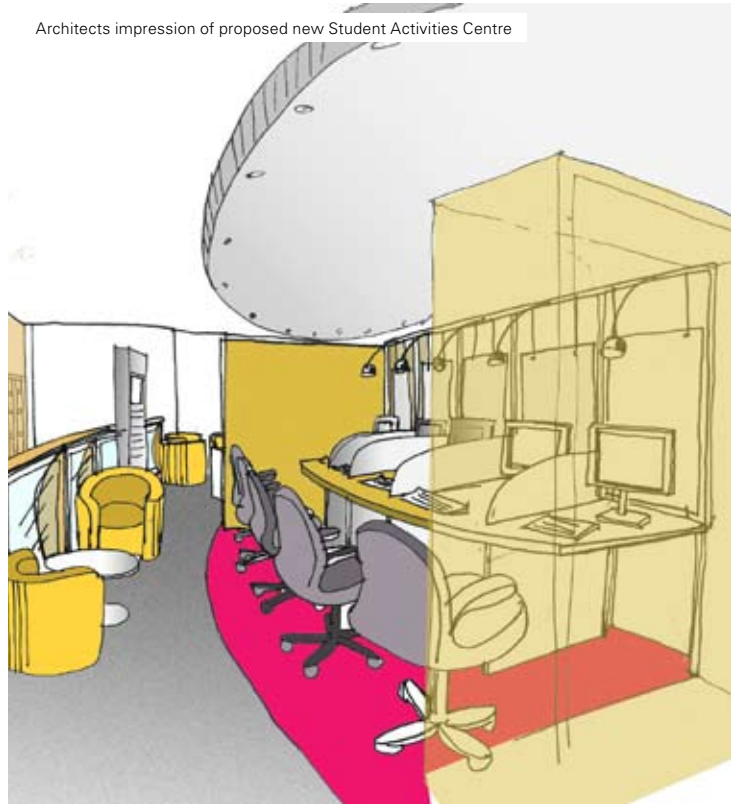


Annual Report 2006/2007





Beit Quad in Summer



Architects impression of proposed new Student Activities Centre



Sir Richard Sykes, Rector, enjoying the Centenary Ball

Foreword From the President

It has been an extraordinarily busy year for Imperial College Union, and I am proud to have led this organisation through an intense period of change.

This year we have delivered a £1.8 million redevelopment project and we are set to invest a further £3.2 million into the Beit Building next year. Thanks to this investment our students can enjoy a brighter and more accessible Union Building, and the College can enjoy a revitalised historic corner of the South Kensington campus. Should funding for the next phase of the Beit Master-plan be secured, then future students can look forward to a state of the art student services centre that will provide much needed support to our core business.



It has been a pivotal year for external relationships. In the largest referendum ever to be held at our College, our students have chosen to re-affiliate to the National Union of Students for the first time in thirty years on a turnout of over 30% - the highest ever recorded. Whilst we are sad to lose our ties to the University of London when Imperial becomes an independent university this July, I am delighted that our students have chosen to embrace the rest of the student movement and play a significant role in our national body.

We have also played a major role in the new London Student Assembly, a body that feeds advice directly to the Mayor of London, and we look forward to developing the role of this new body next year.

Our new website has grown to become the most visited student website in the UK, and probably Europe, turning over £300,000 in its first year. This new website has not only improved our ability to communicate with our members, it has also streamlined many of our administrative processes.

We have boldly chosen to reform our governance and embrace best practice in the third sector. From Autumn 2007, ICU will be governed by a highly skilled Trustee Board, bringing in expertise from external members to give us a long term strategic vision.

Our centenary events have engaged and entertained thousands of members of the College community and raised tens of thousands for Centenary appeals. The highlight of the celebrations was marked by our tremendously successful Centenary Ball, which was attended by over 2500 guests in June 2007.

Throughout the past year we have actively sought to work with Imperial College to improve the service both organisations provide to students. In January 2007 we launched a Sports Partnership with Sport Imperial to bring joined-up thinking to sports development and strategy across the College. We have drawn up new agreements that will see much needed and appreciated support from the College's professional service divisions next year, and we have used our influence to shape College policy on a range of important academic issues, such as PhD students' pay and degree class awards.

Our students have shown that they wish to see a fairer and greener world, and I have been delighted to see several strong campaigns come to fruition this year. Following well co-ordinated campaigns and petitions of thousands of signatures, the Union Council have endorsed a radical new environmental and fair-trade policy for the whole organisation.

Managing change is never easy and all of these achievements have only been delivered thanks to the dedication of our officers, staff and volunteers. Some of these changes have been painful, but I am confident that they will make our Union stronger and more sustainable in the long term.

It has been a pleasure and a privilege to lead Imperial College Union this year and I would like to thank the students of Imperial for giving me the chance to make a difference to this Union this year. All this leaves me is to wish the new Sabbatical team and trustees of the Union the very best of luck in the next academic year.

A handwritten signature in black ink, reading 'John Collins'.

John Collins

Imperial College Union President 2006/2007

Centenary Balloon Race



NUS Referendum Campaigning



Wye Bar Refurbishment



Sabbatical Officers in Hyde Park



Varsity Match 2007



Beit Quad in Bloom



Introduction

Imperial College Union is required under the conditions of its Memorandum of Understanding with Imperial College to present an annual report and audited financial statements for the year 2005/06 to the Imperial College Council. The purpose of this document is to summarise the key achievements of the ICU in the academic year 2006/07, to set out plans for the 2007/08 academic year, and to demonstrate that the ICU has been run in a fair and democratic manner and is accountable for its finances.

This report was endorsed by the ICU Executive Committee on June 7th and by the ICU Council, which is the sovereign body of the Union, on June 11th.

Key Achievements

Beit Refurbishment Project

The first phase of the Beit Refurbishment project was delivered £400k below the original budget of £1.8M and the main elements of the project were delivered on time. This phase involved the wholesale refurbishment of the core of the Beit Building. The redecoration of the ground floor commercial outlets, the installation of an Electronic Point of Sale system in the Union trading outlets, the refurbishment of the existing lift and the installation of a larger DDA compliant lift. This project has breathed life into a decaying building and the whole of the Beit Quadrangle environment has benefited from this investment.

Throughout the 2006/07 academic year the Union has developed plans for the second phase of the long term Beit Master-plan refurbishment programme. A bid for a College grant has been submitted which, along with funds acquired from other sources, would allow for the creation of a centralised Student Activity and Resource Centre on the second floor of the Beit Building, the relocation of the multi-use gym to the third floor and the relocation of meeting rooms to the East Basements.

Governance Reforms

Following a wide consultation of the student body, the College and legal experts, ICU has implemented a radically new model of governance that will come into effect on August 1st 2007. The Union was motivated to conduct this governance review to ensure that it is compliant with the incoming Charities Act 2006 and in response to concerns expressed by the student body in the 2004/05 Strategic Review exercise.

The centre-piece of the new governance structure is a sovereign, skilled, small Board of Trustees that will be chaired by College Governor, Ram Gidoomal CBE for the duration of the 2007/08 academic session, during which the board will take on a temporary transitional remit. This board will be formed of four democratically elected student trustees, three senior union officers and four external lay trustees. It will be tasked to improve the governance of ICU as a non exempt charity and will aspire to the highest levels of transparent, strategic governance.

The student union Council will continue to set broad policy of ICU, subject to Trustee Board resolutions, and the Executive Committee will continue to oversee the administration of the organisation. A new quasi-external body, known as the ICU Court, has been created to mediate in disputes, oversee disciplinary appeals and conduct elections in a transparent, apolitical manner. The Council, Executive and Court will form a tripartite governance structure, making ICU unique amongst other London student unions.

Further minor changes to the governance structure of the Union include the re-introduction of a Health and Safety Committee and the creation of a Representation and Welfare Board to oversee academic, welfare and campaigning matters. Equality and campaign portfolios have also been created to encourage students interested in campaigning to engage in the democratic structures of ICU. Whilst it is early to tell if these changes have been successful, early signs suggest that the Representation and Welfare Board is working extremely well.

NUS Affiliation and Transition

In light of Imperial College's withdrawal from the University of London and, consequently, ICU's withdrawal from the University of London Union, the student body elected to hold a cross-campus referendum to re-affiliate to the National Union of Students. This referendum was held in November 2006 and recorded a "yes" vote by 53% against 47%. ICU was officially welcomed into NUS membership at the National Conference held in Blackpool on March 29th 2007. Since the result of the referendum ICU has worked closely with NUS to ensure a smooth transition into full NUS membership.

Centenary Celebrations

ICU has fully engaged in the College's Centenary celebrations and has contributed in a number of ways. The President chaired a sub-group of the College's programme and represented the Union at Centenary Board Meetings. The ICSMSU President was nominated Project Manager and played an important role on co-ordinating the Union's centenary events. Highlights of the Centenary celebrations so far include:

- A Centenary launch event, which saw the launch of a balloon race in Beit Quad,
- The Centenary Science Challenge essay writing competition, which saw over 100 schools and 100 imperial entrants take part, in an effort to promote science communication amongst the general

Imperial College London Summer Ball 2006



Careers Fair 2006



Students relaxing in the Quad



public. Judges included Simon Singh, Raj Persaud, Roger Highfield and Robert Winston and culminated in a centenary celebration at the Ritz London,

- A Centenary University Challenge Quiz, which created a united Imperial team to enter in the national televised competition,
- A Centenary Ball, which has broken records in ticket sales and raised tens of thousands of pounds for the Beit Centenary appeal,
- A plethora of sporting events, including varsity matches, a marathon runner and a bike race from Land's End to John o'Groats.

Next academic year the Union hopes to build on the successes of these events and develop closer ties with our alumni.

Staffing

In line with the introduction of a new EPoS system in the Union's trading outlets, following changes to the Union's governance structures and in order to improve management in ICU, the Senior Management Team and Commercial Services Division have been restructured.

Stuart Williamson joined the Union as new Trading Manager. He is responsible for leading all Beit trading activities and heads a new trading team comprising by Francesco Atanasio (bars), Andrea Alleyne (catering), Malcolm MacPherson (Entertainments) and David Ashton (Administration).

Following a review of the Deputy President (Graduate Students) role it has been resolved that the position should be reformed and replaced with a volunteer position with additional staff support. The Union intends to create a new position to support Postgraduate representation both centrally through ICU and also through its Faculty Unions.

Service Level Agreements

This academic year the Union has worked closely with Imperial College to establish service level agreements for the support services of the College. Whilst agreements have been reached for the Human Resources, Facilities Management and Information and Communication Technology divisions, further work is needed before both parties will be in a position to adopt an agreement with the Finance division.

Sports Partnership

In January 2007 the Union launched a Sports Partnership with Sport Imperial with a view to improving collaboration and support for all sporting activities at Imperial College.

PhD Students' Pay

Following widespread consultation and a successful presentation to the College's Strategic Education Committee, the College has agreed that all PhD students should receive London weighted bursaries from the next academic year. This move will have an extremely positive impact on the welfare of hundreds of postgraduate students at Imperial College. Indeed, some students can expect to see an increase in their grant in excess of £5K thanks to this agreement.

Degree Classifications

Student representatives have identified inconsistencies in the College's degree classification awards between departments and highlighted several departments where the proportion of 1st class and upper 2nd class degrees being awarded is significantly below the proportions awarded by other leading institutions. Following a paper to the Senate and a presentation to the Strategic Education Committee, the College has resolved to increase the proportion of 1st and 2:1 degrees to be awarded to 70% of all degrees.

Appraisals

For the second year in a row, the Union conducted 360 degree appraisals of all of its senior staff and Sabbatical Officers. The results from this exercise were very positive, with many contributors commenting that the Sabbatical team was one of the strongest teams there has been at Imperial College Union for many years.

Future Plans

Over the course of the next year ICU will endeavour to:

1. Work with the recently introduced governance reforms and ensure that they are established and strengthened,
2. Identify a vision, mission, purpose and values for the organisation and communicate them to our stakeholders,
3. Prepare for next Strategic Plan, to be led by the new Trustee Board,
4. Register with the Charities Commission and ensure that the Union complies with best practice and operational guidance,
5. Improve staff training and induction procedures to ensure that all staff members buy-in to the values of the organisation,
6. Develop a coherent communications and sponsorship strategy,
7. Improve financial reporting and scrutiny.

Elections and Referenda

Elections of the four Sabbatical Officers who will take office during the 2007/08 academic year were successfully held in March 2007. Elections for Faculty Union Presidents and the Chair of the Graduate Students' Association were successfully undertaken between March and June 2007. This year an unprecedented number of officers and representatives elections were conducted using the online voting system. Turnout for the Sabbatical Officer elections was registered at just under 13%, which is slightly lower than last year's turnout. The election results for senior officers are given in the table below.

Position	Holder	Department
ICU President	Stephen Brown	Mathematics
ICU Deputy President (Clubs & Societies)	Alistair Cott	Materials
ICU Deputy President (Education & Welfare)	Kirsty Patterson	ESE
ICU Deputy President (Finance & Services)	Chris Larvin	ESE
C&GCU (Engineering Faculty Union) President	Tristan Sherliker	Bioengineering
ICSMSU (Medicine Faculty Union) President	Timothy Wills	Medicine
RCSU (Nat. Sciences Faculty Union) President	Jennifer Morgan	Life Sciences
Graduate Students' Association Chair	TBA	TBA

One referendum was held this year on the question on whether ICU should affiliate to the National Union Students. After a vibrant and at time heated debate, the student body voted to affiliate to the NUS in a cross campus referendum that saw the highest level of turnout ever recorded at Imperial College (30%).



Sabbatical Officers 2007/08

From left to right: Alistair Cott, Steven Brown, Kirsty Patterson, Chris Larvin

ICU Affiliations and Donations

In the 2006/07 academic year ICU affiliated to or donated money to the following external organisations:

Organisation	Affiliation
Advice UK	200.00
Aiuchi Jiu Jitsu Association	250.00
Amateur Football Alliance	428.00
Amateur Rowing Assoc	815.00
Assoc of British Theatre Tech	175.00
British Collegiate Parachute	35.00
British Mountaineering Club	287.50
British Sub-Aqua Club	1,143.50
British Uni Ice Hockey Assoc	10.00
Capoeira Abolicao UK	191.00
Central Table Tennis League	111.90
English Hockey	260.00
English Lacrosse Assoc	118.00
European Medical Students' Association	89.19
Fire Service Preservation Group	25.00
Lasham Gliding Soc	1,248.51
London Society of Referees	493.50
Medsin UK	100.00
Middlesex County RFU Ltd	40.00
Motor Sports Association	56.00
National Hindu Students Forum	256.50
National Postgraduate Committee	632.00
National Student Television Association	115.00
National Union of Students	20,000.00
Social Sports Ltd	400.00
Surrey Rifle Assoc	225.00
The British Judo Assoc	50.00
The Jitsu Foundation	300.00
UKCOSA	299.51
Uni & College Tenpin Bowling	120.00
United Hospital Cricket Club	450.00
United Hospital RFC	300.00
United Hospitals Music	100.00
United Nations Association - UK	42.00
Vintage & Veteran Motor Club	55.00
Association of Managers in Students' Unions	700.00
British Caving Association	55.00
British Fencing Association	40.00
British Gliding Association	542.75
British University Sports Association	10,975.75
British Universities Snowsports Council	150.00
Federation of Student Islamic Societies	10.00
Grand National Archery Society	97.00
Kent County Football Association	162.90
National Association of Student Money Advisors	55.00
National Smallbore Rifle Association	123.63
Rugby Football Union for Women	117.00
Southern England Students Sports Association	260.00
Inter Varsity Dance Association	25.00
Southern University Dance Club	25.00
Grand Total	42,761.14

Organisation	Donation
CHASE Hospice Care for Children	31,996.98
Islamic Relief	7,042.88
Nicholls Spinal Injury	5,000.00
Operation Framework	3,000.00
Medecins Sans Frontieres	2,118.30
Cosmic	1,300.00
Unicef UK	873.99
Kashmiri International Relief	740.95
Fund for Epilepsy	80.00
Grand Total	52,153.10

Affiliations	42,761.14
Donations	52,153.10
Total	94,914.24

Union Awards

In June 2007 the following individuals were awarded colours of ICU:

Half Colours

Awarded to those who have made a "positive contribution to the general life of the Union in an extraordinary fashion."

Jibran Ahmed
Shazia Arshad
Steve Ashton
Martin Bailey
Daniel Burrows
Junwei Chen
Priya Garg
Jessica Gillingwater
Kate Harvey
Edmund Hunt
Andreas Koukos
Sophie Mitchinson
Simon Nance
Daniel Sauder
Saba Shafi
Floencia Tettamanti
Hannah Theodorou
Jamie Thompson
Lily Topham
Ved Vyas
Matthew Wallace
Ammar Waraich
Lara West
Tim Wilson

Full Colours

Awarded to those who "repeatedly, through outstanding achievements, over the course of the year, have made a significant contribution to the life of the Union."

Shobhit Arya
Ashley Brown
Stephen Brown
Eugene Chang
Alex Guite
Matthew Hoban
David Layfield
Kirsty Patterson
Adele Peel
Aidan Roche
Nicholas Simpson
Eirini Spentza
Joanna Swarbick
Mary Williamson

Outstanding Service Award

Awarded to those who "have displayed continuous outstanding achievement across a broad spectrum of Union activities."

Tianzuo Huo
Jad Marrouche

Fellowship

Awarded to those "who have continuously over the years served the Union in an exceptional manner over the years."

Anojan Arulanthanan
Steven King
Daniel McGuinness
James Millen

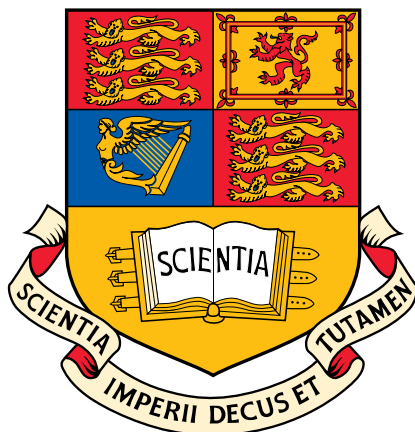
Distinguished Fellowship

Awarded to those "who have served the Union in a selfless and dedicated manner which is both exceptional and beyond reproach."

Mark Flower

President's Award

Prof. Sir. Leszek Borysiewicz
Shiv Chopra
Hamish Common
Victoria Langer
Robin Pitt



Imperial College Union

Report Of The Executive Committee For The Year Ended 31st July 2006

The Executive Committee of Imperial College Union presents its Annual Report together with the audited financial statements of the Union for the year ended 31 July 2006.

Constitution And Objectives

Imperial College Union (the 'Union') is an unincorporated association constituted by virtue of the Royal Charter establishing the Imperial College of Science, Technology and Medicine (the 'College') and under the terms of the College's statutes derived from that Charter and a Constitution approved by the College Council.

Under the terms of its Constitution the Union's aims and objects are:

1. To advance the education of its members and promote, without prejudice, their welfare at all times.
2. To promote and encourage the interest by students in matters outside the College curriculum, especially cultural, social and sporting interests.
3. To represent the needs and interests of its members to Imperial College, the University of London and other external bodies.
4. To provide or ensure a range of facilities which advance the interests of the students of Imperial College.

The Union is a charity exempt from registration under the Charities Act 1993, by virtue of being a statutory body and quasi-subsidary of the College which itself has charitable status.

Executive Committee

The Executive Committee, whose members act as the Charity Trustees of the Union on behalf of the College Council, in the year under review had the following membership:

	Post	Elected (if not 1 Aug 05)	Resigned (if not 31 Jul 06)
Sameena Misbahuddin	President		
Simon Matthews	Deputy Deputy President (Clubs & Societies)		
Sarah Khatib	Deputy President (Education & Welfare)		
Tim Aplin	Deputy President (Finance & Services)		
Luis Hui	Deputy President (Graduate Students)		
Danny McGuinness	ICSMSU President		
Siddharth Singh	C&GCU President		
Killian Frensch	FPSSU President		
Mariko Tavernier	FLSSU President		
Jasmine Sze	Overseas students committee representative		
Kian Sing Low	Welfare committee representative		
Mark Flower	Student activities committee representative		
Dominic Teichmann	Student activities committee representative		
Henri Ozarovsky	Academic Affairs Committee representative		

The Chair was the President Sameena Misbahuddin. The Permanent Secretary (Peter Haldane), Union Head of Finance (Dave Parry), Head of Commercial Services (Sue Bedford), Head of Student Services (Robin Pitt) and Honorary Senior Treasurer (Simon Archer) were permanent observers. Rebecca Coxhead (Administration Coordinator) was the clerk to the committee.

As at the date of this report, the Executive Committee comprises:

	Post	Elected (if not 1 Aug 06)	Resigned (If not current)
John Collins	President		
Eric Lai	Deputy President (Clubs & Societies)		
Ben Harris	Deputy President (Education & Welfare)		
Jon Matthews	Deputy President (Finance & Services)		
Shama Rahman	Deputy President (Graduate Students)		
Shiv Chopra	ICSMSU President		
James Fok	C&GCU President		
Jad Marrouche	RCSU President		
James Yearsley	Student Activities Committee representatives		
James Millen	Student Activities Committee representatives		
Emma Persky	Welfare committee representative		23rd March 2007
Alex Martinson-Dorff	Academic Affairs Committee representative		10th May 2007
Jennifer Morgan	Representation & Welfare Board	15th May 2007	

Results For The Year

The Union's consolidated income and expenditure, before transfers to reserves for the year to 31 July 2006 are as follows:

	2005-06 £'000	2004-05 £'000	Change £'000
Income	3,156	2,974	182
Expenditure	(3,132)	(3,101)	(31)
Surplus/(Deficit) for the year	24	(127)	151
Surplus/(Deficit) as % of income	1.0%	(4.3)%	

The net increase in income arises in the main from:

- £170k increase in Trading Income - offset by a decrease of £88k in other income.
- £103k increase in Subvention from Imperial College.

The net increase in expenditure arises mainly from:

- Costs associated with increased commercial operations which rose by £280k on previous year.
- Student activities up £63k due to Clubs and Societies spending more than in previous year from their allocated budgets.
- Staffing cost of a new Sabbatical post – Deputy President (Graduate Students).
- Administrative overheads decreased by £229k. This was principally due decreases (£56k) in staffing costs, other staff costs (£42k), printing and advertising costs (£20k) and one-off bad debt and operating loss provisions on 04-05 not being repeated (£39k) and other costs (£62k).

Reserves Policy

The Union maintains reserves in accordance with the Charity Commission's guidance – they represent the 'free' reserves available to the Union's trustees to unrestrictively spend on the purposes of the Union. They do not include any endowments, restricted or designated funds, nor do they include funds that could only be realised by disposing of fixed assets or stock in trade (or working capital).

In the Executive Committee's view the Union should maintain 'free' reserves that are capable of:

- ensuring that free funds are available to repair, upgrade or replace facilities and equipment as needed; major developments will have their own designated funds and are thus excluded from 'free' reserves;
- ensuring that staff are able to be paid full entitlements in the event of catastrophic trading failure or reduced support from the College leading to their redundancies;
- ensuring that clubs and representation activities are able to be maintained for a full academic year in the case of reduced support from the College.

Executive Officers' Responsibility For The Financial Statements

The Education Act 1994 and charity law require the Executive Committee, acting in the role of trustees on behalf of the College Council, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis;
- assured themselves that the Union is a going concern.

The Union will shortly review its accounting policies and the format in which the financial statements are presented in order to better reflect the full extent of the organisation's activities. In particular, the Executive Committee is keen to see the financial statements reflect the full value of clubs' and societies' activities, rather than just that which is derived from the College subvention. It also wishes to reflect the value of the Union's fixed assets more fully in the balance sheet, including the fleet of valuable vintage vehicles held as mascots.

Internal controls

The Trustees have overall responsibility for ensuring that the Union has appropriate system of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union and enable them to ensure that the financial statements comply with the Education Act 1994 and other statutory requirements. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- the Union is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the Union, or for publication, is reliable;
- the Union complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An annual budget approved by the Executive Committee and Honorary Senior Treasurer;
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The Union is reviewing its systems in particular to allow for more regular consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews. A new financial support IT system was introduced during the year and this set of accounts is the first produced using it.

Investment Policy

The majority of the Union's investments are managed by the College Finance Division and the Executive Committee is content that they have been well managed on the Union's behalf. However, the dissolution of the College Investments Committee (on which the once President served) means the Union now has no direct oversight of such investment management.

Risk Management

Last year the Union stated its aspirations to introduce a formal risk management process to assess business risks and implement risk management strategies.

The Union has now identified the types of risks the Union faces:

Short Term Risks

- Loss of Key Personnel
 - Head of Finance
 - Head of Commercial Services
 - Head of Student Services
- Failure of Financial System
 - Loss of Control
 - Fraud
- Failure of Health & Safety measures
 - Death or serious injury to members / customers
 - Death or serious injury to staff

Medium Term

- Failure to progress building project and produce more social space
- Loss of major contract
 - International Enrichment
 - Careers Fair
- Loss of electronic support / data
- Loss of Premises Licence

Long Term

- Decline of Imperial College – failure to recruit students
- Reduction in student leisure time (2 year degrees)
- Repudiation of MoU by College

The Union will now go on to:

- prioritise these risks in terms of potential impact and likelihood of occurrence
- identify means of mitigating the risks.

In addition, the Executive Committee will be considering the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although this is not mandatory for the Union it should, as a public interest body, adopt these guidelines as best practice. Accordingly the

Committee will shortly:

- Set policies on internal controls which cover the following:
 - consideration of the type of risks the Union faces;
 - the level of risks which trustees regard as acceptable;
 - the likelihood of the risks concerned materialising;
 - the Union's ability to reduce the incidence and impact on the business of risks that do materialise; and
 - the costs of operating particular controls relative to the benefit obtained.
- Clarify the responsibility of management to implement the trustees' policies and identify and to evaluate risks for their consideration.
- Communicate that Officers and employees have responsibility for internal control as part of their fiduciary duties and accountability for achieving objectives.
- Embed the control system in the Union's operations so that it becomes part of the culture of the organisation.
- Develop systems to respond appropriately and quickly to evolving risks arising from factors within the Union and to changes in the external environment.
- Include procedures for reporting failings immediately to appropriate levels of management and the trustees together with details of corrective action being undertaken.

The Executive Committee has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Union does have access to the College internal auditors and aspects of Union activity are subject to regular reviews.

Auditors

The Union invited competitive tenders for the post of Union Auditor this year. 4 tenders were submitted and, after consideration by a tender board with representatives of the College Finance Division, the College Audit Committee and the Union Executive, the contract for this year's audit was awarded to Knox Cropper of 16 New Bridge Street London EC4.

For and on behalf of the Executive Committee,



John Collins

President Imperial College Union
Chairman Executive Committee

Union Building
Beit Quadrangle
Prince Consort Road
London SW7 2BB
10th October 2006

Imperial College Union

Report Of The Auditors To The Members For The Year Ended 31st July 2006

We have audited the financial statements of Imperial College Union for the year ended 31st July 2006 which comprise the Income and Expenditure account, Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the Union's members as a body. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union, and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities Of The Executive Committee And Auditors

As described in the Statement of Responsibilities, the Executive Committee is responsible for the preparation of the financial statements in accordance United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view. We also report to you if, in our opinion, the Executive Committee's Report is not consistent with financial statements, the Union has not kept proper accounting records, and if we have not received all the information we require for our audit.

We read the Executive Committee's Report and consider the implications for our report if we become aware of any apparent mis-statements within it.

Basis Of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the officers in the preparation of the financial statements and of whether the accounting policies are appropriate to the Union's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the

financial statements are free from material mis-statements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Union's affairs as at 31st July 2006 and of its surplus for the year then ended.

Knox Cropper
16 New Bridge Street
London, EC4V 6AX

Chartered Accountants
Registered Auditors

10th October 2006

Imperial College Union

Income And Expenditure Account For The Year Ended 31st July 2006

	Note	2006 £	2005 £
INCOME			
Subvention		1,095,000	992,400
Trading income	2	1,951,953	1,783,495
Other income	3	109,041	197,884
		<u>3,155,994</u>	<u>2,973,779</u>
EXPENDITURE			
Trading direct costs	2	1,784,990	1,505,804
Union committees	4	49,887	45,494
Student activities	5	462,781	399,341
General administration	6	486,226	715,050
Premises costs	7	120,795	108,944
Depreciation	8	227,797	326,142
		<u>3,132,476</u>	<u>3,100,775</u>
OPERATING SURPLUS/(DEFICIT)		23,518	(126,996)
Transfers from equipment and commercial development funds	21	184,022	174,983
	20	<u>207,540</u>	<u>47,987</u>

All of the activities of the Union relate to continuing operations.

All gains and losses for the above two financial years have been recognised in the income and expenditure account.

Imperial College Union

Balance Sheet As At 31st July 2006

	Note	2006	2005
		£	£
TANGIBLE FIXED ASSETS	14	394,675	498,232
INVESTMENTS	15	117,655	107,509
CURRENT ASSETS			
Stock		120,872	183,658
Debtors	16	38,279	132,033
Short term deposits	17	1,383,253	1,762,525
Cash and bank balances		495,705	317,788
		<u>2,038,109</u>	<u>2,396,004</u>
CREDITORS: falling due within one year	18	<u>(783,233)</u>	<u>(1,172,052)</u>
NET CURRENT ASSETS		1,254,876	1,223,952
TOTAL ASSETS LESS CURRENT LIABILITIES		1,767,206	1,829,693
CREDITORS: falling due after more than one year	18	-	(86,005)
		<u>1,767,206</u>	<u>1,743,688</u>
FUNDS			
Capital funds	19	394,675	498,232
General funds	20	1,194,175	883,078
Equipment and commercial development funds	21	178,356	362,378
		<u>1,767,206</u>	<u>1,743,688</u>

The financial statements on pages 19 to 29 were approved by the Imperial College Union Executive Committee on 10th October 2006 and signed on its behalf by:



John Collins
President 2006/2007



Simon Archer
Honary Senior Treasurer

Imperial College Union

Balance Sheet As At 31st July 2006

	Note	2006		2005	
		£	£	£	£
Operating surplus/(deficit)		23,518		(126,996)	
Depreciation		408,388		497,173	
Investment income		(92,744)		(108,245)	
Increase in market value of investments		(10,146)		(19,858)	
Decrease/(Increase) in stock		62,786		(11,027)	
Decrease/(Increase) in debtors		93,754		34,389	
(Decrease)/increase in creditors		(312,591)		(462,809)	
Decrease in deferred income		<u>(162,233)</u>		<u>(166,889)</u>	
NET CASH INFLOW FROM OPERATING ACTIVITIES			10,732		(364,262)
Investment income			92,744		108,245
Capital Expenditure					
Payments to acquire tangible fixed assets			(304,831)		(154,834)
			(201,355)		(410,851)
Management Of Liquid Resources			<u>379,272</u>		<u>417,409</u>
CHANGE IN CASH			<u>£177,917</u>		<u>£6,558</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN FUNDS					
Increase in cash in the year	22		177,917		6,558
Cash flow from (decrease)/increase in liquid resources			<u>(379,272)</u>		<u>(417,409)</u>
Change in net funds			(201,355)		(410,851)
NET FUNDS AT 1 AUGUST 2005			<u>2,080,313</u>		<u>2,491,164</u>
NET FUNDS AT 31 JULY 2006			<u>1,878,958</u>		<u>2,080,313</u>

Imperial College Union

Notes To The Accounts

For The Year Ended 31st July 2006

Accounting Policies

Accounting Convention

The financial statements have been prepared under the historical cost conventions and in accordance with applicable Accounting Standards.

Stock

Stock is valued at the lower of cost and net realisable value.

Tangible Fixed Assets

Fixed assets are depreciated over their estimated useful economic lives. The principal rates used for this purpose are:

Fixtures, fittings, equipment and motor vehicle	-	20% - 50%
Assets under construction	-	no depreciation

Operating Leases

Operating lease rentals are charged to the income and expenditure account as incurred.

Capital Grants

Capital grants received in respect of fixed assets are credited to deferred income and released to the income expenditure account at the same rate as the depreciation charge to which they relate.

Equipment And Commercial Development Funds

Equipment and commercial development funds, disclosed in note 21, represent funds allocated for future expenditure on equipment and commercial development by relevant committees.

Pensions

The Union participates in the Universities Superannuation Scheme (USS) and Superannuation Arrangements for the University of London (SAUL). Both are defined benefit schemes and are externally funded and contracted out of the State Earning Related Pension Scheme. The income and expenditure account reflects the contributions payable as stipulated by the Pension Scheme Trustees.

Liquid Resources

Liquid resources consist of cash held by Imperial College on behalf of the Union for investment purposes.

Investment

Investments are stated at market value at the balance sheet date. The increase or decrease in the year is included with the operating (deficit)/surplus.

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

1 INCOME

Income is stated net of VAT and trade discounts. Irrecoverable VAT has been charged to the income and expenditure accounts unless it relates to a capital asset in which case it is included as part of the cost of the assets

2 NET TRADING SURPLUS

		----- 2006 -----			----- 2005 -----		
	Note	Turnover	Direct costs	Net Surplus	Turnover	Direct costs	Net Surplus
		£	£	£	£	£	£
Shop	9	814,123	(840,819)	(26,696)	848,486	(771,411)	77,075
Refectory	10	983,780	(868,618)	115,162	760,419	(675,261)	85,158
Entertainments		43,145	(71,040)	(27,895)	62,298	(52,344)	9,954
Room lettings		91,518	(3,175)	88,343	94,380	(6,225)	88,155
Games machines		6,232	(1,338)	4,894	4,757	(563)	4,194
STA travel		13,155	-	13,155	13,155	-	13,155
		<u>1,951,953</u>	<u>(1,784,990)</u>	<u>166,963</u>	<u>1,783,495</u>	<u>(1,505,804)</u>	<u>277,691</u>

3 OTHER INCOME

	2006	2005
	£	£
Investment income	92,744	108,245
Increase in market value of Investments	10,146	19,859
Summer Ball (net)	(44,697)	(3,602)
Careers fair	35,701	26,726
Van hire (net)	(9,566)	(2,390)
Life membership (net)	1,727	4,103
Sundry income	22,986	44,943
	<u>109,041</u>	<u>197,884</u>

Investment income is analysed between the Union's activities as follows:

Shop	14,198	13,274
Refectory	13,331	13,287
Other	65,215	81,684
	<u>92,744</u>	<u>108,245</u>

4 UNION COMMITTEES

Executive and Student activities Committees	41,538	40,078
Minor sub committees	3,349	1,416
Nursery	5,000	4,000
	<u>49,887</u>	<u>45,494</u>

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

	2006	2005
	£	£
5 STUDENT ACTIVITIES		
Sabbatical salaries and accommodation	127,327	111,722
Officer training	8,350	12,327
Union advisor	-	2,662
Elections	1,562	2,536
Court hire	-	(6,046)
Clubs' net expenditure (see note 11)	360,433	276,105
RAG (see note 12)	(34,891)	35
	<u>462,781</u>	<u>399,341</u>
6 GENERAL ADMINISTRATION		
Salaries	382,444	437,978
Other staff costs	7,034	49,188
Training	5,491	4,994
Printing, stationery, postage, advertising, and photocopying	15,250	35,672
Telephone and fax	10,363	8,616
Insurance and professional fees	323	8,295
Bank charges	7,270	7,116
Irrecoverable VAT	-	5,274
Miscellaneous	38,888	101,784
Provision for Wye losses	-	39,142
Bad debt expenses	19,163	16,991
	<u>486,226</u>	<u>715,050</u>
7 PREMISES COSTS		
Cleaning	45,907	46,151
Repairs, maintenance and redecoration	-	9,830
Office equipment	28,940	10,125
Wages of security staff	45,948	42,838
	<u>120,795</u>	<u>108,944</u>

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

	2006	2005
	£	£
8 DEPRECIATION		
Charge for the year	408,388	497,173
Recharged to other cost centres	(23,881)	-
Income receivable relating to capital expenditure	(156,710)	(171,031)
	<u>227,797</u>	<u>326,142</u>
The depreciation charge for the year is analysed between the Union's activities as follows:		
	10,868	31,240
Shop	171,522	173,921
Refectory	225,998	292,012
Other	<u>408,388</u>	<u>497,173</u>
9 SHOP		
Sales	814,123	848,486
Costs of sales	(553,952)	(550,554)
	<u>260,171</u>	<u>297,932</u>
Gross profit		
Other income	-	-
Staff costs	(248,117)	(186,100)
Expenses	(38,750)	(21,339)
Stock written off	-	(13,418)
Net surplus	<u>(26,696)</u>	<u>77,075</u>
10 REFECTORY		
Sales	983,780	760,419
Cost of sales	(392,255)	(319,964)
	<u>591,525</u>	<u>440,455</u>
Gross profit		
Other income	-	1,161
Staff costs	(412,072)	(295,388)
Other expenses	(64,291)	(61,070)
Net surplus	<u>115,162</u>	<u>85,158</u>

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

		2006	2005
		£	£
11	CLUBS' NET EXPENDITURE		
	City and Guilds College Union	11,214	13,247
	Royal School of Mines Committee	(2,761)	2,109
	Royal College of Science Union	3,330	3,493
	Athletic Clubs Committee	114,651	104,376
	Recreational Clubs Committee	56,180	62,578
	Media Group	28,599	10,930
	Social Clubs Committee	15,742	2,876
	Overseas Students Committee	(1,246)	6,011
	Arts and Entertainment Committee	12,178	3,328
	Silwood Park Committee	3,326	2,541
	Wye College	26,976	22,390
	Imperial College School of Medicine	90,909	42,226
	Graduate Students Association	1,335	-
		<u>360,433</u>	<u>276,105</u>
12a	RAG		
	Income	11,968	10,718
	Expenses	<u>(1,398)</u>	<u>(1,716)</u>
		10,570	9,002
	Donated to charities	<u>(11,676)</u>	<u>(9,037)</u>
		<u>(1,106)</u>	<u>(35)</u>
12b	RAG (ICSMSU)		
	Income	71,778	67,450
	Expenses	<u>(35,781)</u>	<u>(22,066)</u>
		35,997	45,384
	Donated to Charities	<u>-</u>	<u>45,384</u>
		<u>35,997</u>	<u>-</u>
13	TAXATION		

The Union is exempt from corporation tax on its charitable activities

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

14 TANGIBLE FIXED ASSETS

	Assets under construction	Fixtures, fittings, equipment and motor vehicles	Total
	£	£	£
Cost			
At 1 August 2005	-	2,918,025	2,918,025
Additions	247,124	101,467	348,591
Disposals		(43,760)	(43,760)
At 31 July 2006	<u>247,124</u>	<u>2,975,732</u>	<u>3,222,856</u>
Depreciation			
At 1 August 2005	-	2,419,793	2,419,793
Charge for the Year	-	408,388	408,388
At 31 July 2006	<u>-</u>	<u>2,828,181</u>	<u>2,828,181</u>
Net book value			
At 31 July 2006	<u>247,124</u>	<u>147,551</u>	<u>394,675</u>
At 31 July 2005	<u>-</u>	<u>485,605</u>	<u>498,232</u>
		2006	2005
		£	£

15 INVESTMENTS

8,000 M&G Charifund Income Units Market Value	<u>117,655</u>	<u>107,509</u>
Cost	<u>2,688</u>	<u>2,688</u>

16 DEBTORS

Amounts falling due within one year:

Trade debtors	27,997	128,552
Other debtors	417	-
Prepayments	<u>9,865</u>	<u>3,481</u>
	<u>38,279</u>	<u>132,033</u>

17 SHORT TERM DEPOSITS

Money Market deposits	<u>1,383,253</u>	<u>1,762,525</u>
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The Money Market deposits are managed on behalf of the Union by Imperial College

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

		2006	2005
		£	£
18	CREDITORS		
	Amounts falling due within one year:		
	Trade creditors and accruals	141,205	188,205
	Members' funds	228,726	229,054
	Other creditors	8,020	8,031
	Payments received on account	-	35,605
	VAT	-	23,070
	Imperial College (net)	314,623	521,200
	Deferred income	90,659	166,887
		<u>783,233</u>	<u>1,172,052</u>
	Amounts falling due after more than one year:		
	Deferred Income	-	86,005

19	CAPITAL FUNDS	Imperial College Union	Trading	Clubs and Societies	Total
	At 1 August 2005	78,662	362,006	57,564	498,232
	Transfer from/(to) general funds	<u>51,974</u>	<u>(156,469)</u>	<u>938</u>	<u>(103,557)</u>
	At 31 July 2006	<u>130,636</u>	<u>205,537</u>	<u>58,502</u>	<u>394,675</u>

20	GENERAL FUNDS	Imperial College Union	Trading	Clubs and Societies	Investment revaluation	Total
		£	£	£	£	£
	At 1 August 2005	512,713	223,917	41,627	104,821	883,078
	Transfer from/(to) income and expenditure account	77,082	120,312	-	10,146	207,540
	Transfer from/ (to) capital funds (note 19)	<u>(51,974)</u>	<u>156,469</u>	<u>(938)</u>	<u>-</u>	<u>103,557</u>
	At 31 July 2006	<u>537,821</u>	<u>500,698</u>	<u>40,689</u>	<u>114,967</u>	<u>1,194,175</u>

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

21 EQUIPMENT AND COMMERCIAL DEVELOPMENT FUNDS

	Clubs and Societies	Vehicle Replacement	Basement equipment reserve	Strategic development	Total
	£	£	£	£	£
At 1 August 2005	36,787	53,149	4,954	267,488	362,378
Transfer to income and expenditure account	-	(24,535)	(4,954)	(154,533)	(184,022)
At 31 July 2006	<u>36,787</u>	<u>28,614</u>	<u>-</u>	<u>112,955</u>	<u>178,356</u>

22 ANALYSIS OF CHANGES IN NET FUNDS

	Cash at bank	Short term deposits	Total
	£	£	£
At 1 August 2005	317,788	1,762,525	2,080,313
Cash Flow	<u>177,917</u>	<u>(379,272)</u>	<u>(201,355)</u>
At 31 July 2006	<u>495,705</u>	<u>1,383,253</u>	<u>1,878,958</u>

23 RELATED PARTY TRANSACTIONS

Imperial College provides the Union with an annual grant, as shown in the income and expenditure accounts, and accommodation, for which no charge is made. Balances due to and from the College at 31st July 2006 are shown in the notes to the financial statements.

Pension Schemes

The Union participates in two separate, independently managed, defined benefit, occupational pension schemes, which are contracted out of the State Second Pension (S2P); each is valued by professional qualified and independent actuaries triennially. The USS & SAUL pension schemes do not disclose information in accordance with FRS17, as no valuations have been prepared under this basis. It is not possible for any of the schemes to identify the Union's share of the underlying assets and liabilities of the schemes and hence contributions to the schemes are accounted for as if they were defined contribution schemes.

Therefore, the following notes for the pension schemes detail only information in respect of the latest actuarial valuations.

Imperial College Union

Notes To The Accounts (Continued) For The Year Ended 31st July 2006

USS

Staff paid on academic and academic-related scales, who are otherwise eligible, can acquire pension rights through the Universities Superannuation Scheme (USS), which is a national scheme administered centrally for UK universities.

The assets of the scheme are held in a separate trustee-administered fund.

The most recent formal actuarial valuation was carried out as at 31st March 2005.

At the valuation as at 31st March, 2005, the market value of the assets of the scheme was £21,740 million and the value of liabilities was £28,308 million leaving a shortfall of assets of £6,568 million. This represents a funding shortfall of 77% compared to a funding surplus of 101% at the previous valuation.

The Union's contribution rate will be maintained at 14% of salaries. Surpluses or deficits which arise at future valuations may impact on the Union's future contribution commitment.

SAUL

Other, non-academic staff, who are otherwise eligible, can acquire pension rights through the Superannuation Arrangements of the University of London (SAUL) which is a centrally administered scheme primarily for the University of London. The most recent formal actuarial valuation was carried out at 31st March 2005. The actuarial valuation as at 31st March 2005 applies to the scheme as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, there was a deficit of £76 million representing a funding level of 93%.

The contribution rate was increased to 13% (from 10.5%) of pensionable salaries per annum for existing employers from 1st August 2006.

The main assumption of the most recent valuation of the two schemes, under the projected unit basis, are as follows:

		USS	SAUL
		31 March 2005	31 March 2005
Investment returns per annum	- past service liabilities	4.5%	5.5%
	- future service liabilities	6.29%	6.5%
Salary scale increases per annum		3.9%	4.15%
Pension increases per annum		2.9%	2.65%

Budget for the 2007/08 Financial Year

	06/07 £000	07/08 £000
Trading		
Sales	1,843	1,759
Cost of Sales	939	974
Gross Profit	904	785
Staffing Costs	537	550
Other Costs	190	117
Net Profit	177	118
Central Overheads	55	89
To (from) Strategic Development Reserve	35	35
To (from) Trading Reserve	87	(6)
Clubs and Societies		
Non-subvention income	1,200	1,200
Non-subvention expenditure	1,200	1,200
Surplus/(Deficit) - To (from) Creditors	0	0
Income		
Subvention	1,134	1,250
Deferred Income	0	185
Central overheads from Trading	55	89
Other	149	144
Total	1,338	1,668
Distribution of Income		
Student Activities	439	498
Salaries and Wages	550	577
Depreciation	80	280
Other	276	297
Total	1,345	1,652
To Specific Reserves	7	14
Surplus/(Deficit) To (from) General Reserves	(14)	2

Centenary Ball 2007 Survivors Photo





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