

Imperial Union Trading Ltd

5th Meeting of the Directors / 7 October 2026

Annual Report 2025-2026 Covering Note

Author(s): Peter Greaney (External Finance Director)
Purpose: To provide context to the attached year-end papers
Action(s): To approve the directors' report, annual accounts and letter of representation; note the Audit Findings Report and audit retender plan; and authorise submission steps.

1. Introduction

Draft statutory accounts for Imperial Union Trading Ltd (IUT) have been prepared for the period ended 31 July 2026 and are due for approval.

Buzzacott have completed their audit fieldwork, and a Post Audit Findings Report is attached. A summary of key findings relevant to IUT is presented below, since this report covers the parent Charity as well as IUT.

2. Annual Report & Accounts

These are attached and show a **£43.5k** surplus which is payable to the Union under the gift aid deed of covenant agreement between the entities.

The surplus is below the £52k figure reported in the July management accounts due to an £8.6k audit adjustment (explained below) but ahead of the £35k mid-year forecast, so broadly in line with expectations.

The accounts are now due for approval by the Board prior to audit signature, subject to any final comments or queries.

Once signed off by the auditors, the surplus needs to be distributed to the Union within 9 months of year-end (so by 30 April), in line with HMRC rules. There are no cash concerns indicated by the balance sheet which might impact this, so Management's intention is to pay this as soon as practicable.

3. Key Audit Findings

The auditors' Post Audit Report (attached) was discussed with Management, and we accept the findings of the report.

The key items relevant to IUT to note are:

- Unqualified opinion planned (as included on Pages 5-7 of the accounts).
- An adjustment of £8.6k was processed in updated accounts (room booking income reduced as related to next year).
- IUT's surplus (£43.6k) recognised as payable to the Union at year-end, rather than as retained profit to be distributed (and accounted for) next year. This was a presentational change explained by the existence of a legal covenant agreement.
- Recommendation on having an AI Policy (also applies to Charity)

The minor updates referred to on Page 5 have been processed in the attached version as far as Management are concerned.

Other findings relate to the Union, so will be picked up via the Union's Finance, Audit & Risk Committee.

4. Letter of Representation

The auditors also require the attached letter to be approved by the Board, as part of their audit process. This is a standard letter to them which requires Directors to confirm that there are no issues to communicate which they are aware of, and that their responsibilities have been fulfilled. Management is comfortable with the letter.

5. Future Audit Retender Plan

A paper is planned for the Finance, Audit and Risk Committee in October outlining the intended next steps for audit retender. This is intended to cover the process for IUT auditor appointment (or re-appointment) from 2026/27, as well as the Union.

6. Conclusion

The Board is asked to **approve** the directors' report, annual accounts and letter of representation, and confirm that they can be signed on behalf of the board by any director

The Audit Findings Report and Audit Retender Plan are to **note**. A detailed response will be developed for the AI recommendation (included in the former) in due course.

In terms of accounts completion and submission steps, the Board is also asked to **authorise**:

- (a) Officers to make any non-substantive presentational changes agreed with Buzzacott from this point and prior to their signing
- (b) Circulation to ICU as shareholder and filing at Companies House once the auditor has signed its report.
- (c) Submission of the [nil] corporation tax return and accompanying accounts to HMRC.