Imperial College Union
Board of Trustees / 25 February 2026

Financial Reforecast 2025/26

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Purpose: To show the forecasted year end position for the 2025/26 financial year

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

1. Reforecast Process

A reforecast exercise was undertaken relating to the Union's revenue budget approved by trustees at the start of the year. Templates were populated with actuals from August-November and the remaining eight months from the approved budget. These were circulated to budget holders who reviewed the projected figures for the remainder of the financial year, amending these as appropriate. The December accounts were shared separately for reference during this process.

The reforecast process did not cover longer term capital requirements, which are in the process of being reviewed to inform a separate discussion with the University in terms of funding support. A separate paper will follow later in the year on this.

This paper was presented for to the Finance, Audit and Risk Committee on 18 February for receommendation to the Board. A verbal update will be provided at the Board of Trustees, since this paper was written before this date.

2. Reforecast Overview

We're currently expecting to achieve a surplus of **£81k**, which is £52k ahead of budget. This can be mainly attributed to additional bank interest of £47k, permanent staff savings of £20k, and core expenditure savings of £12k, offset against a decrease in commercial contribution as a whole (including Retail and Commercial Services including bars, events and Partnerships) of £23k.

Core grant-funded activities before depreciation are expected to generate a surplus of £52k compared with a £25k deficit budget (break-even before depreciation).

Retail is forecasted to finish the year with a surplus of £20k (£4k ahead of budget). Commercial services, including venues and events, are expected to achieve a £9k surplus, £28k behind budget due to negative variances in bars, including an expected £10k loss in Reynolds Bar.

3. Key Assumptions

The key assumptions used in the preparation are as follows:

i. There have been no changes to the staffing structure in-year. No further pay rises or cost of living payments will be made in the current financial year.
ii. The vacancy savings assumption of £60k from the budget has been removed. Vacant roles will be filled within the timeline indicated by budget holders. If currently vacant roles are

recruited later than expected, the budget holders expect to use the savings to fund agency staff to cover vacant posts.

iii. Casual staff cost increases from 1st April (set out in separate paper) covered within commercial reforecast assumptions. No uplift has been assumed yet in non-commercial areas but the cost impact would be minimal (and the impact of any increases would be covered by contingency, if proposed increases are agreed).

iv. The catering provision included in FY24/25 accounts remains a prudent estimate. If there are any changes, we would expect confirmation in the Spring, following HMRC's recent review of our figures.

v. General Contingency in Leadership has been reduced from £15k to £9k.

vi. Additional provision for legal costs (for potential advice needed on contracts) of £7.5k.

vii. Summer Ball/Festival - budget remains at break-even (aside from nominal £0.4k costs incurred to date). Discussions are in progress with the University on funding support for this, which will have an impact on both the range of activities and potential ticket prices.

viii. H Bar will remain closed.

An overview of the reforecast is shown below:

	Reforecast 25-26				Budget 25-26			
	Core, Grant-Funded	Retail	Commercial Services	Total	Core, Grant-Funded	Retail	Commercial Services	Total
Income								
Block Grant	3,264,497	-	-	3,264,497	3,264,497	-	-	3,264,497
Commercial Management Fee	170,000	-	-	170,000	170,000	-	-	170,000
Other Income	160,417	-	-	160,417	139,523	-	-	139,523
Partnerships	-	-	151,602	151,602	-	-	160,000	160,000
Venues	-	-	2,080,865	2,080,865	-	-	1,794,106	1,794,106
Retail	-	1,354,167	-	1,354,167	-	1,289,071	-	1,289,071
Income Total	**3,594,913**	**1,354,167**	**2,232,466**	**7,181,547**	**3,574,020**	**1,289,071**	**1,954,106**	**6,817,197**
Cost of Sales								
Venues	-	-	(591,525)	(591,525)	-	-	(474,158)	(474,158)
Retail	-	(728,810)	-	(728,810)	-	(681,314)	-	(681,314)
Gross Profit	**3,594,913**	**625,357**	**1,640,942**	**5,861,213**	**3,574,020**	**607,757**	**1,479,948**	**5,661,725**
Expenditure								
Core Expenditure Total	(3,517,855)	-	-	(3,517,855)	(3,633,512)	-	-	(3,633,512)
Vacancy savings assumption	-	-	-	-	60,000	-	-	60,000
Commercial Overheads	-	(213,534)	(169,307)	(382,841)	-	(217,678)	(169,625)	(387,303)
Partnerships	-	-	(81,732)	(81,732)	-	-	(86,228)	(86,228)
Venues	-	-	(1,380,774)	(1,380,774)	-	-	(1,186,958)	(1,186,958)
Retail	-	(391,370)	-	(391,370)	-	(373,792)	-	(373,792)
Total Expenditure	**(3,517,855)**	**(604,904)**	**(1,631,813)**	**(5,754,571)**	**(3,573,512)**	**(591,469)**	**(1,442,810)**	**(5,607,791)**
Operating Surplus/(Deficit)	**77,059**	**20,453**	**9,129**	**106,641**	**508**	**16,288**	**37,138**	**53,934**
Depreciation of Core Assets	(25,425)	-	-	(25,425)	(25,425)	-	-	(25,425)
Total Surplus/(Deficit)	**51,633**	**20,453**	**9,129**	**81,216**	**(24,917)**	**16,288**	**37,138**	**28,509**

Further detail is available within the detailed Appendices, provided separately.

4. Commercial Commentary

The total commercial contribution is £23k behind budget, which is based on fairly prudent assumptions and there remains potential upside within the forecast. This includes £30k for summer festival expenditure (replacement for Summer Ball), which could be offset should funding from the university be secured. Wet revenue performance in Beit is also a key variable; June has the potential to exceed £220k due to the World Cup and end-of-year events, although this would be significantly above the historic high of £177k and remains weather dependent. Costs have been retained within the forecast, leaving potential for a further £40k swing depending on trading performance.

Catering has also been forecast conservatively due to the limited EPOS and financial data we have, though it is expected to deliver a £10k–£20k surplus.

Overall, if trading conditions remain favourable and we have good weather, the likely year end position could be a commercial surplus in the region of £100k+, we will know this by end of June / early July.

Another key thing to flag is that in previous years no central service fee or central overheads were charged - this was all charged centrally (hidden costs). Commercial is now fully self-funded and contributing to central costs through its £170k Management fee with total central costs of £382k. For context, in 2023 the Commercial surplus = £133.8k with all other costs charged within the block grant; if those central costs were charged (£380k) as they are now, 2023 would be showing a deficit of £246k.

5. Expected Reserves Position

If achieved, the amount available for strategic investment would be approximately **£204k** (£97k as identified in the FY24/25 accounts + forecast £107k surplus before depreciation). This would represent a recovery of some of the loss arising from the catering provision entered last year (NB: £271k was available at the end of FY23/24), though may change as a result of changes in forecast assumptions, including in risk areas highlighted above.

Potential areas for future strategic investment continue to be reviewed by the Union.

6. Actions

The Committee is asked to **approve** the reforecast for the remainder of the financial year.