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**MANAGEMENT ACCOUNTS**

**FOR THE MONTH ENDED**

**31 December 2019**

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

**Executive Summary**

During the month of December, the Union made a net loss of £80,214 against a projected net deficit of £20,472. YTD the Union made a net surplus of £109,874, compared to a net surplus expectation of £140,427, an adverse variance of £30,553, similar to the adverse variance this time last year of £31,524. Although there is an YTD surplus this will slowly diminish over the coming months due to additional resources being applied to attend to a number of H&S concerns and to ease staffing pressures. The overall result shows a shortfall against budget of £59,742.

Total gross profit (GP) for all commercial activity (Bars, Venue hire and Retail) was below budget by £42,798 (29%) while net contribution was below budget by £28,274. This is mainly due to the closure of the food offer in 568 which in turn has impacted wet sales, the downturn in wet sales in H Bar coupled with a delay in the initiation of the new food offer and additional management costs. Core wet sales are trailing budget by 23% and 16% compared to last year. Overall the bars and catering income is behind budget by 47% in December and 24% YTD. Please see appendix (iii) for the full Bars and Catering performance analysis. It is expected that the food offer in 568 will be reopened on 24 January and H Bar will hopefully start to offer a reduced food provision by late February, subject to College clarifying our space allocation.

December trade presented a mixed picture with Shop Extra continuing to exceed expectations with strong sales throughout December, while footfall into the main Shop was down on target by 20%. Food to go, premium meal deals and introductions of sushi have proved very popular in the Shop Extra whereas the change in pricing structure has affected sales in the main shop. Beit Venue teams continue to exceed income targets by £3.6k in the month which is encouraging in the absence of an Events and Conferences Manager.

Minibus income was on par with budget. Marketing income exceeded budget by £400 but a late invoice for the Welcome Week back in September set the income back by £2.7k.

Across the piece, staff costs are below budget as at YTD December because of the position with our food offering, staff vacancies in Beit Venues, Retail and Beit Bars. Student Experience overall was within budget as they continue to carry several vacancies in Student Activities and Student Development. Student Voice and Communications is ahead of budget as this area is also carrying a staff vacancy in Advice.

The Union continues to have a strong robust balance sheet with net assets of £7.16m, slightly lower than last year this time (£7.52m) and better than as at 31 July 2019 (£6.418m). The bank balance remains healthy at £1.63m. Debtors have increased from November because the accrued income figure has risen as we have yet to receive the block grant funds from College from August to December. Creditors have slightly decreased from the previous month as costs such as payroll have increased the intercompany balance with the College that is offset by the increase in the trade creditors and VAT.

***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)***

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***Appendix (iii) contin…***

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