



Date: Tuesday 29 November 2022
 Time: 18:00-20:00
 Venue: Hybrid/Southwing G12 Council Room

Finance Committee Minutes

Chair: Umair Mehmood, Welfare & Community Officer

Members:	P	AP	AB
Alice McNally, Appointed by Union Executive (AM)	✓		
Beth Beasant, External Trustee (UCL Staff)	✓		
Denis Akinci, Union Affairs Officer	✓		
Hamna Malik, Appointed by Union Executive (HM)	✓		
Hamza Ahmed, Education Officer	✓		
Julia Wojciechowska, Appointed by Union Executive (JW)	✓		
Maheem Imran, Student Trustee	✓		
Mary Mcharg, Activities & Engagement Officer		✓	
Nick Miao, Appointed by Union Executive (NM)	✓		
Seyi Osi, Equity & Inclusion Officer		✓	
Umair Mehmood, Welfare & Community Officer, Chair	✓		
Vaania Kapoor Achuthan, Sustainability Officer	✓		
Xin Huang, Student Trustee (XH)	✓		

In Attendance:
Dorota Dominiczak, Director of Finance
John Dubber, Chief Executive
Rebecca McLoughlin, Minutes

1. Welcome and Introductions

The Chair welcomed members to the first meeting of Finance Committee for this academic year and members introduced themselves. The Chair noted apologies from the Activities & Engagement Officer and the Equity & Inclusion Officer.

The Chair declared that they are in a relationship with the student trustee (MI).

2. Terms of Reference & Membership

RECEIVED

3. Minutes and Matters Arising from the meeting on 26 May 2022

The Committee approved the minutes of the meeting on 26 May 2022 as a true and accurate record.

RECEIVED

4. Management Accounts (end of year 2021-22) & 2021/22 Statutory Financial Statements

The Director of Finance noted that they would give a joint overview of the Management Accounts (end of year 2021-22) and the 2021/22 Statutory Financial Statements. They highlighted that the Union has returned an operating surplus of £883k, including a one-off

restricted Hardship grant of £750k awarded to the Union just before the year-end. They added that this is the best financial result achieved by the Union in several years. However, due to wider economic conditions, the Union has also recorded a reduction in the value of its investments (£91k) and an increase in its long-term pension deficit (£972k), meaning overall the accounts will show a loss of £180k which will be shown in the statutory accounts.

The Director of Finance confirmed that the 2021-22 Statutory Financial Statements will go on to the Board for approval and will then be filed with Companies House and the Charity Commission once approved.

The Director of Finance went through the Trustees Annual Report and gave a brief summary of the Structure, Governance and Management highlights from the report which included the following:

- Recruiting and training of trustees.
- Relationship with University College London.
- Employment Policy.
- Statement of Trustees Responsibilities.
- Risk Management.

They noted that the Trustees Annual Report gives an overview of what the charity has achieved over the past year.

The Director of Finance went on to highlight what the Union has achieved over the past year and future plans. They gave an in-depth overview of the Statement on Financial Activities and the Balance Sheets. They noted that overall, these were a very positive set of accounts.

The Chief Executive asked the Committee if there were any adjustments / comments that they would like to make before they go to the Board and there were none.

The Committee received the Management Accounts (end of year 2021-22) & 2021/22 Statutory Financial Statements and recommended them to the Board of Trustees for approval.

RESOLVED

5. Post-audit Management Report for Financial Year 2021/22

The Director of Finance confirmed that the audit of the accounts for year ending 31 July 2021 was conducted in September. All schedules and reports were submitted in advance of the audit and testing concluded in line with the timetable. They noted that there were no adjustments made to figures presented for audit as only trivial misstatements were noted during the audit.

The Director of Finance went on to outline the two recommendations made following the 2020-21 audit around keeping complete and up-to-date employment contracts and the removal of fully depreciated assets from the fixed asset reporting. They outlined to the Committee that the advisory point regarding keeping accurate personnel records remains under review whilst the fixed assets records have been amended as advised by the auditors.

The Chief Executive commended the Finance team on all their hard work especially over the last 3 years and noted that financially we are now in a much better place. The Committee asked

how much of this was due to the extra financial help from the University. The Chief Executive responded that this was due to a combination of factors such as:

- Stronger relationship with UCL
- Good sabbatical leadership
- Strong finance team (we now have two qualified accountants in the team)
- Proper management of our finances

The Committee received the Post-audit Management Report for Financial Year 2021/22.

RECEIVED

6. Management Accounts (Quarter 1)

The Director of Finance gave a summary of the Management Account for quarter one and noted that at the end of Q1 of 2022-23, the Union's cumulative financial position remained strong due to good commercial performance and tight control over overheads expenditure. They highlighted that trading is good due to increased footfall on campus and after 3 months of trading we have a surplus of £187k so we have achieved a significant uplift on what we initially anticipated.

The Director of Finance stated that it is difficult to predict trading going forward as last year was very different due to the pandemic. They noted that the Hanger Shop has seen a huge increase in sales in October, but this is slowing down. They also highlighted that there will be rail and tube strikes in December which could impact trading as well as the UCU strikes. The Chief Executive added that the Hanger Shop was expected to have high trade in October due to the welcome period and the introduction of more pop-up shops around campus. They added that pre-pandemic it was easier to predict trading and thus it is hard to know how the rest of the trading year will be, especially with the cost-of-living crisis. The Committee asked how the online shop sales compared to the physical shop sales and asked whether it was worth just having an online shop only. The Chief Executive responded that the shop does well, especially the pop-up shops and suggested that a new larger stop space would be ideal especially as storage space is very minimal which is a big issue. They noted that it would also be good to be able to provide changing rooms and a larger range of goods for customers. The Committee suggested that new stock could be introduced and noted that other Unions have lines that are best sellers such as shot glasses.

The Chief Executive stated that the UCL East Shop has opened but there are fewer students living there at the moment, but this should increase over time. They added that we also have a new convenience store opening in January which is a risk as the Union has not done this before. The Committee asked if the pricing in the new convenience store would match the high street prices. The Chief Executive replied that the Union are trying to offer prices as cheap as possible, but it can be difficult to compete with large supermarkets chains which can buy bulk products at a lower cost. They added that the store is a service for students as opposed to being a profit maker. The Chair stated that the location of the UCL East store was not great and better signage is required to ensure students and passing customers are aware of its location. The Chief Executive agreed and noted that there are restrictions as to where signage can go but the Marketing Team are working hard to find ways to make it more visible. The Committee asked if the store was on google maps and it was noted that it is not yet. The

Committee discussed the possibility of extending opening hours to include weekends and match days but noted that this increases overhead costs and therefore overall financial risk.

The Committee asked how November trade had been overall and the Director of Finance responded that this was above target. The Committee discussed all the possible trading risks especially with the current cost of living crisis. The Committee noted the cheaper breakfasts and lunch deals on offer in the George Farha Café and asked if this could be rolled out throughout all cafes. It was also commented that this offer is not widely publicised. The Chief Executive responded that this is costing the Union money to provide such low-cost food which is why it cannot be rolled out across all cafes as would cost too much. However, they added that all cafes have varying priced goods to ensure that all customer budgets are catered for. The Chair added that all outlets are now selling fruit at cost price. The Committee suggested offering seasonal drinks such as the high street cafes and the Chief Executive replied this has been introduced but could be promoted more.

The Committee discussed the possibility of introducing more clothing designs in the Hanger Shop to try and encourage further sales or perhaps having certain styles for a limited period only. The Committee suggested having hoodies with the Class of 2022 on them, Faculty hoodies or organising Club & Society clothing orders such as having a set template that is used for designs, so it streamlines the ordering process. The Committee noted that Exeter University have set up a way for sports teams to order their hoodies etc. through the SU, this might be a model that UCL could copy. The Committee noted how difficult it can be for Club's & Societies to find out where to get their merchandise from and suggested that this be included in the training for Treasurers. It was also noted that it would also be good to have a logo template that could be used for merchandise. It was also suggested that when merchandise is delivered it can only go to one address so it would be useful if it could be delivered to the Hanger Shop for collection by members. The Chief Executive responded that they would look into this with the Union Affairs Officer and the commercial team. The Committee suggested the idea of having a hoodie design competition which might increase sales. The Chief Executive confirmed that they would also suggest this to the commercial team.

ACTION: The Chief Executive and Union Affairs Officer to discuss the possibility of Club's & Societies ordering their merchandise through the Hanger Shop and to organising a hoodie design competition.

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7. Delegation of Authority Annual Update

The Director of Finance gave an overview of the Delegation of Authority changes since the last update which are as follows:

- The proposed revised authorisation levels are more aligned with the needs of the business, including a new level of authorisation for Mid-Tier Management of £2000.
- The structure of the Commercial operations has changed, resulting in several new posts with budgetary responsibilities being created.
- We have updated the purchase order process to align with the current Delegation of Authority and to reduce the burden of dual authorisation for Mid-Tier Management.

- The restructuring of the Director of Student Engagement role has resulted in 2 new roles: Director of Student Experience and Director of Policy, Governance and Advocacy, both with authorisation for SMT level.

The Chief Executive explained the hierarchy of approval as different staff need to have the ability to purchase things up to certain levels. They confirmed that any expenditure over £100k went to the Board for approval.

The Committee noted that it can be very difficult for Club's & Societies to get assistance to raise sponsorship invoices to 3rd party, for example, and it is a very long process. This has sometimes caused activities to not be able to take place. There is also no process for prioritising payments either. The Chief Executive replied that this needs to be investigated further to see if we need a new process or perhaps more administrative staff. They suggested that the student member appointed by Union Executive (JW) discuss this further with the Activities and Engagement Officer.

ACTION: The Student Member appointed by Union Executive (JW) to discuss the issues regarding Club's & Societies accounting and administration function with the Activities and Engagement Officer.

The Committee approved the Delegation of Authority update.

APPROVED

8. Investments Report

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9. Treasury Report (Quarter 1)


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10. Insurance Renewal Report (for financial year 2022/23)

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11. Any Other Business

There was none.

Minutes approved as a true and accurate record	
Chair:	Umair Mehmood
Signature:	
Date:	26-1-23

