

# Minutes

Subject:	Finance Committee Minutes: 31 March 2020
Produced by:	Tony Moore
To:	Finance Committee
Status:	<b>For publication</b>
Action:	For information and approval
Paper:	FC170

Present online: Martin Jopp (*by conference phone*), External Trustee (MJ), Phoebe Gathuku, Union Councillor (PGA), Tim Barker (PG Student Trustee), (TB)

In attendance online: T Cave, Director of Finance, (TCA), Tony Moore (Clerk), Martin Marko, (FTO), (MM), Sophie Atherton (FTO), (SA), T Cunningham, (CEO), (TCU)

Chair: Alicia Perez (FTO), (ALP)

## *Key Decisions*

- *Agreed that a letter of support should be sought from the University*
- *Agreed that accounts be qualified due to the effects of the pandemic*

## *Action Points*

- TCA to meet with Auditors to draft wording of qualification to the Accounts due to pandemic – final version of accounts to be circulated to Trustees
- Recommendation to the Chair of Trustees that the Board seek a letter of support from the University (ALP)
- TCU to include changes to Cuts and Savings document for discussion at Board

## **FC157i Chair Statements**

Chair noted that they believed C Flanagan had tendered their resignation as a Trustee and would not be attending the meeting.

*The Committee elected Tim Barker to the vacant Committee position.*

## **FC157ii Minutes from the meeting held on 29 January 20**

The minutes were agreed.

## **FC158 Matters arising/report on action points**

Chair noted the completed actions.

Chair noted that conference call to be held after University's funding decision AP should remain to be actioned.

### **FC158i Business Continuity Briefing**

TCA noted the written paper, see [link](#)

TCA noted to the Chair that it was estimated that 1,670 students would remain on campus during the lockdown and that Shop sales would be at out of term levels.

Chair noted that the savings relating to the furloughing scheme were based on assumptions.

TCA advised that the insurers insisted that the effects of the pandemic were not covered by Union's insurance policy.

TCA agreed but advised that realistic assumptions had been made to produce the cash flow forecast.

TCA advised that the insurers maintained their insistence that the effects of the pandemic were not covered by Union's insurance policy.

TCA noted that the headline figure for cash flow was that the Union would have £193K at the end of August but that without access to the Club and Society funds the Union would run out of money by July.

TCA noted that any cancellation or deferment of rent on Union House had not been factored in.

MJ thought it important to request help from the University on the rent issue.

*There were no further comments.*

### **FC158ii Going Concern**

TCA noted that the final version of the Annual Accounts would need to be signed off by 30 April. TCA advised, as there was an uncertainty with regard to the Union as a going concern, there would need to be a conversation with the Auditors as to the wording of any statement that would need to be added.

The Chair asked TCA to liaise with the Auditors as to the wording of the statement and for the final version of the Accounts to be then circulated to Trustees for approval. **AP**

TB asked as to the definition of a going concern.

TCA advised that it was an organisation's ability to meet its liabilities as they fell due.

The Committee discussed the possibility of securing a letter of support from the University.

SA noted they had raised the matter at University Council.

TB believed the University had showed a lack of understanding of the gravity of the Union's financial problems.

The Chair thought the letter should come from those FTOs who sat on University Council.

TCA advised that the letter should come from the full Trustee Board.

The Committee agreed to recommend to the Board that a request for a letter of support should be made to the University by the Chair of Trustees on behalf of all Trustees. **AP**

*There were no further comments.*

### **FC159 Half-year Accounts to January 2020**

The Committee noted receipt without comment.

### **FC160 UEASU Financial Sustainability: Budget 19/20; Forecast 19/20; Revised Base 20/21**

TCA noted that prior to the pandemic the Union had been behind budget and would have required extra funding from University.

TCA advised that if the Union managed to survive through the financial turmoil caused by the pandemic, it would have to re-build its reserves.

TCA reported that the University had agreed to use Kent SU as a comparator for looking at the Union's finances. TCA noted that the figures from Kent would show that Kent SU received £2.1 million in comparison to the Union's £500K and that Kent made roughly the same margins as the Union on its retail and bars operations. TCA advised there was nothing in the analysis to suggest that the Union's commercial operations were run inefficiently.

MJ believed there was a danger in relying on the results of the analysis to bear fruit and taking no action: MJ argued the Union could not set a budget which did not aim to rebuild reserves: the Union had to make cuts and savings.

*There were no further comments.*

### **FC161 Future Finances**

Chair noted that this had been considered in the discussions on the previous item.

### **FC162 Where to Cut**

TCU noted the discussion paper, see [link](#)

The Committee discussed in detail the formatting and possible alterations for the paper to be discussed by the full Board later in the day.

The Committee accepted TB's argument on the importance of maintaining the PG FTO position.

The Chair asked TCU to include the above in changes to the document to be discussed at Board. **AP**

**FC163 Briefing: Letter of support for Going Concern note; Coronavirus insurance liability; Annual Report and accounts for sign-off; VAT on Catering; and SUSS Pensions update**

Chair noted that the first three items had been covered earlier and that VAT update and Pensions update were noted.

**FC164 Items to note and sign off: UEASU Annual Report and Accounts; UEASU Letter of Representation; SUS Final Accounts; SUS Letter of Representation; Waterfront Final Accounts July 19; Waterfront Letter of Representation**

Chair noted these items would be deferred until the recommendations of the Auditors on going concern had been received.

**FC165 Cycle of Business 2019-20**

Noted without comment.

**FC166 AOB**

None.

**FC167 TDP of Next Meeting**

Chair noted this would be online in the run-up to the June Board.