Financial Narrative Report to June 2020

Management Accounts/Outturn Statement

The Management Accounts report shows that we are running on track with regard to GAG funding. A separate Outturn Statement has been produced which is currently predicting a surplus of £120k. This has been reduced from last month's estimate mainly due to additional premises costs. There is a difference between the reports as I have looked at commitments and estimated likely spend through the summer term – the Management Accounts report looks at the profile of budgets remaining and adds this into the spend to date.

Other income will be significantly reduced as trips have been refunded and catering income is at a standstill (this is mitigated as there are lower trip costs and less catering expenditure).

Salaries will be underspent - mainly due to furloughing the Catering Staff.

I have anticipated an overspend on Buildings and Maintenance as mentioned above, with work on-going in order to make the site Covid-secure as well as unexpected asbestos removal costs. Work will take place on Harrowby House improvements along with remedial work to paving slabs. There will still be an overspend on Water and Gas supplies, as highlighted previously. I am expecting the Other Occupational Costs will be slightly overspent due to increased cleaning costs but that Educational Supplies will be underspent.

Other Supplies and Services is showing an overspend, mainly due to high legal costs and the fees for the CIF bids. I am sure that the ICT budget will be spent in line with the IT development plan but there will be an underspend on Staff Development. Indirect Staff Cost will be slightly underspent.

Commitments

The Commitments report shows all outstanding orders currently on the PS Accounting system, some of these will relate to orders and services due later in the financial year and into 2020/21.

Fund Review

The current carry forward figure is £318k this will drop when the premises work comes through. The Catering operation is showing a small surplus due to the furloughing of staff. There is currently a balance of £27k on Capital funding which will be used for the improved security arrangements.

Cash Flow

Bank Balances:

- Current Account £44,754.22
- Deposit Account £417,993.72
- General Fund £60,843.50

Creditors

- Current £41,984.23
- 31-60 days (£6,459.64)
- 61-90 days (£6,228.76)
- 91-120 days £36,157.01
- Older £8,445.48
- **TOTAL** **£73,898.32**

The fluctuating credits and large 'Older' Creditor figure are due to rates and insurance that are paid monthly by direct debit.

Debtors

- 91-120 days £5,827.50

Jackie Harrison
Bursar
20/07/2020