

**Imperial College Union  
Board of Trustees / 23 July 2025**

**May Management Accounts Summary**

Author(s): Peter Greaney (External Finance Director)  
David Ashton (Financial Controller)  
Purpose: To present the Management Accounts for May 2025  
Decision(s): To note the Management Accounts summary

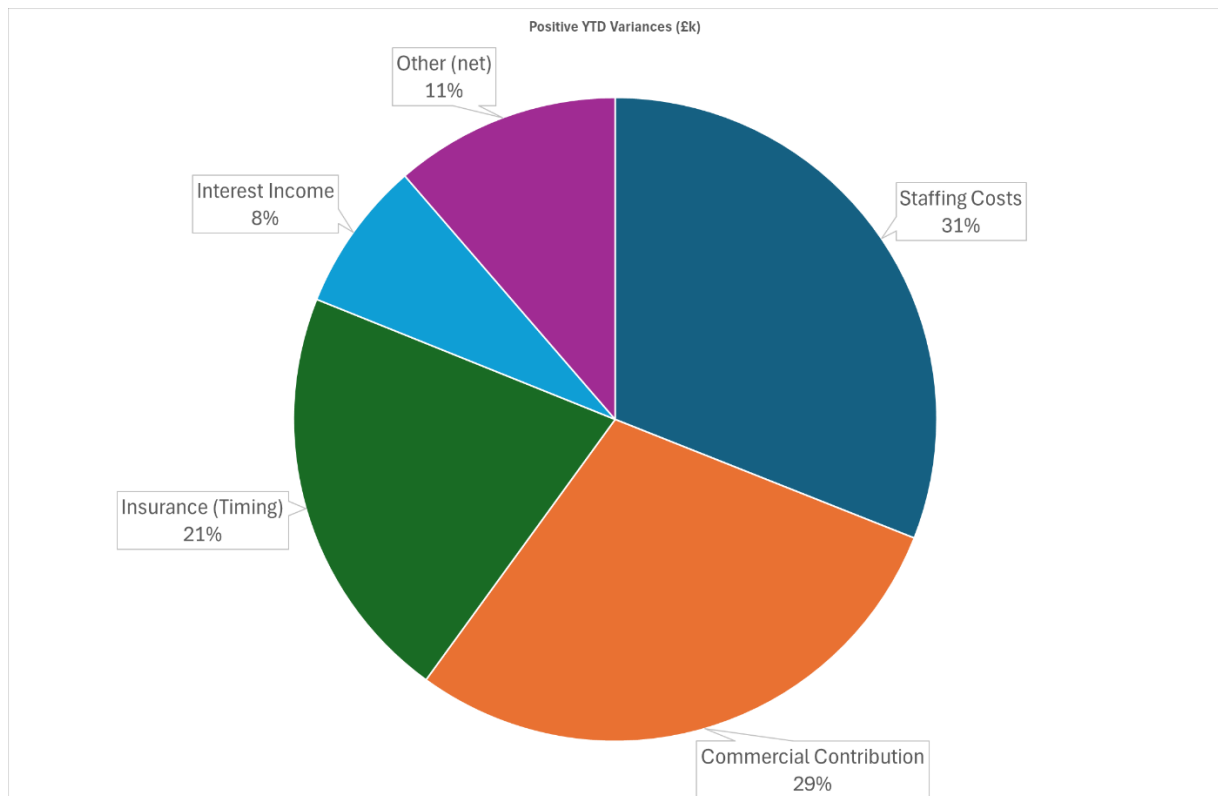
**1. Introduction**

This paper presents the financial performance to May, as presented to FAR. A verbal update on June performance will be provided at the meeting.

This presentation includes newly incorporated graphs, which were considered separately by FAR and have now been introduced into the main paper.

**2. Summary**

The Union has reported a year-to-date surplus of £171k, which is £151k ahead of forecast. This graph presents the main reasons for the positive variance:

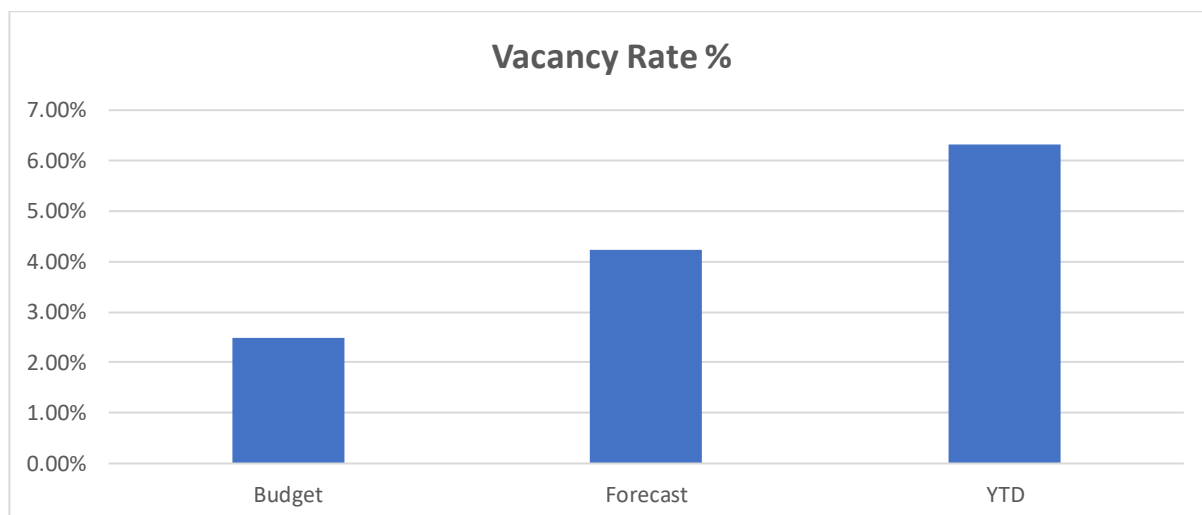


**Key Items to note:**

- Main reasons highlighted are staff vacancies and an additional commercial contribution.
- Other variances include insurance, which is timing related, interest income and net departmental underspends, which generally indicate departments working well within their budget plans.

Expenditure in core areas is £94k less than forecast, including staff savings of £47k, while other income is up £12k. The contribution from Commercial Services is up £44k against forecast.

Staff savings are driven by vacancy rates, which are presented below against budget and forecast:



*Key Items to note:*

- Additional vacancies relate to newly funded roles at the start of the year. Actuals include some additional vacancies, including in Facilities and Finance.
- The budget included an assumption of 2.5% (equating to £62k). A 1% variance equate to a £25k impact.

In the month of May, overall performance was £72k favourable compared to forecast. Total income was higher than expected by £59k, due to an additional £53k Commercial contribution and additional other income of £6k. Core expenditure was £13k favourable to forecast for the month, mainly due to £10k of staff cost savings.

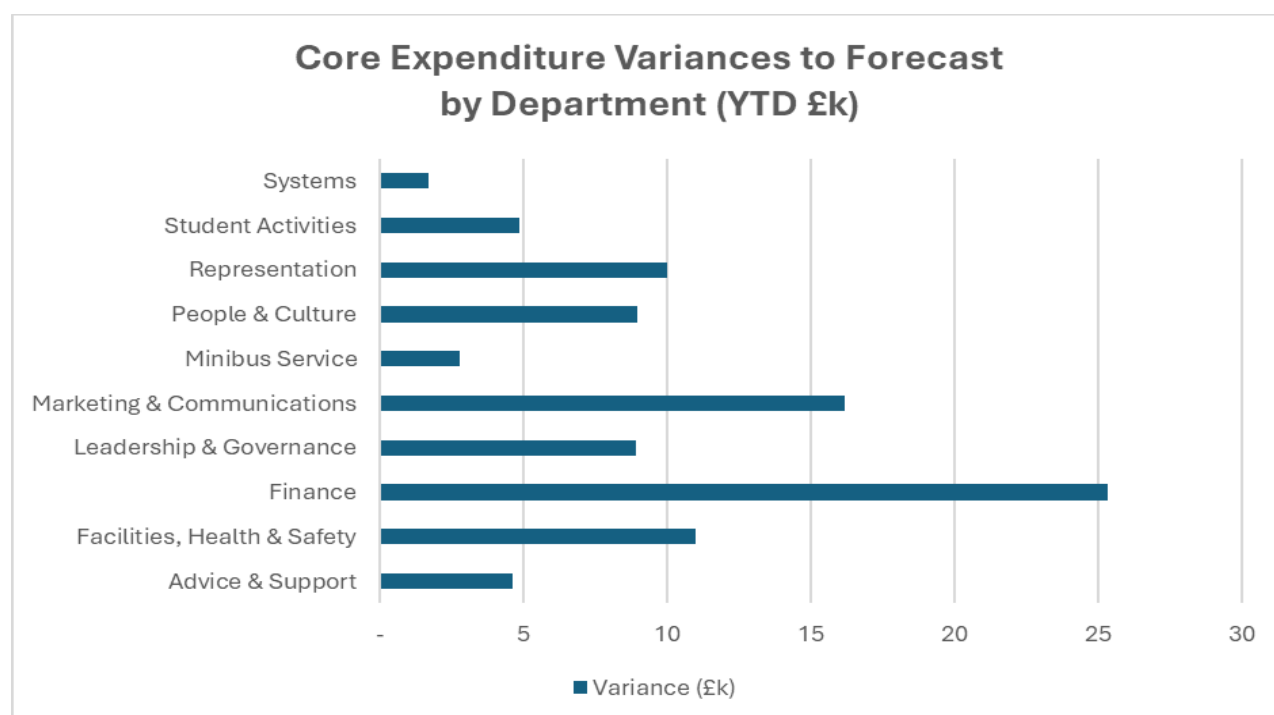
The £151k positive year-to-date variance includes some known timing variances including insurance. An updated forecast exercise has been undertaken (ref. Outturn paper) suggesting an expected £114k surplus (£80k ahead).

All figures are analysed in comparison to the 2024/25 mid-year reforecast.

### 3. Core, Grant-Funded Performance

Year to date, expenditure in core areas is £94k lower than forecasted. This is due to staff savings of £47k combined with various expenditure savings totaling £47k. There has also been additional income of £12k due to additional bank interest.

This graph sets out the variances (all positive) by departmental area:



Core areas' net expenditure was £13k lower than forecasted for the month of May, this was mainly due to staff savings of £10k, combined with various other smaller variances across core.

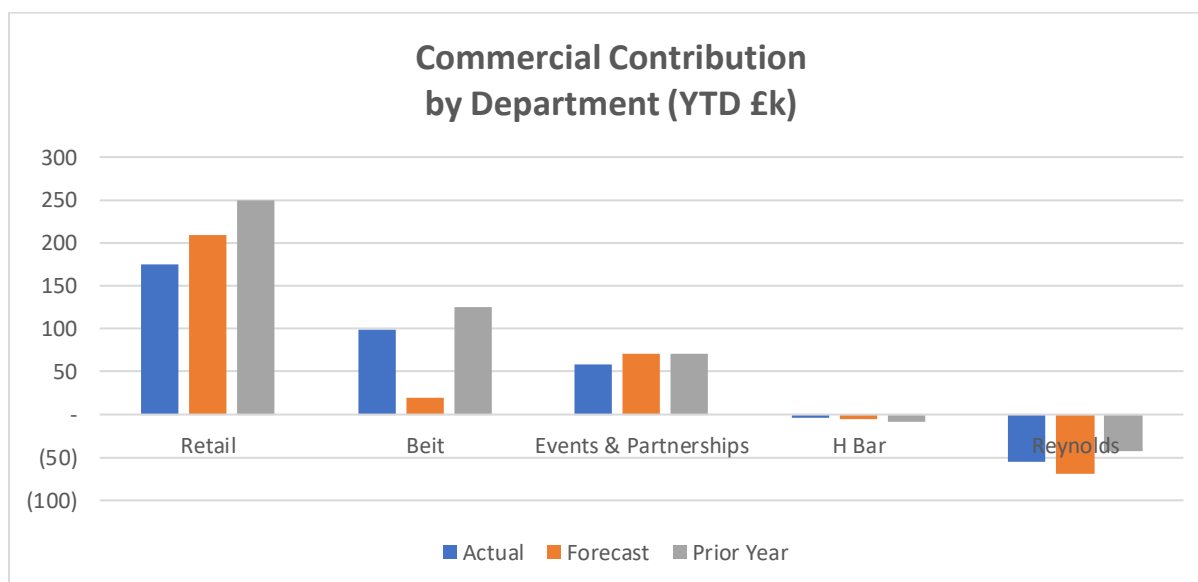
The table below shows a summary of the overall variances to the forecast for each of the core areas.

Area	Variance Month	Variance Year to Date	Year to Date Comments
<b>Income</b>			
Finance	£2k	£11k	Additional bank interest income
Student Activities	£4k	£2k	-
Leadership & Governance	£0k	(£1k)	-
<b>Expenditure</b>			
Finance	£5k	£25k	£18k staff costs savings, underspends of £4k in card commission and £3k irrecoverable VAT
Marketing	£5k	£16k	£7k staff cost savings, £9k other costs savings which are expected to be spent in June/July
Facilities, Health & Safety	£1k	£11k	£10k staff cost savings
Representation	£2k	£10k	£3k underspend in Elections, £1k staff costs savings. Additional Union Awards costs of around £6k expected in June.

Area	Variance Month	Variance Year to Date	Year to Date Comments
Leadership & Governance	(£2k)	£9k	£32k timing difference in Insurance and the cost has been spread over cover period, offset by overspends of £10k in consultancy and £10k in training.
People & Culture	(£1k)	£9k	£4k savings in recruitment costs due to low vacancy rate, £3k training underspend expected to be spent before the end of the financial year
Student Activities	£1k	£5k	£8k staff costs savings, offset by £4k overspend on security staff.
Advice & Support	£1k	£5k	Various underspends across most budget lines
Minibus Service	(£0k)	£3k	-
Systems	£1k	£2k	-
<b>Total</b>	<b>£19k</b>	<b>£107k</b>	

#### 4. Commercial Performance

Commercial Services has generated a net contribution of £117k for the year to date, which is £44k better than forecasted. Positive variances of £79k in Beit Bars and £15k in Reynolds offset adverse variances in Retail and Events & Partnerships, of £35k and £13k respectively. Performance by outlet is summarised below, against forecast and prior year:



*Key Items to note:*

- Our current financial performance across commercial services is broadly in line with expectations.
- Retail contributions have generally been higher than Bars. Beit has out-performed forecast.
- Reynolds - has not been profitable. H Bar - Small losses.

A detailed graph is provided at Appendix A, analysing turnover (income) by outlet for Year-to-Date (compared with forecast & prior year), to show the key drivers of profitability:

### Events & Partnerships

Year to date, Events & Partnerships have made an overall contribution of £58k, which is £13k behind forecast. Events income is up by £21k, but Partnerships income is currently £7k down. Total expenditure is £25k higher than forecast, this can be attributed to an additional £13k spend on staffing, £4k on acts and several other adverse variances, which can be attributed to event running costs.

### Retail

Retail has generated a net surplus year to date of £174k, which is £35k (17%) less than forecast. This is mainly due to poor sales performance in the Shop where, despite a positive May, gross sales are £42k (6%) down on forecast. Shop Extra and Online have both higher than forecasted gross profit figures, with Shop Extra sales up £20k (9%) against forecast.

In the month of May, Shop sales were up £5k (7%) against forecast, Shop Extra sales were up £4k (15%) and Online sales were down £1k (23%). Total expenditure was £5k higher than forecast mainly due to temporary staff costs. Overall Retail reported a net surplus in month of £25k, up £2k (9%) against forecast.

### Venues

In total, the Venues have generated a net year to date surplus of £36k, which is £92k favourable compared to forecast. This is due to positive variances in Beit Bars and Reynolds of £79k and £15k respectively. In the month of May, Venues generated a surplus of £57k, which is £53k higher than forecast which can be attributed to strong sales performance in Beit Bars.

Sales in Beit Bars were up £60k (48%) in month and up £100k (10%) year to date. Total expenditure is in line with forecast year to date, additional staff costs of £15k have been offset by savings in security, training, acts and equipment.

Reynolds Bar sales are slightly up year to date by £2k (3%), despite only trading one day in the month of May. Reynolds in total has incurred a loss of £54k so far this financial year, which is £15k less than forecasted, mainly due to operational cost underspends.

H Bar continues to remain closed, with a total year to date deficit of £4k which is broadly in line with forecasted expectations.

## **5. Balance Sheet**

The Union's Balance Sheet continues to show a strong financial position, with net assets of £3.55m as at 31<sup>st</sup> May 2025.

Fixed assets net value have increased by approximately £111k this financial year, reflecting 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£250k since the start of the 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 has been that this will reduce as these lines are sold and have a £140k month planned in for June so stock levels are at considered to be at their peak.

The majority of stock is new (within the past 13 months so risk of write-off is considered low by Commercial Team).

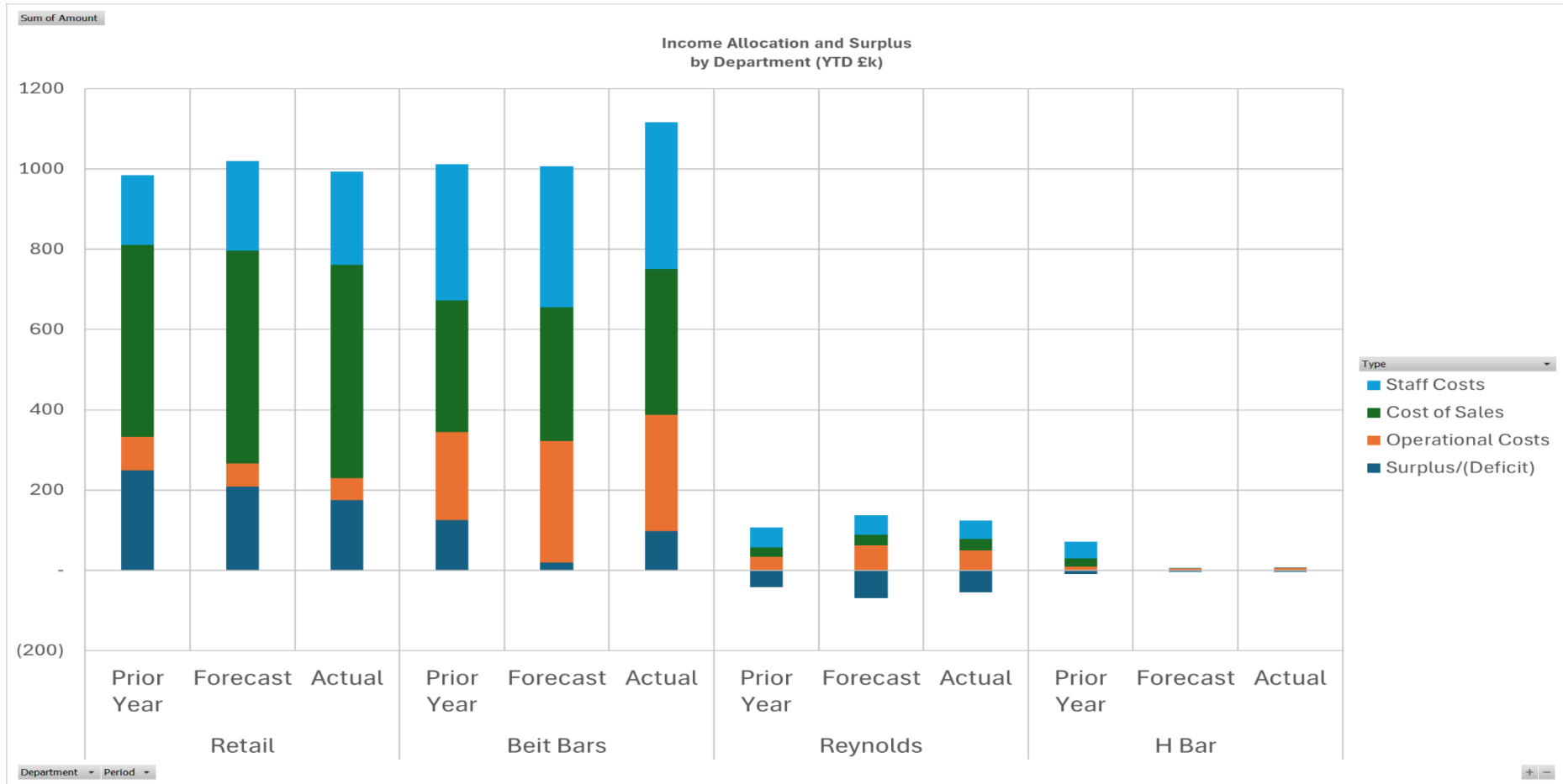
Debtors are £56k higher than at this point last year, this is due to a few large overdue invoices for which payment has been received in June.

Creditors are £405k lower than at this point last year, this is mainly due to the removal of the pension deficit provision of £288k.

## **6. Cashflow**

The cashflow statement shows a healthy cash position, with a cash balance of £3.81m as at 31<sup>st</sup> May 2025. The bank figures now include the higher interest earning account with NatWest. The cash position is supported by restricted funds (£2m) and creditors (£1.2m).

This graph analyses turnover (income) by outlet for Year-to-Date (compared with forecast & prior year), to show the key drivers of profitability:



**Items to note:**

- Retail generally more profitable than Bars - but its margin (presented as “Surplus/(Deficit) in Dark Blue) is down v forecast & prior year. This is driven by staffing restructure (v prior year) and reduction in sales margin and volume in the current year (v forecast). We have begun shifting towards a more sustainable product range in response to both our values and student feedback around high price points. As part of

our long-term strategy, we aim to reduce the gross margin to 45% (as reported in the Management Accounts, year-to-date margin is 48% v51% forecast and a 55% budget).

- Beit - increased sales driven by top line sales up (v forecast and prior year).
- In Venues, we implemented an average 15% reduction in prices this year, removed fees for all non-service bookings, and ensured that at least 30% of events were free and accessible. This approach has focused on giving back to students and increasing engagement, while carefully managing the financial impact.
- To support these initiatives, we prioritised growth in Partnerships, which—although not broken out separately in the charts above due to integration with Events—has seen income almost double, from £67k last year to £130k this year.
- Reynolds - losses driven by low sales (not sufficient to cover overheads/staffing).
- H-Bar - minimal activity.