

**Imperial College Union Board of Trustees**

**11 December 2019**

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| **AGENDA ITEM NO.** | Item 13 |
| **TITLE** | November Finances |
| **AUTHOR** | Malcolm Martin |
| **EXECUTIVE SUMMARY** | This report presents the summary highlights for November.  The result has just been completed and have not been discussed by the Leadership team, therefore more time is needed for deeper analysis and remedial commentary. |
| **PURPOSE** | **To provide an update on the financial performance for November.** |
| **DECISION/ACTION REQUIRED** | For information |

Summary Account:

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| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | **Actual** | **Budget** | **Last Year** | **Variance** | **Change** | | **Union** |  |  |  |  |  | |  |  |  |  |  |  | | Income | [466,560](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl03$lnkDrilldown_CY','')) | 537,669 | [530,633](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl03$lnkDrilldown_LY','')) | [(71,109)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl03$lnkComment_4','')) | [(64,073)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl03$lnkComment_5','')) | | Cost of Sales | [(108,215)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl04$lnkDrilldown_CY','')) | (136,912) | [(119,100)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl04$lnkDrilldown_LY','')) | [28,697](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl04$lnkComment_4','')) | [10,885](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl04$lnkComment_5','')) | | **Gross Profit** | 358,345 | 400,757 | 411,533 | [(42,412)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl05$lnkComment_4','')) | [(53,188)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl05$lnkComment_5','')) | |  |  |  |  |  |  | | Staff Pay Costs | [(262,042)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl07$lnkDrilldown_CY','')) | (297,969) | [(309,826)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl07$lnkDrilldown_LY','')) | [35,927](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl07$lnkComment_4','')) | [47,784](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl07$lnkComment_5','')) | | Other Direct Costs | [(129,551)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl08$lnkDrilldown_CY','')) | (95,596) | [(124,078)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl08$lnkDrilldown_LY','')) | [(33,955)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl08$lnkComment_4','')) | [(5,473)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl08$lnkComment_5','')) | |  |  |  |  |  |  | |  |  |  |  |  |  | | **Net Surplus/(Deficit)** | (33,248) | 7,192 | (22,371) | [(40,440)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl11$lnkComment_4','')) | [(10,877)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl11$lnkComment_5','')) | | | | | |  |  |  |
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Introduction

This report presents the summary highlights for November and is “hot of the press” as the accounts were closed yesterday. Commentary here will therefore be limited.

Executive Summary

The overall result shows a net surplus shortfall against budget of £40,440. The net deficit result was £(33,248) against a budget expectation of £7,192.

Commercial Income

Gross profit (GP) was below budget by £32,403 as the closure of the Beit Catering service with a GP variance of £18,008 and the loss of contribution of £8,100 from the yet to be established H Bar food offering impacted the November figures. A positive income variance from Beit Venues was noted as opportunities continue to be seized to engage customers with the Royal British Legion being one of the most notable in November.

Wet sales (GP) in Beit Bars was ahead of budget by £1,838 with a well-attended ACC night in the bag. The closure of the Beit food service has impacted wet sales, however they remain in line with budget! The accounts in November have a function income adjustment / correction (£4,561) which does not reflect actual trade.

Footfall into Metric during November was below expectation yielding an adverse GP variance of £10,931. It was noted that Friday night attendance was 40 people on 6 December and 18 on 29 November.

Retail income presents a mixed picture with Shop sales (GP) down by 21% (£8,446) and ShopExtra up by 23% (£4,716). Volume sellers within the Shop are on par, however high end goods are down as a change in pricing tariffs has not had the desired effect. Average spend is only up 10p. ShopEx continues to do well with the meal deal and the pastry + coffee offers (600 coffees sold p/w in November) doing exceptional well.

Commercial Expenditure

Across the piece, staff costs are below budget because of the position with our food offering, staff vacancies in Beit Venues, Retail and Beit Bars.

Other costs have spiked as extra resource has been pull into Equipment purchases and a budgeting error has been noted with security costs. This needs further investigation.

Other

Student Experience overall was within budget but is carrying several vacancies in Student Activities and Student Development. Mini bus income was slightly below par by £1,295 (6.3%) and there was a spike in maintenance costs.

Student Voice and Communications is ahead of budget as this area is also carrying a number of staff vacancies in Advice, Education and Welfare yielding a staff “savings” of £12,127. Sales and Sponsorship income is currently showing as underbudget by £11,205 however the contractual commitments are ahead of target as some secured income will be invoiced later in the year.

Appendix 1

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| **Year To Date** | | | | |  | **Full Year** | |
|  | **Actual** | **Budget** | **Last Year** | **Variance** | **Change** |  | **Budget** |
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| Income | [2,089,836](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl03$lnkDrilldown_CYYTD','')) | 2,285,553 | [2,213,720](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl03$lnkDrilldown_LYYTD','')) | (195,717) | (123,884) |  | 5,770,903 |
| Cost of Sales | [(502,776)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl04$lnkDrilldown_CYYTD','')) | (566,942) | [(487,897)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl04$lnkDrilldown_LYYTD','')) | 64,166 | (14,879) |  | (1,485,036) |
| **Gross Profit** | 1,587,060 | 1,718,610 | 1,725,823 | (131,550) | (138,763) |  | 4,285,867 |
|  |  |  |  |  |  |  |  |
| Staff Pay Costs | [(1,060,985)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl07$lnkDrilldown_CYYTD','')) | (1,155,983) | [(1,148,746)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl07$lnkDrilldown_LYYTD','')) | 94,998 | 87,761 |  | (3,453,473) |
| Other Direct Costs | [(335,987)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl08$lnkDrilldown_CYYTD','')) | (401,729) | [(373,159)](javascript:__doPostBack('ctl00$ctl00$ctl00$PagePlaceholder$Content$Content$rptAccounts$ctl08$lnkDrilldown_LYYTD','')) | 65,742 | 37,172 |  | (1,030,625) |
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|  |  |  |  |  |  |  |  |
| **Net Surplus/(Deficit)** | 190,088 | 160,899 | 203,918 | 29,189 | (13,831) |  | (198,230) |
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