Financial Narrative Report for January 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 report for December, with the bottom line surplus remaining at £85k. Brief explanations are on the report and repeated here, but 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, we are getting so little interest (0.01%) on our deposit account that it is really not worth the effort.

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. We continued (prior to lockdown) to pay additional hours due to catering staff illness, shielding and to cover the extension of service times for the shop and canteen.

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, the latest advice is that schools will initially pay 50% of the cost of exams with the possibility of further credits later in the year. 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 a credit as re-charges from capitation budgets are made monthly but invoices are received quarterly. 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 on track with a slightly lower projection for KGG6015 (Staff Travel) as CPD courses go on-line.

Fund Review

The actual Income over Expenditure shows a surplus of £145,111.64 for the first five months of the year. There is a deficit on Catering of £35k to the end of January and this is likely to increase as we go through the year, as mentioned previously this is due to long term sickness cover, additional hours required for Covid secure service times and the uncertainty of service numbers and take-up.

Cash Flow

Bank Balances:

- Current Account £112,005.36
- Deposit Account £738,028.75
- General Fund £60,377.37

Creditors

- Current £11,544.16
- 31-60 days £6,922.67
- 61-90 days (£13,725.12)
- 91-120 days (£1,297.53)
- Older £11,775.55
- **TOTAL** **£15,219.73**

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

Debtors

- **Current** **£4,000.00**

Jackie Harrison
Bursar
19/02/2021