



Date: Thursday 28 April 2022
 Time: 17:00-19:00
 Venue: On MS Teams

Finance Committee Minutes

Chair: Yasmeen Daoud, Welfare & Community Officer

Members:	P	AP	AB
Arifa Aminy, Equity Officer	✓		
Ayman Benmati, Education Officer	✓		
Beth Beasant, External Trustee (UCL Staff)		✓	
Ilyas Benmouna, Activities & Engagement Officer	✓		
Johara Meyer, Sustainability Officer	✓		
Muhammad Chaudhary, Student Trustee	✓		
Osman Teklies, Union Affairs Officer		✓	
Paul Ho, Appointed by Union Executive (PH)		✓	
Shivam Mulchandani, Appointed by Union Executive (SM)			✓
Sayf Abdeen, Appointed by Union Executive (SA)			✓
Syeda Fatima, Appointed by Union Executive (SF)		✓	
Viktoria Makai, Postgraduate Officer	✓		
Yasmeen Daoud, Welfare & Community Officer, Chair	✓		
Zaheer Badat, Student Trustee			✓

In Attendance:
Dorota Dominiczak, Director of Finance
Rebecca McLoughlin, Minutes

1. Welcome and Introductions

The Chair opened the meeting and welcomed the committee members.

2. Minutes and Matters Arising from the meeting on 1 March 2022

The Committee approved the minutes of the meeting on 27 May 2021 as a true and accurate record.

APPROVED

3. Management Accounts (Month 8)

The Director of Finance gave an overview of the Management Accounts year to date. They noted that at the end of March, the Union's financial position remained strong due to good commercial performance, tight control over expenditure and slower than anticipated spending on students' services and clubs & societies activities. The March accounts show a net contribution to unrestricted reserves of £52k and a cumulative surplus after 8 months of £438k before amortisation and transfers. The Director of Finance added that the cumulative unrestricted income achieved in 8 months is £5.53m with the expenditure of £5.1m allowed against this income.

The Committee noted that the gym was under performing and asked why. The Director of Finance responded that more investment was needed in the gym to improve the facilities and

there is a lot of local competition. The Committee asked if it would be possible to get a breakdown of the gym's income and expenditure. The Director of Finance responded that they would circulate this via email to the committee and would ask for this to be added to the agenda for the next Committee meeting to be discussed further.

ACTION: The Director of Finance to circulate a breakdown of the gym's income and expenditure via email and to include this on the agenda for the next meeting.

The Committee discussed why there was such an increase in income for March. The Director of Finance explained that the bars were very busy during the Graduation period and we also had a pop up shop which brought in £21k in one week. April income is lower due to the Easter Break.

The Committee discussed how the shop income could be increased and it was noted that the shop has an uplifted target due to new merchandise being purchased. However, there are space restrictions on how much merchandise we can have in the shop. It was noted that new merchandise is shortly being purchased.

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4. Forecast 2 Update

The Director of Finance noted that in March, we completed our Forecast 2 based on the actual trading and activities in Po1 – Po6 and the predicted level of activities for the rest of 21-22. The overall result for the Union is an anticipated surplus of £143k of unrestricted funds, mainly because of savings in students' services and delayed sports and clubs' activities.

The Director of Finance confirmed that there had been a steady recovery post pandemic. They highlighted:

- Overall strong financial performance
- Income target of £8 million
- Expenditure target of £7.9 million
- Expected surplus of £143k

The Chair asked that if we are performing better than expected, how do we approach this with UCL when looking for funding. The Director of Finance replied the Union has a lot of central costs. Also, the UCL convenience store will need start up support. They added that they are working very closely with the UCL Finance team to deliver the best services we can with the budget that we have.

The Committee discussed how the 2021-22 budget was built around UCL guidance that there would be a return to campus for most students, and commercial activity would return to pre-pandemic levels. However, with a continuing high volume of online teaching, the footfall on campus has been very low for staff and students at the beginning of this financial year.

The Committee noted that there is a decrease in the Sports contribution between forecast 1 and 2 which is due to a decrease in spending. It was also noted that this was due to core grant process being stricter and grants are only given to Club's & Societies when they need it or for core activities.

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5. Budget Parameters for 2022-23

The Director of Finance stated that the report, which was circulated to members, explains the key assumptions that the Students' Union is making to inform its budget process for the 2022-23 financial year, which runs from 1 August 2022 until 31 July 2023. They gave a brief summary of the main assumptions and asked the Committee if they thought we should be more aggressive in our assumptions.

The Committee asked what would be our main financial risks. The Director of Finance responded that the main risks would be:

- Campus footfall assumption. However, this will be closely monitored.
- Campus convenience store but this will not operate as high a margin as the cafes and bars.
- UCL East shop which will encounter some losses in the first year.

The Director of Finance explained the benefit of the Union carrying some surplus from year to year. The Committee asked if the UCL East shop assumption included the grant from UCL. The Director of Finance responded that with support from UCL, the shop should breakeven. The Committee asked for there to be more clarity around this assumption.

ACTION: The Director of Finance to provide more detail on the assumption that the UCL East shop will breakeven.

The Committee discussed the possibility of using more ethical suppliers. The Director of Finance replied that this would be a question to ask the Director of Operations.

ACTION: The Chair to contact the Director of Operations to discuss the possibility of using more ethical suppliers.

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6. Union Banking Arrangements Update

The Director of Finance confirmed that the working group has identified the ethical criteria and reviewed potential banks for their ethical commitments. They also considered the Ethical Consumer rating in their selection. The financial facilities criteria have been identified by Director of Finance and several banks have been approached for initial conversations. They noted that the two most ethical banks are currently not accepting new clients and they asked the Committee to recommend the next steps.

The Committee noted that Starling had not been included in the list of possible banks. The Director of Finance confirmed that they had spoken to Starling and they were more suitable for smaller businesses. The Committee asked if there was any indication as to when we would hear back from Triodos. The Director of Finance said there was not, but they are asking on a monthly basis.

The Chair asked the Committee if they thought we should move to Metro temporarily or stay with Barclays and keep reviewing the situation. The Director of Finance explained that switching to another bank is a huge amount of work and is not fair on the bank if we move for

a temporary period and then switch again. The Committee noted that we need to be careful to not put the organisation in any potential financial risk. The Committee discussed using Metro in the interim. The Director of Finance recommended that the organisation does not switch accounts until after the end of the financial year (31 July).

The Chair outlined the three options to the Committee:

1. Review all banks with an ethical consumer rating of 10 or above and bring this back to the next Committee meeting.
2. Move to Metro bank in the interim and wait for either Triodos or Cumberland to start taking on new customers.
3. Pause the review for 6-12 months whilst actively reviewing other banks and then in 12 months switch.

The Committee suggested getting a timeframe from Triodos and Cumberland as to when they think they may be taking on new customers. The three options were discussed by the Committee and there were mixed opinions on which option to choose. The Chair suggested that this is taken to the next Committee meeting where a proper recommendation can be formed to take to the Board especially as there was only 50% of the Committee present.

ACTION: The Director of Finance to obtain a timeframe from Triodos and Cumberland regarding when they will start taking on new customers. This will then come back to the next Committee meeting for a proper recommendation to go to the Board.

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7. Update on Banking Authorities and Mandates

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8. Aged Debtors Report (Quarter 2)


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9. Treasury Report (Quarter 2)

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10. Any Other Business

There was none.

Minutes approved as a true and accurate record	
Chair:	Yasmeen Daoud
Signature:	
Date:	27/05/2022

Action List

Actions	
The Director of Finance to circulate a breakdown of the gym's income and expenditure via email and to include this on the agenda for the next meeting.	Director of Finance

The Director of Finance to provide more detail on the assumption that the UCL East shop will breakeven.	Director of Finance
The Chair to contact the Director of Operations to discuss the possibility of using more ethical suppliers.	Chair
The Director of Finance to obtain a timeframe from Triodos and Cumberland regarding when they will start taking on new customers. This will then come back to the next Committee meeting for a proper recommended to go to the Board.	Director of Finance