Imperial College Union
Finance, Audit and Risk / 12 February 2024

Financial Reforecast 2024/25

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Purpose: To show the forecasted year end position for the 2024/25 financial year

Decision(s): To **recommend** the reforecast

1. Reforecast Process

The reforecast templates were populated with 4 months actuals, August to November, and 8 months from the approved budget. These were circulated to budget holders who reviewed the projected figures for the remainder of the financial year, amending costs as appropriate. Following the release of December management accounts, the templates were updated to include 5 months actuals and reviewed with budget holders to ensure completeness and accuracy.

2. Key Assumptions

The key assumptions used in the preparation are as follows:

i. Imperial College will provide an additional grant of £15k towards increased staffing costs caused by the increase to Employer National Insurance contributions from April.
ii. Cost of casual staff costs will increase from 1st April. (Proposed rates to be presented to FAR).
iii. No further pay rises or cost of living payments will be made in the current financial year.
iv. The vacancy savings assumption of £62k from the budget has been removed. Vacancy savings of £105k are included in the reforecast within the relevant departments. If currently vacant roles are recruited later than expected, the budget holders expect to use the savings to fund agency staff to cover
v. General Contingency in Leadership has been reduced from £31k to £26k.
vi. The Summer Ball budget is not included pending a review and decisions about the structure of this event.
vii. Reynolds Bar will be closed from the end of March.
viii. There have been no changes to the staffing structure in-year.

3. Reforecast Overview

The reforecast is predicting that the Union will generate a surplus of £39k in the 24/25 financial year, compared with an expected surplus of £19k.

Core grant-funded activities before depreciation are expected to generate a surplus of £88k compared with a break-even budget, this is due to additional bank interest income of £65k, vacancy savings of £43k, College grant of £15k and offset by the removal of the budgeted funding request of £39k from the College for the Union's insurance costs.

Venues and Events are expected to incur a deficit of £65k, this is due to poor performance in the Venues with adverse variances of £75k in Reynolds and £36k in Beit Bars, offset by a favourable variance of £44k in Events & Partnerships.

Retail is forecasted to finish the year with a surplus of £42k

An overview of the reforecast is shown below:

	Reforecast 2024-25				Budget 2024-25			
	Core, Grant-Funded	Venues & Events	Retail	Total	Core, Grant-Funded	Venues & Events	Retail	Total
Income								
Block Grant	3,176,000			3,176,000	3,176,000			3,176,000
Other Income	138,640			138,640	92,667	-		92,667
Events & Partnerships		435,878		435,878	-	327,396	-	327,396
Venues	-	1,324,048		1,324,048	-	1,652,200	-	1,652,200
Retail	-		1,268,735	1,268,735	-	-	1,206,808	1,206,808
Income Total	**3,314,640**	**1,759,927**	**1,268,735**	**6,343,301**	**3,268,667**	**1,979,596**	**1,206,808**	**6,455,071**
Cost of Sales								
Events & Partnerships	-	(30,069)	-	(30,069)	-	(11,000)	-	(11,000)
Venues	-	(434,170)	-	(434,170)	-	(532,998)	-	(532,998)
Retail	-	-	(654,330)	(654,330)	-	-	(586,235)	(586,235)
Gross Profit	**3,314,640**	**1,295,688**	**614,405**	**5,224,733**	**3,268,667**	**1,435,598**	**620,573**	**5,324,838**
Expenditure								
Core Expenditure Total	(3,396,271)	-	-	(3,396,271)	(3,500,566)	-	-	(3,500,566)
Vacancy savings assumption	-	-	-	-	62,000	-	-	62,000
Commercial Overheads	170,000	(118,440)	(235,000)	(183,440)	170,000	(118,880)	(235,000)	(183,880)
Events & Partnerships	-	(334,496)	-	(334,496)	-	(289,052)	-	(289,052)
Venues	-	(907,595)	-	(907,595)	-	(1,022,602)	-	(1,022,602)
Retail	-	-	(337,197)	(337,197)	-	-	(340,310)	(340,310)
Total Expenditure	**(3,226,271)**	**(1,360,532)**	**(572,197)**	**(5,159,000)**	**(3,268,566)**	**(1,430,534)**	**(575,310)**	**(5,274,410)**
Operating Surplus/(Deficit)	**88,368**	**(64,843)**	**42,208**	**65,733**	**101**	**5,064**	**45,263**	**50,428**
Depreciation of Core Assets	(26,745)	-	-	(26,745)	(31,744)	-	-	(31,744)
Total Surplus/(Deficit)	**61,623**	**(64,843)**	**42,208**	**38,988**	**(31,644)**	**5,064**	**45,263**	**18,684**

4. Actions

The committee is asked to recommend to Board the reforecast for use in monitoring financial performance for departments for the remainder of the financial year.