

IMPERIAL COLLEGE UNION

**TRUSTEES REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED

31ST JULY 2016

CHARITY NUMBER: 1151241

IMPERIAL COLLEGE UNION

REPORT OF THE TRUSTEES **FOR THE YEAR ENDED 31ST JULY 2016**

The Trustees of Imperial College Union presents its Annual Report together with the audited financial statements of the Union for the year ended 31 July 2016.

Financial Review

Statement of Financial Activities

The unrestricted activities of the Union show net incoming resources before transfers of £33,225 (surplus) against a targeted outturn of £50,000 surplus. This is down from a surplus of £170,850 last year. For each of the last four consecutive years the Union has returned a surplus which has helped to build a sustainable organisation providing key resources to underpin our services to our members. A number of capital improvements were completed during the year including the refurbishment of Reynolds bar at Charing Cross hospital, new screens and improvements to the catering facilities at the South Kensington bars, and an upgrade of the Finance system (SAP). All this was made possible because of the support of our members and our parent institution. Commitment from our Officer Trustees, student and permanent staff also remains a key success factor.

Overall, incoming resources grew by 4% (£332,206). Of this, unrestricted incoming resources grew by 8.0% (£449,533) from the 2014/15 total of £5,612,869 mainly due to growth of 12.7% (£375,525) in our Social Enterprise division, an increase of 2.5% (£36,392) in the Block Grant, and an increase of 54.7% (£34,540) in Other Income, of which £18,000 is a new listing fee, negotiated with one of the Union's main draught beer suppliers. The remainder largely relates to a number of cost recoveries paid to the Union by the College.

All of the Social Enterprise services had a successful year building on their performance of the prior year. Catering sales income grew by a substantial 31% (£87,061), helping move the service from a breakeven position in the prior year to a surplus of £24,235 last year. The Beit bars also enjoyed a year of strong trading, seeing sales income grow by 8% (£90,013). Despite much of this growth being absorbed by pressure on salary costs and a substantial increase in the cost of credit card commissions, the service again achieved an overall surplus in excess of £230,000. The shops repeated their prior year's strong sales performance, seeing another upturn of 6% (£65,231) in total sales income, of which £13,650 translated into an uplift in service's overall surplus (down from the prior year's uplift of £29,089). The other licensed services reported modest year on year increases, with H bar increasing its overall surplus from £1,378 to £7,578.

Restricted incoming resources is split between the self-generated income (SGI) of Clubs, Societies & Projects (CSP) and Student Hall Committees, and Capital Grants receipts. SGI grew by 3.9% (£92,253). This growth reflects the efforts of our members to generate interest in the activities of our numerous student groups. No Capital Grants were received during the year, compared with £209,580 received during the prior year, towards the refurbishment of the Concert Hall.

Resources expended, which represent the outgoings of the Union, have increased by 12.2% (£964,297). They are presented here on a full cost basis such that all support costs have been allocated to the three charitable activities.

The majority of the overall growth is attributed to three main areas. Firstly, student groups spent £382,022 more restricted SGI during the year than in 2014/15, with £849,809 restricted funds being carried over into 2016/17 (down from £1,009,557 carried in from 2015/16).

Secondly, as highlighted in note 6, total staff costs (including salaries and wages, employer's NI, and pension costs) have increased by £217,596 to £2,478,909. Of this, unrestricted staff costs were £90,855 more than the Union had expected to spend on them in 2015/16. Additional resources were added throughout the licensed trade (including catering) services, in order to deal with higher than expected trade volumes and reduce dependency on more expensive agency costs. Additional resources were also added to the student development service, in order to develop and expand the Union's offering in terms of accredited volunteer programmes.

Thirdly, the Union's unrestricted other (non-staff) direct costs and support costs increased by £460,289, which includes a number of one-time costs. The largest increase of £94,141 relates to the new FRS 102 accruals for pension fund deficit contributions and staff benefits. A further £41,977 of the increase relates to the provision for restructuring costs. Recruitment costs increased by £31,352, due to the filling of a number of key roles during the year, including a new Managing Director and new Finance and Systems managers. The Union extended its Diploma in Management Studies programme for staff, which cost an additional £20,207, and other training costs increased by an additional £9,861. The significantly higher trading volumes account for an increase of £12,600 in irrecoverable VAT, and combined with an increase in card processing charges, led to an increase in credit card commissions of £28,975. The Union engaged outside professional services to run an opinion survey, which cost £14,908, and is recovered (from the College) under unrestricted income. Finally, having undertaken during the year a review of its entire VAT arrangements with the aid of external professional advisers, the Union revised its overall VAT recovery rate from 92% to 75%, with an overall impact of approximately £8,375 in additional net VAT liability for the year.

IMPERIAL COLLEGE UNION

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST JULY 2016

Balance Sheet

This year sees a 5% (£358,435) reduction in the Union's total net assets to £6,664,661, primarily reflecting the normal ageing of the Union's fixed assets. In the longer term fixed asset values are expected to remain steady, *ceteris paribus*, with depreciated assets being replaced by new capital additions, for which the Union relies on capital grant funding from the College.

The self-generated funding balance from student activities reduced by 16% (£159,748) during the course of the year, reflecting a healthy level of activity across the Union's student groups as a whole, given continuing growth in their SGI. Apart from this, the reduced surplus from unrestricted activities this year combined with the absence of any new capital grant funding, meant the Union's ongoing funding capacity to absorb its capital grant costs was down on last year, leading to the remaining reduction of (£198,688) in overall closing funding balances.

With only a slight reduction of 5% over the year in its cash balance of £1,744,511, overall, the Union's finances remain healthy. However, we have not yet achieved our desired free reserves level which is needed to provide investment for our members and a safe guard against unpredicted and sustained fluctuations in Social Enterprise services.

RESERVES POLICY

The Trustees of the Union have reviewed the organisation's needs to generate free reserves in accordance with Charity Commission's guidance.

In the trustees' view the Union needs free reserves in order to:

- Ensure that the Union has sufficient cash during periods of volatile trade, enabling the Union to meet its short term financial liabilities as they fall due. A provision of 15% (£314,000) will ensure the Union has sufficient funds to accommodate trading uncertainties.
- Provide the financial resources to enable investment in premises, facilities and equipment to enhance and maintain the range of services provided to members. A long term capital plan has been established and a short term five year provision of £930,000 is needed to replace and enhance existing capital resources.
- Provide sufficient funds to allow the Union pursue new opportunities for service development.

The trustees consider the ideal range of free reserves as at 31 July 2016 to be between £1.2m and £1.8m, where the lower limit is intended to accommodate the baseline needs of the Union and the upper limit is intended to enable potential new service initiatives.

The Union has £734,496 of free reserves as at 31 July 2016 and plans to reach the upper limit within the next seven to ten years depending on the level of capital resources needed over the intervening period and the extent to which new service initiatives are adopted. The trustees have reviewed a longer term financial model and consider that given the Union's operational investment budget in 16/17, providing the Union achieves a breakeven position for 17/18, then makes modest surpluses for the next five years and spends capital resources in line with the current capital investment plan, the target range of reserves can be achieved within the stated period.

The Union holds restricted reserves of £3,040,862 for capital grants and £849,809 for student activities and halls funding. Both of these reserves are fully allocated and are not available for general use by the trustees.

Designated funds of £2,039,493 are part of the unrestricted funds which trustees have earmarked for particular projects or specific use. These funds have been allocated to fixed assets and are not available for general use. The value of £82,000 has been included with designated funds which represents the commitment to purchase 3 new mini buses. The Union's investments have also been included within designated funds as they are not readily available to the trustees.

INVESTMENT POLICY

The majority of the Union's investments are held in short-term cash deposits which are pooled with Imperial College to obtain a more beneficial rate of return on Union funds.

Some longer term investments are held by M&G Charifund which is a fund specifically set up for charitable investments.

TRUSTEES' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Education Act 1994 and charity law require the Board of Trustees, 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 judgments 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31ST JULY 2016**

IMPERIAL COLLEGE UNION

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 disposal.
- 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 Board of Trustees
- delegation of authority and segregation of duties.
- identification and management of risks.

Risk Management

The trustees have a risk management strategy which comprises:

- A comprehensive annual review of the principal risks and uncertainties facing the Union
- The monitoring of the strategic risk register by the trustees on a systematic basis
- The implementation of additional procedures and control measures designed to minimise and manage any potential impact

This work has identified that the Union is exposed to significant challenge to its operations and activities for members should the social enterprise outlets suffer significant downturn, lose their trading license or encounter an occurrence of substantial fraud. Operational policies and procedures are in place to ensure

our social spaces are well managed and trustees engage the services of KPMG auditors to review internal controls and comment on their effectiveness. A social enterprise strategy is currently being developed which will consider longer term measures to enhance the services to our members.

Trustees have also identified while turnout and engagement with the Union's electoral and democratic processes is at an all-time high, a significant decline in the level of student engagement with, or failure to ensure our membership understands our democratic processes and systems could undermine the potency of the Union's voice. The Union continues to produce termly Impact Reports which promote current achievements and highlights the activities of the Officer Trustees.

The Union Board of Trustees has established a Strategic Risk Register which

- Sets policies on internal controls covering 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;
- 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.

IMPERIAL COLLEGE UNION

REPORT OF THE AUDITORS TO THE MEMBERS
FOR THE YEAR ENDED 31ST JULY 2016

We have audited the financial statements of Imperial College Union for the period ended 31st July 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the small entity provisions of Financial Reporting Standard 102 'The Finance Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Trustees, as a body, in accordance with legislation. Our audit work has been undertaken so that we might state to the Trustees 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 Charity and the Charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustee's annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31st July 2016 and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

8/9 Well Court
London, EC4M 9DN

Knox Cropper
Chartered Accountants
Registered Auditors

IMPERIAL COLLEGE UNION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY 2016

		-----Restricted Funds-----				
	Note	Unrestricted Funds	Student Activities/Halls	Capital Grants	Total 2016	Total 2015
Income and Endowments						
Donations and Legacies						
Block Grant		1,492,077	-	-	1,492,077	1,455,685
Serviced Accommodation & Support Services	2	874,169	-	-	874,169	840,741
Charitable Activities						
Social Enterprise	3	3,342,490	-	-	3,342,490	2,966,965
Student Activities and Development	4	85,774	2,428,404	-	2,514,178	2,412,920
Student Voice	5	250	-	-	250	-
Other Trading Activities						
Room Hire		152,269	-	-	152,269	194,015
Investments		17,696	-	-	17,696	15,557
Other		97,676	-	-	97,676	272,716
Total Income and Endowments		£6,062,402	£2,428,404	£-	£8,490,806	£8,158,600
Expenditure						
Charitable Activities						
Social Enterprise	3	(3,934,512)	-	(72,241)	(4,006,753)	(3,437,206)
Student Activities and Development	4	(1,676,877)	(2,588,152)	(147,380)	(4,412,409)	(4,022,244)
Student Voice	5	(418,927)	-	(12,291)	(431,218)	(426,633)
Total Expenditure		£(6,030,315)	£(2,588,152)	£(231,912)	£(8,850,380)	£(7,886,083)
Net Gains/(Losses) on Investments	10	1,138	-	-	1,138	56
Net Income/(Expenditure)		33,225	(159,748)	(231,912)	(358,436)	272,573
Transfers between Funds						
		-	-	-	-	-
Net Movement in Funds						
		33,225	(159,748)	(231,912)	(358,436)	272,573
Reconciliation of Funds						
Total Funds brought forward as previously reported		2,831,363	1,009,557	3,272,775	7,113,695	6,816,416
Prior Year Adjustment		(90,599)	-	-	(90,599)	(65,892)
Total Funds brought forward as restated		2,740,765	1,009,557	3,272,775	7,023,096	6,750,524
Total Funds Carried forward		£2,773,989	£849,809	£3,040,862	£6,664,661	£7,023,096

IMPERIAL COLLEGE UNION

BALANCE SHEET
AS AT 31ST JULY 2016

	Note	2016		2015	
		£	£	£	£
TANGIBLE FIXED ASSETS	9		4,878,624		5,220,577
INVESTMENTS	10		119,731		118,594
CURRENT ASSETS					
Stock		228,207		253,280	
Debtors & Prepayments	11	157,108		126,834	
Cash and bank balances	12	<u>1,744,511</u>		<u>1,845,749</u>	
		2,129,826		2,225,863	
CREDITORS: Amounts falling due within one year	13		<u>(303,657)</u>		<u>(467,508)</u>
NET CURRENT ASSETS			<u>1,826,169</u>		<u>1,758,355</u>
CREDITORS: Amounts falling due after more than one year			(159,864)		(74,429)
TOTAL NET ASSETS			<u>£6,664,661</u>		<u>£7,023,096</u>
Represented by:	15				
RESTRICTED FUNDS					
Capital Grants		3,040,862		3,272,775	
Student Activities/Halls		<u>849,809</u>		<u>1,009,557</u>	
			3,890,671		4,282,332
UNRESTRICTED FUNDS					
Designated Funds		2,039,493		2,066,396	
General Reserve		<u>734,496</u>		<u>674,369</u>	
			<u>2,773,989</u>		<u>2,740,765</u>
			<u>£6,664,661</u>		<u>£7,023,096</u>

IMPERIAL COLLEGE UNION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST JULY 2016

	Note	2016 £	2015 £
Cash Flows from Operating Activities			
Net Movement of Funds for the Period		(358,436)	272,573
Adjustments for:			
Depreciation Charges		463,999	441,015
Unrealised (Gains)/Losses		(1,138)	(56)
Interest Received from Investments		(17,696)	(15,557)
Loss/(Profit on Sales of Fixed Assets)		(4,650)	-
(Increase)/decrease in Stock		25,073	(15,082)
(Increase)/decrease in debtors		(30,274)	(16,153)
Increase/(decrease) in Creditors		(78,416)	(227,222)
Net Cash provided by Operating Activities		<u>(1,539)</u>	<u>439,518</u>
Cash Flows from Investing Activities			
Interest Received From Investments		17,696	15,557
Payments to Acquire Fixed Assets		(122,046)	(577,460)
Proceeds from Sales of Fixed Assets		4,650	-
Net Cash Provided by Investing Activities		<u>(99,699)</u>	<u>(561,903)</u>
Change in Cash and Equivalents in the Period		(101,238)	(122,385)
Cash and Equivalents at the Start of the Period		1,845,749	1,968,134
Cash and Equivalents at the end of the period		<u>£1,744,511</u>	<u>£1,845,749</u>

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS **FOR THE YEAR ENDED 31ST JULY 2016**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), applicable UK accounting standards and the Companies Act 2006.

The implementation of FRS has given rise to changes in accounting policy requiring a prior year adjustment as per note 18.

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	-	10% - 33%
Building Refurbishment	-	5%

The Clubs and Societies' fixed assets are fully depreciated in the year of acquisition as individual clubs and societies may not continue in existence for the foreseeable future.

INVESTMENT

Investments are stated at market value at the balance sheet date.

OPERATING LEASES

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

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.

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 asset.

FUNDS

(1) Restricted Funds are held for restricted purposes and include capital grants received to fund fixed assets, and the unspent balances of funds self generated by clubs and societies.

(2) Designated Funds are held for particular purposes at the discretion of the Trustees.

IMPERIAL COLLEGE UNION

**NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016**

2 DONATED SERVICES

The union building is provided by the College free of charge together with the provision of support services including HR, Payroll & IT. There has been no real change in the level or range of services provided.

	-----2016-----				2015
	Unrestricted	Restricted	Capital	Total	
	£	£	£	£	£
Serviced Accommodation	674,392	-	-	674,392	655,228
HR and Payroll	125,040	-	-	125,040	122,849
IT Services	66,137	-	-	66,137	54,214
Audit Fees	8,600	-	-	8,600	8,450
	<u>£874,169</u>	<u>£-</u>	<u>£-</u>	<u>£874,169</u>	<u>£840,741</u>

The Union building is provided by the College free of charge together with the provision of support services including HR, Payroll & IT

3 SOCIAL ENTERPRISE

	-----2016-----				2015
	Unrestricted	Restricted	Capital	Total	
	£	£	£	£	£
Sales	3,342,490	-	-	3,342,490	2,966,965
Cost of Sales	(1,264,712)	-	-	(1,264,712)	(1,184,583)
Gross Profit	2,077,778	-	-	2,077,778	1,782,383
Staff Salaries & Wages	6 (1,160,445)	-	-	(1,160,445)	(1,110,969)
Other Direct Costs	(480,365)	-	-	(480,365)	(321,712)
Support Costs	7 (1,028,990)	-	(72,241)	(1,101,230)	(819,942)
	<u>£(592,021)</u>	<u>£-</u>	<u>£(72,241)</u>	<u>£(664,262)</u>	<u>£(470,240)</u>

Social Enterprise encapsulates the activities of our licenced trade, retail outlets and the hiring of space.

4 STUDENT ACTIVITIES & DEVELOPMENT

	-----2016-----				2015
	Unrestricted	Restricted	Capital	Total	
	£	£	£	£	£
Income	85,774	2,428,404	-	2,514,178	2,412,920
Direct Costs	(390,022)	(2,553,905)	-	(2,943,927)	(2,555,051)
Staff Salaries & Wages	6 (189,385)	(34,247)	-	(223,632)	(229,168)
Support Costs	7 (1,097,470)	-	(147,380)	(1,244,850)	(1,238,025)
	<u>£(1,591,103)</u>	<u>£(159,748)</u>	<u>£(147,380)</u>	<u>£(1,898,231)</u>	<u>£(1,609,324)</u>

Student Activities and Development captures all our work around volunteering and the activities of clubs, societies and projects.

5 STUDENT VOICE

	-----2016-----				2015
	Unrestricted	Restricted	Capital	Total	
	£	£	£	£	£
Income	250	-	-	250	-
Direct Costs	(20,205)	-	-	(20,205)	(16,587)
Staff Salaries & Wages	6 (98,665)	-	-	(98,665)	(102,980)
Support Costs	7 (300,057)	-	(12,291)	(312,348)	(307,066)
	<u>£(418,677)</u>	<u>£-</u>	<u>£(12,291)</u>	<u>£(430,968)</u>	<u>£(426,633)</u>

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

6	STAFF SALARIES & WAGES	-----2016-----				2015
		Unrestricted	Restricted	Capital	Total	
		£	£	£	£	
	Salaries & Wages	(2,138,027)	(28,935)	-	(2,166,962)	(1,999,638)
	Employers National Insurance Costs	(145,045)	(2,490)	-	(147,534)	(131,287)
	Pension Costs	(161,590)	(2,822)	-	(164,413)	(130,388)
		<u>£(2,444,662)</u>	<u>£(34,247)</u>	<u>£-</u>	<u>£(2,478,909)</u>	<u>£(2,261,313)</u>

Allocated to:

	Social Enterprise	(1,160,445)	-	-	(1,160,445)	(1,110,969)
	Student Activities & Development	(189,385)	(34,247)	-	(223,632)	(229,168)
	Student Voice	(98,665)	-	-	(98,665)	(102,980)
	Administration & Finance Costs	(944,665)	-	-	(944,665)	(777,908)
	Governance	(51,502)	-	-	(51,502)	(40,289)
		<u>£(2,444,662)</u>	<u>£(34,247)</u>	<u>-</u>	<u>£(2,478,909)</u>	<u>£(2,261,313)</u>

The average number of permanent staff during the year was 61 (2015:54)

The average number of student staff during the year was 133 (2015:126)

There were 1 employee earning between £60,000-£69,999 at the year end (2015:0)

There was 1 employee earning between £70,000-£79,999 at the year end (2015:0)

There was 0 employee earning between £80,000-£89,999 at the year end (2015:1)

The total remuneration of key management personnel, consisting of the Managing Director and 5 Officer Trustees, in the year was £211,923 (2015: £219,203).

7	SUPPORT COSTS	-----2016-----				2015
		Unrestricted	Restricted	Capital	Total	
		£	£	£	£	
	Premises & Equipment Costs	(767,322)	-	(231,912)	(999,234)	(1,065,431)
	Administration & Finance Costs	(1,407,915)	-	-	(1,407,915)	(1,073,801)
	Governance	(60,102)	-	-	(60,102)	(48,739)
	Human Resources & Payroll	(125,040)	-	-	(125,040)	(122,849)
	IT Services	(66,137)	-	-	(66,137)	(54,214)
		<u>£(2,426,516)</u>	<u>£-</u>	<u>£(231,912)</u>	<u>£(2,658,428)</u>	<u>£(2,365,034)</u>

Apportioned to :

	Social Enterprise	(1,028,990)	-	(72,241)	(1,101,230)	(819,942)
	Student Activities & Development	(1,097,470)	-	(147,380)	(1,244,850)	(1,238,025)
	Student Voice	(300,057)	-	(12,291)	(312,348)	(307,066)
		<u>£(2,426,516)</u>	<u>£-</u>	<u>£(231,912)</u>	<u>£(2,658,428)</u>	<u>£(2,365,034)</u>

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

8	GOVERNANCE	-----2016-----				
		Unrestricted	Restricted	Capital	Total	2015
		£	£	£	£	£
	Audit	(8,600)	-	-	(8,600)	(8,450)
	Staff Salaries & Wages 7	(51,502)	-	-	(51,502)	(40,289)
	Trustees Expenses	-	-	-	-	-
		<u>£(60,102)</u>	<u>£-</u>	<u>£-</u>	<u>(60,102)</u>	<u>£(48,739)</u>
9	TANGIBLE FIXED ASSETS		Building Refurbishment	Fixtures, Fittings & Equipment		Total
			£	£		£
	Cost as at 31 July 2015		6,756,794	2,483,403		9,240,197
	Additions		-	122,046		122,046
	Disposals		-	(144,363)		(144,363)
	Cost as at 31 July 2016		<u>£6,756,794</u>	<u>£2,461,086</u>		<u>£9,217,880</u>
	Accumulated Depreciation as at 31 July 2015		1,918,777	2,100,843		4,019,620
	Depreciation		339,106	124,893		463,999
	Disposals		-	(144,363)		(144,363)
	Accumulated Depreciation as at 31 July 2016		<u>£2,257,883</u>	<u>£2,081,373</u>		<u>£4,339,255</u>
	Net Book Value as at 31 July 2015		<u>4,838,017</u>	<u>382,560</u>		<u>5,220,577</u>
	Net Book Value as at 31 July 2016		<u>£4,498,911</u>	<u>£379,713</u>		<u>£4,878,624</u>
10	INVESTMENTS		2016	2015		
			£	£		
	Market Value at 1 August		118,594	118,538		
	(Loss)/Gain in Unrealised Investment Value		1,138	56		
	Market Value at 31 July 2016		<u>£119,731</u>	<u>£118,594</u>		

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

11	DEBTORS AND PREPAYMENTS	Note	2016 £	2015 £
	Trade Debtors		156,750	102,606
	Other Debtors		14,911	7,255
	Provision for Bad Debts		(29,818)	(17,235)
	Prepayments		11,100	23,341
	Accrued Income		4,166	10,867
			<u>£157,108</u>	<u>£126,834</u>
12	CASH AND BANK BALANCES		2016 £	2015 £
	Bank Accounts		1,729,071	1,830,909
	Cash Floats		12,910	12,810
	Petty Cash		2,530	2,030
			<u>£1,744,511</u>	<u>£1,845,749</u>
13	CREDITORS		2016 £	2015 £
	Due within one year			
	Trade Creditors		9,209	57,646
	Other Creditors		52,122	35,937
	Imperial College		(15,664)	190,563
	VAT		37,823	45,224
	Accruals		131,768	98,393
	Deferred Income		63,525	23,575
	Staff Benefits Accrued		18,147	12,196
	Pension Schemes Deficit Provision		6,728	3,973
			<u>303,657</u>	<u>467,508</u>
	Due after One Year			
	Pension Schemes Deficit Provision	15	159,864	74,429
			<u>£463,521</u>	<u>£541,937</u>
14	DEFINED BENEFITS PENSION SCHEMES DEFICIT PROVISION		2016 £	2015 £
	Opening Balance		78,402	49,760
	Additional Staff Costs		86,097	27,398
	Interest Payable		2,093	1,244
			<u>£166,592</u>	<u>£78,402</u>

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

15 FUNDS	Opening Balance £	Income £	Expenditure £	Transfers £	Revaluations £	Closing Balance £
Restricted Funds						
Student Activities/Halls	1,009,557	2,428,404	(2,588,152)	-	-	849,809
Capital Grants	3,272,775	-	(231,912)	-	-	3,040,862
Total Restricted Funds	4,282,332	2,428,404	(2,820,064)	-	-	3,890,671
Designated Funds						
Fixed Assets & Investment Fund	1,950,489	-	-	(110,040)	-	1,840,449
Investment Revaluation Reserve	115,906	-	-	1,138	-	117,044
Capital Plan Designated Funds	-	-	-	82,000	-	82,000
Total Designated Funds	2,066,396	-	-	(26,903)	-	2,039,493
General Reserve (Free Reserves)	674,369	6,062,402	(6,030,315)	26,903	1,138	734,496
Total Reserves	<u>£7,023,096</u>	<u>£8,490,806</u>	<u>£(8,850,380)</u>	<u>£-</u>	<u>£1,138</u>	<u>£6,664,661</u>

The Restricted Student Activities Fund represents the unspent balances of all Clubs, Societies, Projects and Student Hall Committees.

The Restricted Capital Grants Fund represents the balance of funds, received to finance Capital purchases and to which their depreciation is charged.

The Fixed Assets & investment Fund represents the balance of Fixed Assets and Investments not covered by Capital Grants or the Revaluation Reserve.

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued) **FOR THE YEAR ENDED 31ST JULY 2016**

16 **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 professionally qualified and independent actuaries triennially. It is not possible for either of the schemes to identify the Union's share of the underlying assets and liabilities of the schemes and therefore, as required by FRS17, contributions to the schemes are accounted for as if they were defined contribution schemes.

The following notes for the pension schemes detail information in respect of the latest actuarial valuations.

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 fund administered by the trustee, Universities Superannuation Scheme Limited. The latest available triennial actuarial valuation of the scheme was at 31 March 2014, which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016. The financial assumptions were derived from market yields prevailing at the valuation date. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion, indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Under the Pension Protection Fund regulations by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

The actuary has estimated that the funding level as at 31 March 2014 under the new scheme specific funding regime had fallen from 92% to 85%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. On the FRS 17 bases, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at the date was approximately 61%.

SAUL

The Union participates in the Superannuation Arrangements of the University of London (SAUL), which is a centralised defined benefit scheme and is contracted-out of the Second State Pension for all eligible employees with the assets held in separate Trustee-administered funds.

It is not possible to identify the Union's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8 - 12 of FRS 17. SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. As a whole, the market value of the scheme's

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to maintain employer and member contributions at 13 % of salaries and 6% of salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS 17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

The more material changes (the introduction of a Career Average Revalued Earnings, or CARE, benefit structure) to SAUL's benefit structure have applied from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the validation date.

17 **CAPITAL COMMITMENTS**

There were no capital commitments at the year end (2015 – Nil)

18 **ANALYSIS OF ASSETS BETWEEN FUNDS**

	-----Restricted Funds-----			
	Capital Grants	Student Activities	Unrestricted Funds	Total Funds
Tangible Fixed Assets	3,040,862	-	1,837,762	4,878,624
Investments	-	-	119,731	119,731
Current Assets	-	849,809	1,280,018	2,129,827
Creditors	-	-	(463,521)	(463,521)
	<u>£3,040,862</u>	<u>£849,809</u>	<u>£2,773,989</u>	<u>£6,664,661</u>

IMPERIAL COLLEGE UNION

NOTES TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

19 **RECONCILIATION OF OPENING FUNDS BALANCE**

Reconciliation of surplus for the year ended 31 July 2015	At 31 July 2015
	£
As previously reported	297,279
Decrease in holiday pay accrual	3,936
Increase in pension deficit provision	(28,642)
Subtotal of adjustments	(24,706)
As reported under FRS102	272,573

Reconciliation of capital and reserves	At 31 July 2014	At 31 July 2015
	£	£
As previously reported	6,816,416	7,113,695
Recognition of holiday pay accrual	(16,133)	(12,197)
Recognition of pension deficit provision	(49,760)	(78,402)
Subtotal of adjustments	(65,893)	(90,599)
As reported under FRS102	6,750,524	7,023,096

IMPERIAL COLLEGE UNION

**APPENDIX TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016**

20	COMPARATIVE SOFA FOR 2015	-----2015-----			
		Unrestricted £	Restricted £	Capital £	Total £
	Income and Endowments				
	Donations and Legacies				
	Block Grant	1,455,685	-	-	1,455,685
	Serviced Accommodation & Support Services	2 840,741	-	-	840,741
	Charitable Activities				
	Social Enterprise	3 2,966,965	-	-	2,966,965
	Student Activities and Development	4 76,769	2,336,151	-	2,412,920
	Student Voice	5 -	-	-	-
	Other Trading Activities				
	Room Hire	194,015	-	-	194,015
	Investments	15,557	-	-	15,557
	Other	63,136	-	209,580	272,716
	Total Income and Endowments	5,612,869	2,336,151	209,580	8,158,600
	Expenditure				
	Charitable Activities				
	Social Enterprise	3 (3,379,883)	-	(57,323)	(3,437,206)
	Student Activities and Development	4 (1,647,023)	(2,214,328)	(160,892)	(4,022,244)
	Student Voice	5 (415,169)	-	(11,465)	(426,633)
	Total Expenditure	(5,442,074)	(2,214,328)	(229,680)	(7,886,083)
	Net Gains/(Losses) on Investments	10 56	-	-	56
	Net Income/(Expenditure)	170,850	121,823	(20,100)	272,573
	Transfers between Funds	-	-	-	-
	Net Movements in Funds	170,850	121,823	(20,100)	272,573
	Reconciliation of Funds				
	Total Funds Brought Forward	2,569,914	887,734	3,292,875	6,750,524
	Total Funds Carried Forward	2,740,765	1,009,557	3,272,775	7,023,096

IMPERIAL COLLEGE UNION

**APPENDIX TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST JULY 2016**

1 CLUBS, SOCIETIES & PROJECTS

	----- 2016 -----			----- 2015 -----		
	Income £	Expenditure £	Unrestricted Expenditure £	Income £	Expenditure £	Unrestricted Expenditure £
A&E (Arts & Entertainments Clubs)	218,196	(204,895)	(13,958)	196,213	(190,306)	(11,891)
ACC (Athletic Clubs)	517,206	(535,160)	(129,474)	471,059	(432,328)	(129,566)
CAG (Community Action Group)	49,591	(50,886)	(3,049)	41,291	(33,084)	(2,357)
CGCU (City & Guilds College)	205,271	(198,258)	(6,756)	179,653	(176,544)	(8,494)
GSU (Graduate Students' Union)	120	42	(1,000)	10,394	(10,400)	(1,304)
ICMSU (School of Medicine)	447,345	(485,417)	(45,788)	443,089	(440,148)	(50,326)
Media (Media Group)	10,887	(13,225)	(4,192)	11,353	(8,915)	(2,120)
OSC (Overseas Clubs)	117,344	(139,063)	(2,020)	100,657	(122,938)	(1,735)
RAG (Raising & Giving)	41,162	(39,494)	(352)	47,181	(29,131)	(119)
RCC (Recreational Clubs)	178,645	(183,057)	(65,729)	167,478	(162,305)	(73,042)
RCSU (Royal College of Science)	111,772	(98,948)	(3,923)	112,897	(104,294)	(2,553)
RSM (Royal School of Mines)	61,552	(57,294)	(7,249)	49,938	(51,872)	(4,761)
SCC (Social Clubs)	158,544	(292,317)	(5,851)	285,107	(234,613)	(3,266)
Silwood (Silwood Park)	4,785	(3,320)	(5,516)	5,272	(7,777)	(5,000)
	£2,122,419	£(2,301,292)	£(294,856)	£2,121,583	£(2,004,654)	£(296,533)

IMPERIAL COLLEGE UNION

**APPENDIX TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016**

2 STUDENTS HALLS

	----- 2016 -----			----- 2015 -----		
	Income	Restricted Expenditure	Total	Income	Restricted Expenditure	Total
	£	£	£	£	£	£
Belt	31,995	(31,618)	377	23,044	(22,620)	424
Bernard Sunley	6,179	(5,714)	465	20,204	(20,518)	(314)
Boat House	540	(748)	(208)	392	-	392
Falmouth & Keogh	19,210	(18,385)	825	13,587	(13,087)	500
Fisher	10,909	(9,984)	925	12,374	(12,098)	276
Gabor	21,303	(22,199)	(896)	17,364	(15,712)	1,651
Garden & Weeks	-	-	-	3,694	-	3,694
Holbein & Willis						
Jackson	(13)	167	154	13,507	(13,268)	238
Linstead	11,332	(10,387)	944	8,254	(8,389)	(135)
Parsons	6,569	(3,887)	2,682	-	-	-
Pembridge	10,174	(8,583)	1,591	8,029	(9,643)	(1,614)
Selkirk	12,804	(12,023)	781	10,021	(9,360)	661
Silwood Halls	14,350	(5,576)	8,775	1,123	(2,455)	(1,332)
Tizard	12,691	(12,201)	491	15,763	(15,230)	533
Wilkinson	19,495	(18,024)	1,471	20,359	(21,410)	(1,051)
Wilson House	46,998	(44,611)	2,386	35,226	(35,954)	(728)
Woodward Hall	68,398	(67,070)	1,328	-	-	-
Xenia	15,112	(16,017)	(905)	10,981	(9,930)	1,051
	£308,046	£(286,860)	£21,186	£213,920	£(209,674)	£4,246

3 PREMISES AND EQUIPMENT COSTS

	----- 2016 -----			----- 2015 -----		
	Unrestricted	Capital	Total	Unrestricted	Capital	Total
	£	£	£	£	£	£
Cleaning	(74,908)	-	(74,908)	(74,237)	-	(74,237)
Building						
Redevelopment						
Depreciation	(18,022)	(231,912)	(249,934)	(106,673)	(229,293)	(335,966)
Serviced						
Accommodation	(674,392)	-	(674,392)	(655,228)	-	(655,228)
	£(767,322)	£(231,912)	£(999,234)	£(836,138)	£(229,293)	£(1,065,431)
Apportioned to:						
Social Enterprise	(239,021)	(72,241)	(249,809)	(209,035)	(57,323)	(266,358)
Student Activities & Development	(487,633)	(147,380)	(699,464)	(585,297)	(160,505)	(745,802)
Student Voice	(40,668)	(12,291)	(49,962)	(41,807)	(11,465)	(53,272)
	£(767,322)	£(231,912)	£(999,234)	£836,138)	(229,293)	£(1,065,431)

IMPERIAL COLLEGE UNION

**APPENDIX TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016**

4	ADMINISTRATION & FINANCE COSTS	2016	2015
		£	£
	Bad Debt Expense	(12,583)	(16,656)
	Bank Charges	(6,532)	(5,849)
	Depreciation of Fixtures, Fittings & Equipment	(15,429)	(10,525)
	Irrecoverable VAT	(19,190)	(1,802)
	Office Equipment	(27,980)	(40,220)
	Officer Training	(6,935)	(5,159)
	Other Staff Costs	(70,025)	(20,790)
	Printing, Stationery & Postage	(41,022)	(45,906)
	Sabbatical Accommodation	(69,467)	(57,891)
	Staff Salaries	(944,665)	(777,908)
	Telephone and Fax	(4,940)	(3,938)
	Training	(31,796)	(32,648)
	Miscellaneous	(48,210)	(29,805)
	Sports Strategy	(15,000)	-
	Pension Scheme Deficit Expense	(88,190)	(28,642)
	Staff Benefits Accrued	(5,951)	3,936
		£(1,407,915)	£(1,073,801)
	Apportioned to:		
	Social Enterprise	(657,668)	(431,352)
	Student Activities & Development	(551,795)	(441,317)
	Student Voice	(198,452)	(201,132)
		£(1,407,915)	£(1,073,801)
5	HUMAN RESOURCES & PAYROLL	2016	2015
		£	£
	Hr Rate/FTE	(1,687)	(1,747)
	FTEs (including casual workers)	74.10	70.32
		£(125,040)	£(122,849)
	Apportioned to:		
	Social Enterprise	(85,251)	(83,757)
	Student Activities & Development	(21,588)	(21,210)
	Student Voice	(18,201)	(17,882)
		£(125,040)	£(122,849)

IMPERIAL COLLEGE UNION

APPENDIX TO THE ACCOUNTS (Continued)
FOR THE YEAR ENDED 31ST JULY 2016

6	IT SERVICES	2016	2015
		£	£
	IT Rate/FTE	(1,357)	(1,150)
	FTEs (including casual workers)	48.73	47.14
		<u>£(66,137)</u>	<u>£(54,214)</u>
	Apportioned to:		
	Social Enterprise	(36,532)	(29,946)
	Student Activities & Development	(15,418)	(12,639)
	Student Voice	(14,187)	(11,630)
		<u>£(66,137)</u>	<u>£(54,214)</u>