Financial Narrative Report for July 2021

Management Accounts

The accounts for July have been closed earlier than normal due to planned holidays and a few invoices may therefore have to go into the August Accounts, however these are all committed on the system.

The Management Accounts have been re-formatted to show commitments currently in the system. I have looked at the full year forecast on a line by line basis with regard to the revised budget and added a brief narrative to the report.

The forecasts have been revised again in line with increases in funding and increased catering income and expected expenditure which bring the overall forecast surplus to £241k.

GAG Funding is anticipated to be higher than budget with Covid catch up funding and additional income from Lincolnshire for FSM as well as higher than anticipated SEN funding from Nottinghamshire and increased Rates Relief and Pupil Premium.

Other Income – all income projections have been reduced, only Other Generated Income (KGG1090) is forecasting higher than budget as Duke of Edinburgh income now comes through this income strand.

Salaries – as last month - teaching salaries are overspent with supply cover for illness and clinically extremely vulnerable staff shielding, as well as catch-up costs, but with a low Agency Staff spend. Funding will be received through Mainstreamed Grants to cover the catch-up work. Overall salary expenditure is expected to be on track.

Maintenance of Premises – no major changes from last month with the only variance a large credit for our water (after having a large invoice last September) which will result in an underspend overall. We have also had a lot of work done on our fire alarm - tracing a fault on the system - and this will result in an overspend (KGG3300) together with a slight increase on PAT Testing costs (KGG3320). There may be a slight overspend on Repairs and Maintenance (KGG3000) as work progresses through the summer.

Other Occupational Costs are currently running on track with a slight underspend forecast overall with lower than anticipated costs for cleaning and materials The expected additional cost for specialist refuse removal did not materialise with only one collection taking place and cleaning costs were less than anticipated.

Educational Supplies and Services are showing an under spend with reduced catering expenditure, trip expenditure (in line with trip income) and exam costs. AQA (exam board) have now advised that there will be a 26% discount on exam invoices, however as there were some credits from the previous year the final cost is expected to be £110. Books, supplies and services are likely to be spent by year end.

Other Supplies and Services are showing a slight underspend overall on KGG5200 (Furniture) - stools for the science labs. Photocopying (KGG5120) is in credit until the next invoices are received. We are unlikely to receive any more Legal costs (KGG5152) for this academic year as any appeals for September will come out of next year’s budget.

The ICT budget will be spent by the end of the year with an over spend on Licensing costs (KGG5310) due to the purchase of email security software and other administrative licences. Staff Development and Indirect Employees Expenses are forecasting underspends.

Capital Income continues to be received through the CIF bid and invoices have started to come in.

Fund Review

The actual Income over Expenditure for July shows an increased surplus of £342,204.79 to date, with a current overall carry forward of £659,725.91. There is a deficit on Catering of just over £59k to the end of June, service has now recommenced to staff and students and take up is good. It is anticipated that the overall deficit on the catering budget will be around £73k.

Cash Flow

Bank Balances:

- Current Account £261,849.25
- Deposit Account £738,067.08
- General Fund £59,870.80

Creditors

- Current £43,754.01
- 31-60 days (£5,426.90)
- 61-90 days £5,967.57)
- 91-120 days (£3,517.47)
- Older £73,493.20
- **TOTAL** **£102,335.27**

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

Debtors

There are no outstanding Debtors.

Jackie Harrison
Bursar
06/08/2021