Imperial College Union
Board of Trustees / 29 July 2026

Expected Financial Outturn 2025/26

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Purpose: To provide an update on the projected financial position at the end of the 2025/26 financial year
Action(s): To note

1. Introduction

The expected financial outturn 2025/26 provides a summary of the expected financial position of the Union as at 31st July 2026.

The outturn exercise was completed in June and presented to Finance, Audit and Risk (FAR) Committee. A verbal update was provided to FAR on conclusion of HMRC's VAT inspection, including some final revisions to interest charges, which is noted in the Summary Section below.

2. Summary

The outturn exercise indicated that the Union was expected to finish the financial year with a total surplus of **£148k**, compared with a forecast of £67k. This favourable outcome is mainly due to positive variances in other income of £32k, and savings across core, grant-funded expenditure of £38k.

A further one-off (positive) adjustment of **£124k** will be processed at year-end relating to the Union's catering VAT provision of £281k. The original figure was an estimate processed in last year's accounts was subject to HMRC review and involved some periods becoming out-of-time and calculation corrections which management were able to work through as part of the inspection. HMRC then revised their original interest calculations in the Union's favour.

The net result is now an expected surplus in the region of **£272k**, subject to any further variances in June & July.

3. Preparation & Key Assumptions

The financial outturn was developed using actual figures for August – May, and figures from the forecast for June & July. Some manual adjustments were then made to account for timing differences or to incorporate more appropriate and up to date estimates.

The following key assumptions were made:

i. The general contingency of £9k in Leadership has been retained to cover additional costs that may emerge.
ii. Full year budgets for officer trustee projects, liberation group funding, staff training etc have been maintained by adjusting June/July figures as required.
iii. The Minibus service expenditure has been increased to offset increased income and reduce the area's net surplus to £0.
iv. The Summer Series includes a prudent assumption of break-even, although it is currently expected to make a small surplus.

The outturn estimate of £148k does not include any correction relating to historic catering VAT provision, which is noted above.

4. Grant-funded Performance

The core, grant-funded areas of the Union are collectively on track to finish the year within the total forecasted expenditure, although some areas have seen significant variances.

- **Facilities, Health & Safety** – £17k favourable due to permanent staff vacancies.
- **Finance** – £12k favourable to forecast due to lower than expected irrecoverable VAT and card commission costs.
- **Student Activities** – £11k favourable, staff savings of £12k offset by minor expenditure variances.
- **Marketing & Communications** – £8k favourable due to various expenditure savings, including £3k in publicity.

5. Commercial Performance

Venues are expected to make an overall surplus of **£106k**, which is £3k lower than forecast. Beit Bars is expected to generate a surplus of £134k, £31k ahead of forecast, while Events is expected to generate a £6k contribution – or £8k less than forecast. Reynolds and Catering are expected to make losses of £21k and £12k respectively. H Bar remains closed.

Partnerships is expected to generate a surplus of £80k for the 25/26 financial year, which is £10k ahead of forecast.

Retail is expected to achieve a surplus of £231k, or £3k adverse to forecast.

	Expected Outturn	Mid-year Reforecast	Difference	25-26 Budget	Difference
Income					
Block Grant	3,264,497	3,264,497	-	3,176,000	88,497
Other Income	192,444	160,417	32,028	228,020	(35,576)
Commercial Management Fee	170,000	170,000	-	170,000	0
Commercial Contribution	27,888	29,582	(1,694)	53,426	(25,538)
Income Total	**3,654,830**	**3,624,496**	**30,334**	**3,627,446**	**27,384**
Expenditure					
Advice & Support	(194,088)	(192,498)	(1,590)	(192,932)	(1,156)
Facilities, Health & Safety	(134,058)	(150,726)	16,668	(181,293)	47,235
Finance	(327,520)	(339,650)	12,131	(377,503)	49,984
Leadership & Governance	(754,527)	(745,481)	(9,046)	(798,779)	44,252
Marketing & Communications	(341,656)	(349,544)	7,888	(353,058)	11,402
Minibus Service	-	(90)	90	-	-
People & Culture	(142,356)	(142,292)	(65)	(145,886)	3,530
Representation	(293,677)	(294,087)	409	(252,933)	(40,745)
Student Activities	(1,074,590)	(1,085,728)	11,138	(1,110,273)	35,683
Systems	(217,670)	(217,760)	89	(220,854)	3,183

Vacancy savings assumption	-		-	60,000	(60,000)
Expenditure Total	**(3,480,143)**	**(3,517,855)**	**37,712**	**(3,573,512)**	**93,369**
Operating Surplus/(Deficit)	**174,687**	**106,641**	**68,046**	**53,934**	**120,752**
Depreciation	(26,467)	(25,425)	(1,042)	(25,425)	(1,042)
Total Surplus/(Deficit)	**148,219**	**81,216**	**67,004**	**28,509**	**119,710**

6. Impact on Strategic Investment Fund

The expected impact of the surplus (including VAT correction) on reserves – specifically the amount available for capital and future strategic investment - is summarised below:

	£
Year-end reserves 31/07/25	**839,004**
Outturn	148,219
Catering VAT Provision Adjustment	123,812
Other adjustments:	
Designated Funds (Catering)	-40,400
Asset Additions	-62,000
Asset Depreciation	68,565
Reserves as at 31/07/26	**1,077,201**
Reserves target	-640,000
Strategic Investment Fund 31/07/26	**437,201**

The Capital Expenditure Budget paper identifies some options for utilising a proportion of the £437k figure.