

Treasurer's Report

Presenter: Thomas O'Connor

Summary of Consolidated Income Statement:

For the financial year ending December 28 2014 UQU reported a trading surplus of \$52,630, compared to the budgeted expectation of \$135,065, a negative variance of \$82,434. When compared to the 2013 figures however, UQU recorded a positive variance of \$267,501.

A summary of the consolidated income statement is given below:

	2014 Actual	2014 Budget	2014 Variance	2013 Actual	2013 Variance
Sales income	\$15,016,610	\$15,538,418 ¹	-\$521,807	\$15,458,552	-\$441,942
Cost of Sales	-\$6,863,185	-\$6,954,945	\$91,759.95	-\$6,846,869	-16,315
Gross profit	\$8,153,425	\$8,583,473	-\$430,047	\$8,611,683	-458,258
Other Income	\$3,840,708	\$3,860,038	-\$19,329	\$3,741,234	\$99,437
GP before expenses	\$12,204,368	\$12,443,511	-\$239,143	\$12,351,877	-147,508
Wages	\$7,897,664	\$8,104,198	\$224,534	\$7,983,250	\$73,586
Operating Expenses	\$4,159,128	\$4,030,210	\$128,918	\$4,431,747	\$272,619
Net Surplus	\$52,630	\$135,065	-\$82,434	-\$214,870	\$267,501

The main factors that impacted on the 2014 results are as follows; the list below are items that are in some cases outside UQU's control.

- \$5 voting vouchers not budgeted for, equating to \$56,125
- Electricity charges – an increase of \$74,577 over budget and \$70,037 over 2013 expenditure
- Gas charges – an increase of \$17,129 over budget and \$17,222 over 2013 expenditure.
- Losses on Disposal – \$85,619 unbudgeted for. The loss is associated with the closure of the Ipswich campus, capital works undertaken in 2012 minus 3 years depreciation.
- Packaging charges – \$17,440 over budget and \$25,479 over the 2013 expenditure.
- Bank charges – \$48,644 over budget and \$47,637 over the 2013 expenditure.

¹ Denotes that sales in the budget included budgeted sales for Club Med Café and Herston Medical bookshop which equated to \$480,879 collectively.

Department Report for Business Trading:

As at the end of the year, the Business trading arm recorded a net surplus for the 2014 year of \$1,210,429 compared to the budget of \$1,315,620 an unfavourable variance of \$105,191. When comparing with 2013 results, Business trading had an unfavourable result of \$77,124.

As previously stated, several key factors impacted on the recorded result:

- Electricity charges – an increase of \$74,577 over budget and \$70,037 over 2013 expenditure
- Gas charges – an increase of \$17,129 over budget and \$17,222 over 2013 expenditure.
- Losses on Disposal – \$85,619 unbudgeted for. The loss is associated with the closure of the Ipswich campus, capital works undertaken in 2012 minus 3 years depreciation.
- Packaging charges – \$17,440 over budget and \$25,479 over the 2013 expenditure.
- Bank charges – \$48,644 over budget and \$47,637 over the 2013 expenditure.

Total impact of the above line items is \$243,409.

For the 2014 Financial Year, Food and Beverage sales recorded sales of \$9,662,826 compared to budget of \$9,795,421 a shortfall of \$132,595, which can be directly related to the closure of Club Med café in September. In a 2013 comparison, UQU recorded a favourable variance of \$168,250

Net Surplus for the food component equated to \$1,457,023 compared to the budget of \$1,677,051 an unfavourable variance of \$220,028. The main offenders for this shortfall include:

- Wages (-\$65,477)
- Gross profit (-\$30,717)
- Electricity & Gas (-\$54,803)
- Loss on Disposal (-\$85,083)
- Bank fees (-\$41,633)

The Hospitality component recorded sales of \$3,001,625 compared to budget of \$2,929,446 a favourable variance of \$72,179. Comparison to 2013 results are unfavourable by \$302,401 due to the closure of the Function department in 2014.

Net surplus recorded \$209,400 compared to the budget of \$268,990 an unfavourable variance of \$59,589 and an unfavourable variance of \$39,305 compared to 2013.

Key items that impacted the result are:

- Gross profit (-\$20,712)
- Wages (\$4,525) although an improvement on 2013 by \$247,153
- Electricity and gas (\$17,984)
- Depreciation (\$15,003)

- Bank Fees (\$7,618)

The Retail component recorded sales of \$2,352,135 compared to budget of \$2,813,550 an unfavourable variance of \$461,414. 77.86% of this variance relates to the closure of Herston medical bookshop.

Net Surplus recorded sales of \$223,887 compared to budget of \$243,584 a variance of \$19,697.

A summary of the Business Trading arm is given below:

	2014 Actual	2014 Budget	2014 Variance	2013 Actual	2013 Variance
Sales income	\$15,016,588	\$15,538,418	-\$521,830	\$15,458,595	-\$442,007
Cost of Sales	-\$6,863,185	-\$6,954,945	\$91,759	-\$6,846,869	-\$16,315
Gross profit	\$8,153,403	\$8,583,473	-\$430,070	\$8,611,726	-\$458,322
Other Income	\$2,066,259	\$2,009,017	\$57,242	\$1,975,346	\$90,913
GP before expenses	\$10,424,064	\$10,592,490	-\$168,426	\$10,586,032	-\$161,967
Wages	\$7,078,588	\$7,274,010	\$195,422	\$7,214,881	\$136,292
Operating Expenses	\$2,025,600	\$1,836,666	\$188,933	\$1,911,281	-\$114,318
Net Surplus	\$1,210,429	\$1,315,620	-\$105,191	\$1,287,554	-\$77,124

Department Report for Student Services and Support:

As at the end of the year, the Student Services and Support arm recorded a net loss of \$1,157,798 for 2014, compared to the budget of \$1,180,555 yielding a favourable variance of \$22,756. When comparing with 2013 results, Business trading had a favourable result of \$344,626.

A summary of the Student Services portfolio expenditure is given below:

	2014 Actual	2014 Budget	2014 Variance	2013 Actual	2013 Variance
Advocacy	-\$415,175	-\$417,511	\$2,336	-\$376,563	-\$38,611
Gender & Sexuality	-\$76,921	-\$62,610	-\$14,311	-\$33,988	-\$42,933
Student Rights	-\$60,729	-\$81,620	\$20,890	-\$144,281	\$83,551
Campus Culture	-\$256,314	-\$203,085	-\$53,229	-\$398,207	\$141,892
Campus Bus	-\$19,699	-\$18,486	-\$1,212	-\$23,352	\$3653
Clubs & Societies	-\$257,819	-\$286,583	\$28,764	-\$315,391	\$57,572
College Areas	-\$147,347	-\$137,500	-\$9,847	-\$101,477	-\$45,870
Environment	-\$4,896	-\$12,900	\$8,003	\$0	-\$4,896
Executive	-\$253,842	-\$240,074	-\$13,767	-\$244,805	-\$9,036
Elections & Referendums	-\$105,859	-\$73,730	-\$32,129	-\$269,587	\$163,727
Goorie Berrimpa	-\$14,057	-\$21,682	\$7,642	-\$11,584	-\$2,473
International	-\$28,791	-\$38,312	\$9,520	-\$16,098	-\$12,693
Postgraduate	-\$16,277	-\$29,812	\$13,534	-\$20,537	\$4,259
Semper Floreat	-\$104,740	-\$123,263	\$18,522	-\$59,843	-\$44,897
Building Expenses	-\$615,360	-\$580,598	-\$34,761	-\$547,657	-\$67,702
Professional Expenses	-\$13,637	-\$8,954	-\$4,682	-\$10,550	-\$3,087
Student Services Overhead	-\$350,800	-\$403,460	\$52,660	-\$477,999	\$127,199
Gatton	-\$61,356	-\$71,721	\$10,364	-\$25,210	-\$36,145
Herston	-\$6,871	-\$12,000	\$5,128	\$0	-\$6,871
Ipswich	-\$11,223	-\$22,583	\$11,359	-\$15,864	\$4,641
Turbot St	-\$10,000	-\$10,000	-	-\$12,727	\$2,727

The unfavourable variance of -\$53,229 in Campus Culture is due predominantly to the less-than-budgeted takings for tickets sales at the 2014 O-Week Toga Party (-\$52,128).

The -\$13,767 disparity between the actuals and the budgeted expenditure out of the Executive line can be explained by the wages that were due to an additional employee (-\$21,344).

The Elections & Referendums line saw expenditure increase \$32,129 over budget. This is attributable to the additional payments made to voting students due to the redemption of issued \$5 UQU vouchers.

Building Expenses saw a variance of -\$32,129 can be reasonably explained by the increased wages due to a new employee (-\$16,862) and increased electricity expenses (-\$13,731).

A summary of the Student Services and Support arm is given below:

	2014 Actual	2014 Budget	2014 Variance	2013 Actual	2013 Variance
Sales income	\$0	\$0	\$0	\$0	\$0
Cost of Sales	\$0	\$0	\$0	\$0	\$0
Gross profit	\$0	\$0	\$0	\$0	\$0
Other Income	\$1,780,304	\$1,851,021	-\$70,716	\$1,765,854	\$8,560
Wages	-\$801,076	-\$830,187	\$29,111	-\$738,369	-\$62,706
Operating Expenses	-\$2,133,528	-\$2,193,543	\$60,015	-\$2,520,465	\$386,937
Net Surplus	-\$1,157,798	-\$1,180,555	\$22,756	-\$1,502,425	\$344,626

The following documents are attached for consideration:

- (a) The Consolidated Profit & Loss Summary for August 2014
- (b) The Business Trading Profit & Loss Summary for August 2014
- (c) The Student Services and Support Profit & Loss Summary for August 2014

If members have questions or requests for further financial documentations please direct any communication to the Treasurer – treasurer@uqu.com.au.