# **Financial Narrative Report for February 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 on this account mirror closely the previous two reports, with the bottom line surplus at £91k. Brief explanations are on the report and repeated here, but, as before, the main change is to the amount of income we are likely to get from Catering, Other Income, Donations, Trip Income and Exam Fees. There are also reductions in several areas where costs will be lower too but the main issue will be catering as the wage cost has to be met. Catering staff are currently on furlough until the 5th March however the school now has to meet the cost of pensions and NI.

GAG Funding is on track with slightly more Rates Relief received than anticipated and a higher level of SEN funding than budgeted.

Other Income – with the kitchen being closed during lockdown and the staff furloughed I have halved the expected income for the year. I have also reduced all other income projections.

Salaries - teaching salaries are overspent with supply cover for illness and clinically extremely vulnerable staff shielding, as well as catch-up costs, but not much has been spent to date on Agency Supply. Funding will be received through Mainstreamed Grants to cover the catch-up work. I have calculated the furlough income for catering up 5th March and this is included in the Other Staff Forecast.

Maintenance of Premises – as last month - 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. Additional costs are likely to be incurred through the Lateral Flow Tests that are being carried out as there will be a need for specialist refuse collections, a revised figure of £12k has been allocated to the school to cover testing costs.

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, I have paid 50% of one invoice but the full amount of another as we had credits on the account which needed to be cleared. 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. KGG5120 (Photocopying) is showing as an overspend this month as very little departmental photocopying has been done in school during lockdown. 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 also forecasting underspends.

Capital Income continues to be received through the CIF bid and it is expected that invoicing for the projects will begin in April.

Fund Review

The actual Income over Expenditure shows a surplus of £79,188.21 for the first five months of the year. There is a deficit on Catering of £44k to the end of February, it is hoped that this will now begin to level off as we receive furlough funding and commence service to the staff and students. Catering will be closely monitored on a weekly and monthly basis to ensure that the provision is run as efficiently as possible.

Cash Flow

Bank Balances:

- Current Account £191,281.67
- Deposit Account £738,028.75
- General Fund £60,405.37

Creditors

- Current £121,520.30
- 31-60 days (£707.90)
- 61-90 days (£4,208.06)
- 91-120 days (£7,575.20)
- Older £10,478.02
- **TOTAL** **£119,507.16**

Our Creditor figure was higher this month, we did not complete a payment run until the beginning of March due to the lockdown. 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 Debtors at the current time.

*Jackie Harrison*
*Bursar*
*17/03/2021*