Financial Narrative Report for April 2021

Management Accounts

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

The forecasts have been revised in line with increases in funding and reductions in salary costs, these changes bring the overall surplus back up to £150k. The main changes are an extra £9k on Mainstream Grants related to Covid funding, an additional £11k on SEN from Nottinghamshire and income from Lincolnshire County Council for Free School Meals during holiday periods of just over £5k. I have adjusted the Agency Supply forecast down from £40k to £10k, there is unlikely to be any further expenditure in this area.

GAG Funding is anticipated to be higher than forecast.

Other Income – all income projections have been reduced.

Salaries - 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 underspent.

Maintenance of Premises - the only variance that I can foresee at the moment is that we have received 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).

Other Occupational Costs are currently running on track with a slight underspend forecast overall. The expected additional cost for specialist refuse removal did not materialise with only one collection taking place.

Educational Supplies and Services are showing an underspend as I have reduced catering expenditure, trip expenditure (in line with trip income) and exam costs – this is a major unknown as there is no guidance at the current time regarding the cost of the exams that are being made available by the exam boards. I have left £80k in this budget and have paid 50% to AQA but OCR and Pearson did not give this option and have had to be paid in full. Resources on books, supplies and services are likely to be spent by year end.

Other Supplies and Services are running on track apart from unexpected expenditure 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 for this academic year and Appeals for September will come out of next year's budget.

The ICT budget will be spent by the end of the year. 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 shows a surplus of £165,532.30 to date. There is a deficit on Catering of just under £47k to the end of April, service has now recommenced to staff and students and take up is good.

Cash Flow

Bank Balances:

- Current Account £864,073.38
- Deposit Account £738,048.48
- General Fund £60,325.37

Creditors

- Current £60,278.80
- 31-60 days £68,835.86
- 61-90 days (£1,855.86)
- 91-120 days (£3,423.40)
- Older £11,151.95
- **TOTAL** **£134,987.35**

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

Debtors

- Current £200.00

Jackie Harrison
Bursar
14/04/2021