

OPEN UNIVERSITY STUDENTS ASSOCIATION**Central Executive Committee (CEC)**

22 – 24 April 2022

FINANCE REPORT

The C E C is asked to: -

- i) **note** the attached income and expenditure statement for the period ended 28 February 2022 and forecast position to 31 July 2022 (Appendix A)

1. Summary Income and Expenditure to at 28 February 2022

1.1. The Association's income and expenditure for the seven months to 28 February 2022 is summarised as follows (see **Appendix A** for details):

ACTUAL Income	ACTUAL Expenditure
£1,201,366	£1,011,620
= 56% of budget	= 45% of budget

2. Income

Income is below target. Material points to note are as follows:

- 2.1. **TOTUM commission** – despite increasing promotion of the benefits of the discount card, we continue to see uptake declining. We meet regularly with our account manager and have suggested some changes to promote brands and offers that may be more relevant to the OU student demographic.
- 2.2. **Ouset fundraising** – a £50k income budget and corresponding donation expenditure budget was set. The fundraising will however go directly to Ouset and so the forecast income and expenditure has been adjusted accordingly.

2.3. **Trading Income** – there has been a decline in webstore sales compared with the same period last year. Contributory factors may include students who are graduating waiting to see the merchandise at their graduation ceremonies; the difficult economic climate; low stock levels and delays replenishing some of these between November and January.

2.4. Turnover at Graduation Ceremonies is so far similar to levels at the same locations in 2019.

(incl. VAT)	2022	2019
Belfast	£1,217	£1,992
London	£10,084	£9,867
Brighton	£2,981	£3,379
	£14,282	£15,238

2. Expenditure

2.1. Expenditure to February is at 45% of budget. The budget planned for 56% of the expenditure budget to be spent by the end of February. We therefore expect to end the year with a surplus of income over expenditure.

2.2. In the last quarter, there has been less spend than expected on Conference (budget £30k v cost £20K); spend on the Governance Reforms to date is £6k and although the forecast provides for additional expenditure to support the elections, a significant underspend is anticipated nevertheless. It was also agreed at Conference not to renew the affiliation with Nightline, saving £15k.

2.3. The forecast for the remainder of the year assumes expenditure incurring activity will increase as we move into the Spring and Summer, with Trustee and CEC in person meetings due to resume and plans underway for an extended annual dinner event in July.

2.4. The forecast assumes that the Trustees' discretionary fund and 2/3 of the remaining contingency budget will be spent by 31 July. Although there are a number of activities and projects currently under consideration, with only 4 months to go to the end of the year, it may mean that (some of) these may need to be considered for funding from next year's allocation.

3. Reserves

3.1. Although we are expecting to end the year with about £1.53m in the bank, our reserves may be significantly lower than this because of the provision we must make on our balance sheet for our future, long term contributions, to the USS pension deficit.

3.2. The position has not significantly changed since our report in December, but it is something we are monitoring closely.

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