Imperial College Union
Finance, Audit & Risk / 12 February 2025

December Management Accounts Summary

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Purpose: To present the Management Accounts for December 2024.
Decision(s): To **note** the Management Accounts summary.

1. Summary

The Union has reported a year-to-date surplus of £93k, which is £47k ahead of budget. Expenditure in core areas was down £87k against budget, including expected vacancy savings of £26k, and other income was up £8k (bank interest). The contribution from Commercial Services was down £52k against budget.

In the month of December, overall performance was £23k down compared to budget, the Commercial contribution was £36k adverse, other income £8k favourable and core activity, including expected vacancy savings, was £5k favourable.

The accounts, which are available separately, are presented and analysed in comparison to the 2024/25 budget.

2. Core, Grant-Funded Performance

Year to date, core areas expenditure is £87k less than budgeted. This is due to £56k net vacancy savings, £26k in various expenditure savings and £5k in temporary staff savings. There was also £10k of additional income. Once the remaining permanent staff roles are filled, some of these cost savings may be needed to meet the vacancy savings assumption for future months - the £56k net year to date vacancy saving is expected to be phasing related.

Core areas' net expenditure was £5k below budget for the month of December, this was due to multiple expenditure savings across departments.

The table below shows a summary of the overall variances to the forecast for each of the core areas.

Area	Variance Month	Variance Year to Date	Year to Date Comments
Income			
Marketing	£0k	£6k	£6k towards cost of Welcome 24 Tote Bags and packing received from College.
Finance	£9k	£4k	£4k additional interest as interest rate/balance much higher than budgeted
Systems	£0k	£2k	£2k income from Imperial College invoiced earlier than budgeted
Student Activities	(£0k)	(£1k)	-
Expenditure			

Area	Variance Month	Variance Year to Date	Year to Date Comments
Student Activities	(£3k)	£59k	£60k permanent staff vacancy savings, £10k temporary staff savings, £9k overspend on Welcome.
Marketing	(£3k)	£10k	£7k operational expenditure savings, to be re-profiled in reforecast.
Facilities, Health & Safety	£2k	£9k	£9k in general expenditure savings as the main costs incurred relate to Commercial so have been recharged to the relevant outlet.
Minibus Service	£7k	£9k	£7k from sale on minibuses - reinvested in new minibus.
Advice & Support	£1k	£9k	£4k vacancy savings, £5k general expenditure savings.
People & Culture	£2k	£8k	£4k recruitment cost savings, low staff turnover and no roles requiring specialist hiring support.
Finance	£0k	£8k	£4k expenditure savings, mainly card commission as we have yet to move to SUMS shop, £4k staff cost savings.
Representation	£1k	£5k	£3k vacancy savings.
Systems	£1k	£4k	£4k positive variance due to timing of SUMS invoices - re-profiled in reforecast.
Leadership & Governance	£3k	(£7k)	£9k additional costs for Corporate Structure review - funded from designated funds.
Vacancy savings assumption	(£5k)	(£26k)	Vacancy savings are included in the department in which they arise, the total year to date variance in Permanent Staff across all departments is currently £82k.
Total	**£13k**	**£99k**	

3. Commercial Performance

Commercial Services has generated a contribution of £84k year to date, which is £52k less than budgeted. This mainly due to lower sales and higher costs in Venues and Retail totaling £66k and £15k respectively. This is offset by a positive variance in Events & Partnerships of £27k, and a small positive variance in Commercial Overheads of £2k.

Events & Partnerships

Year to date, Events & Partnerships have exceeded budget expectations and are currently £27k ahead of budget. This has been driven by positive variances in all income categories, except for the Welcome Fair income, which was £2k down against its target of £50k, but with the addition of the Welcome Back Fair event, this line too should exceed budget over the full financial year.

Total expenditure is currently £36k higher than budgeted, this is due to several variances including £17k additional spend on Acts, £9k on decorations (including event theming), £4k on equipment purchases and £4k on printing costs.

Retail

Retail has performed well for the year to date, generating a net surplus of £129k overall, though this is 15k down against budget overall. Net Shop sales are £30k down, mainly due to lower profit margins (49% v 55% budgeted). The Retail team are continuing with their work to improve this.

In the month of December, the Retail outlets were very close to achieving their target bottom line of £12k, but despite higher than budgeted sales, the Shop's GP margin was again below budget at only 48%.

Venues

In total, our Venues have incurred a net loss of £35k year to date, which is £66k adverse to budget. This was mainly due to a £28k loss in Reynolds.

In the month of December, the venues saw a net deficit of £24k, which is £17k less than budgeted. Sales in Beit Bars were down against budget by £13k (5%) in month and £42k (4%) down year to date. Total expenditure is over budget year to date by £22k (7%), driven by additional spends of £20k in Temporary Staff and £18k in Security Staff. In comparison to this time last year, total expenditure has increased by £81k which is responsible for the year-on-year change in net profit.

Reynolds Bar sales are down against budget by £21k (76%) in month, and down £72k (69%) year to date. In total Reynolds has incurred a loss of £28k so far this financial year, which is £22k adverse to budget.

H Bar continues to remain closed most of the time, with a total year to date deficit of £3k against a break-even budget.

4. Balance Sheet

The Union's Balance Sheet (Appendix 2) continues to show a strong financial position, with net assets of £3.46m as at 31st December 2024.

Fixed assets have increased by approximately £134k this financial year, this reflects budgeted investment, mainly in commercial areas, combined with an operational need to purchase a replacement minibus. Designated funds have increased as a result (as anticipated in the November 2024 Reserves paper).

Stock has increased by c£240k since this time last year: this is due to bulk purchases of new retail stock lines (e.g. organic cotton), which were subject to supply issues. The Commercial Team's expectation is that this will reduce over the course of the year (to c£300k), as these lines are sold.

Debtors are up by £38k (since July '24) mainly due to delays in receiving some payments – a number of which were received in January.

Creditors have increased by £145k (since July '24), largely due to deferred block grant income relating to future months.

The bank figures now include the higher interest earning account with NatWest.

5. Cashflow

The cashflow statement (Appendix 3) shows a healthy cash position, with a cash balance of £3.56m as at 31st December 2024.

The cash position is supported by restricted Student Activities/Halls funds (£1.9m) and creditors (£1m).