 YTD but it is the costs that are hitting the bottom line especially the staff costs, resulting in a £303,761 adverse variance year to-date compared to last year (-78.69%). The full year forecast is slightly better than first thought with a net deficit of £337,438 predicted as a consequence of March’s surplus.

The Union continues to have a strong robust balance sheet with net assets of £7.418m, comparing well with last year this time (£7.470m) and better than as at 31 July 2018 (£6.885m). The bank balance remains healthy at £1.6m. The general creditors balance has increased by £113k when compared to last month owing to the rise in the intercompany balance with the college and other creditors. The debtors balance overall has risen by £39k from prior month primarily due to the increase in accrued expenditure by £84,335, however, trade debtors have decreased by £49,673 compared to last month.

***Appendix (i)***

**Consolidated Summaries**

***Union & Student Groups Summaries (Statement of Financial Performance)***

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***Appendix (ii)***

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

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***Appendix (iii)***



***Appendix (iii)***

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