



# **IMPERIAL COLLEGE UNION**

Registered charity 1151241

## **TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS FINANCIAL YEAR ENDED 31 JULY 2021**

## WELCOME

Thank you for taking the time to read about our year at Imperial College Union. 2020-21 has been an incredibly challenging year for the Higher Education sector following the devastating impact of the pandemic. Students have lived through significant disruption to their teaching and learning, with many changes to their study programmes, pausing of key services and inability to engage fully with their university experience. This period has affected students' unions hugely, with many opportunities to engage, interact and build relationships with members significantly reduced.

At Imperial College Union, we began a complex strategic review last year in order to address failings and a lack of organisational performance. This review was instigated by our Board of Trustees and culminated in the development of an improvement plan to enable us to tackle some of our most critical challenges. Despite the many challenges we faced relating to the pandemic, we have made enormous progress this year in addressing the issues which in the past prevented us from becoming a healthy, sustainable and successful organisation. We are now in the process of making fundamental changes to our staffing structure, have negotiated a new financial model with our major funder, created a new organisational strategy and are increasing our provision in the areas that matter most to our members.

To help you understand a bit more about this year and our future plans, the Trustees' Annual Report section has been split into the following key sub sections:

- B1. Our response to COVID-19: how we have continued to respond to the challenges of the pandemic, the work we have done to support staff and students and the changes we have made to our services throughout the academic year.
- B2. Our impact: where we have had a positive impact on Imperial students including the areas we recognise we need to do better.
- B3. Our future transformation plans: progress against our long-term change programme, creation of our new strategic plan and what we have planned for the future.

We hope you enjoy reading about our year. We're excited for what the future holds at Imperial College Union.

Dr Lloyd James (Union President)  
Jill Finney (Chair of the Board of Trustees)  
Dr Tom Flynn (Managing Director)

## CONTENTS

Section	Content	Pages
A	Structure, Governance & Management	4
B	Trustees' Annual Report	8
B1	Our Response to COVID-19	8
B2	Our Impact	11
B3	Our Future Transformation Plans	16
C	Financial Review (including Union affiliations and donations)	19
D	Independent Auditors' Report	23
E	Statement of Financial Activities	27
F	Balance Sheet	28
G	Cashflow Statement	29
H	Notes to the Financial Statements	30
I	Appendices to the Financial Statements	41

## SECTION A: STRUCTURE, GOVERNANCE & MANAGEMENT

### A1. Charitable Objects & Public Benefit

Imperial College Union is an unincorporated association and a registered charity (number 1151241). The Union's objects are the advancement of education of students at Imperial College London for the public benefit by:

- i. Promoting the educational interests and welfare of students at Imperial College London during their course of study and representing, supporting and advising students.
- ii. Being the recognised representative channel between students and Imperial College London and any other external bodies.
- iii. Providing social, cultural, sporting and recreational activities and forums for discussions and debate for the personal development of its students.

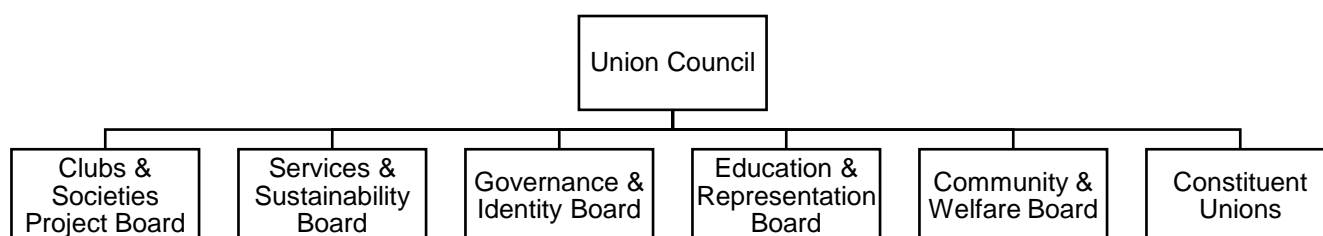
### A2. Democratic Structure

ICU is a membership organisation that is governed by a written constitution and via democratic structures detailed within it. Students at Imperial College London automatically become members of ICU as soon as they enrol at the College. Students have the right (under the Education Act 1994) to opt-out of Union membership; once their student status at Imperial College ends, they lose their membership of ICU. They can however apply to join as associate members, with some of the rights to services but none of the democratic rights of full members.

The Union's constitution is reviewed at least every five years and contains the provision for various democratic structures and processes including:

- i. The establishment of Policy that reflects the collective opinion of Imperial College Union and its members via referenda.
- ii. The election of student leaders in a wide range of leadership and representational roles across the organisation.
- iii. The establishment of a Union Council (with various different subcommittees), that serves as forum to debate, discuss and decide on issues relating to the Union and student interests.
- iv. The establishment of Constituent Unions to ensure the effective democratic representation and engagement of students within their academic unit or cohort.
- v. The establishment of Management Groups to ensure the effective democratic engagement and management of clubs, societies and projects.
- vi. The direct election of seven student members and appointment of a further three to the Board of Trustees, meaning two third membership of the body is made up of students.

Our Union Council organogram can be seen below:



### **A3. Governance**

As set out in charity law and within the governing document, the Board of Trustees is ultimately legally responsible for the organisation's activities. The Board is made up of the following members:

- i. Not more than five Officer Trustees
- ii. Not more than two Elected Student Trustees
- iii. Not more than two further Student Trustees
- iv. One Alumni Trustee
- v. Not more than four External Trustees
- vi. The Chair of Union Council

An External Trustee serves as the Chair of Trustees.

The Officer Trustees work full-time for the Union, receiving an allowance and completing a portfolio of duties, alongside their role as trustee of the Union. External and Student Trustees do not receive any allowance. Officer Trustees may stand for re-election for a second year but, under the Education Act 1994, may only serve for two years in total. The Student Trustees are either elected or appointed by and from the membership, but the Student Trustees are not employed by the Union and do not receive an allowance. They serve a one-year term of office. The External Trustees are appointed via an open recruitment process and serve a three-year term of office and can be reappointed for a further term subject to Board of Trustees and Union Council approval.

All Trustees receive a comprehensive induction co-ordinated internally by the Managing Director and Union President.

### **A4. Board Members**

The Trustee Board for the 2020/21 year had the following members:

#### Officer Trustees

Abhijay Sood  
Shervin Sabeghi  
Sam Lee  
Michaela Flegrova  
Ross Unwin

#### Student Trustees

Alex Auyang (Union Council Chair)  
Chris Carter  
Milica Hasbani  
Lloyd James  
Kelvin Zhang

#### External Trustees

Jill Finney (Chair of the Board of Trustees)  
Dorothy Griffiths  
Kate Owen (to July 2021)  
Graham Parker (to July 2021)  
Stephen Richardson

#### Alumni Trustees

Phil Power

#### Board Subcommittees

The Trustees make use of a number of constitutional subcommittees to help manage the business of the Board. In a usual year, the Union runs the following subcommittees:

- i. People, Appointments and Remuneration Committee
- ii. Finance, Audit and Risk Committee
- iii. Governance Committee
- iv. Communications Committee

Because of the unique circumstances of the 2020/21 financial year, all but one of our subcommittees was suspended. Our Finance and Risk Committee met monthly throughout the year to ensure we were effectively managing risk and looking after the sustainability of our organisation.

### **A5. Management Team Information**

ICU employs staff to work alongside the trustees, elected students and other volunteers in order to run the charity. These are led by a Managing Director, who in turn acts as the head of the Senior Management Team.

Managing Director (Jan 2020 to Jul 2020)	Graham Atkinson (outsourced interim)
Managing Director (from July 2020)	Dr Thomas Flynn
Director of Finance (to Feb 2021)	Jayne Hufford (outsourced interim)
Director of Finance and Resources (from Feb 2021)	Robert Scully
Director of Membership Services	Tom Newman
Director of Marketing and Comms (Jul 2021 to Oct 2021)	Hannah Wallington (outsourced interim)
Director of Marketing and Comms (from Sept 2021)	Juliette Coopey
Deputy Director of Marketing and Comms (from Oct 2021)	Ashley Cory

Key management personnel comprise the Officer Trustees and the Managing Director. The Officer Trustees are remunerated in accordance with Imperial College London pay scales, with individual pay rates benchmarked and equal pay audits conducted annually. The Managing Director's salary is set by the Trustees via the Union's People, Appointments & Remuneration Committee.

### **A6. Relationship with Imperial College London**

The relationship between the College and ICU is established in the Regulations of the College and detailed in the ICU Constitution and approved by both organisations. Under the Education Act 1994, Imperial College London has a statutory duty to take such steps as are reasonably practicable to ensure that ICU operates in a fair and democratic manner and is held to proper account for its finances. ICU therefore works alongside Imperial College London in ensuring that the affairs of ICU are properly conducted and that the educational and welfare needs of Imperial members are met. The formal relationship with the University is governed by a Code of Practice.

ICU receives a block grant from the College, and occupies buildings owned by the College, which also pays for utilities and the provision of basic services such as the maintenance of the fabric of the buildings. The funding model and block grant for future years were renegotiated as part of the transformation programme. A new partnership agreement was developed to inform the relationship between the College and Union. This was formally agreed by both parties in October 2021.

The additional non-monetary support is intrinsic to the relationship between the College and ICU. As recommended by the Charities SORP, an estimated value to ICU for this serviced accommodation has been included in the Financial Statements. Although ICU continues to generate supplementary funding from various mutual trading activities, the organisation is not reliant on these to run its core services and it is therefore dependent on the College's support.

There is no reason to believe that this or equivalent support from the College will not continue for the foreseeable future, as the Education Act 1994 imposes a duty on the College to ensure the financial viability of its student representative body.

## **A7. Key Information**

### Principal Address

Imperial College Union  
Beit Quadrangle  
Prince Consort Road  
South Kensington  
SW7 2BB

### Auditors

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

### Bankers

National Westminster  
Bank  
PO Box 592  
18 Cromwell Place  
London SW7 2LB

### Insurance Brokers

Arthur J. Gallagher  
Station Square  
One Gloucester Street Swindon, SN1 1GW  
[www.ajginternational.com](http://www.ajginternational.com)

### Investment Managers

Rathbone Investment Management Ltd

## SECTION B: TRUSTEES' ANNUAL REPORT

### B1. OUR RESPONSE TO COVID

As we entered the 2020/21 academic year, our Board of Trustees approved a three-phase approach to our long-term transformation, that would chart a path to September 2021 under the assumption that some return to a degree of normality would return as the pandemic recedes.

These three phases guided the Union's operations and approach we would take during the 2020-21 financial year.

Phase	Expected Period	Description
One	August 2020 to October 2020	Tactical change driven by the COVID-19 pandemic, requiring ICU to temporarily shrink to a core operating model. Continuation of 'business as usual' under social distancing and other associated regulations.
Two	October 2020 to April 2021	Major strategic consultation and engagement period, looking at the future of ICU and building a shared vision that resonates with all our stakeholders.
Three	May 2021 onwards	The planning and commencement of an agreed transformation programme based on a new strategic plan that will include significant changes to the operating model of the organisation.

#### Phase 1: August 2020 to October 2020

The COVID-19 pandemic had a significant impact on ICU. To mitigate risk and ensure the long-term sustainability of our organisation, we took the following steps in August 2020:

- We significantly reduced the cost base within our commercial operation

On the basis of significantly reduced forecasted income levels within our shops and venues, we took aggressive action to reduce the cost base in these areas to target a breakeven position for the year. This included pausing non-urgent expenditure but was primarily focused on our permanent staffing – reducing our headcount from 28 to 6 (a total annual saving of c£825k).

- We reduced our operational expenditure in our core charitable services

The second step we took was to reduce our operational expenditure within our charitable services, based on the same assumptions affecting our commercial operation (social distancing measures impacting on levels of activity). A significant portion of this was delivered by a reduction in grant funding that the Union provides for clubs, societies and projects – but it also included reductions in expenditure across other areas such as support for course reps, staff development and training, and communication.

- We reduced our staffing further in our core charitable services

Due to the elimination of any projected surplus from the commercial operation, we were also required to make significant additional savings within the staffing of our core charitable services. This was in addition to the staffing reductions already made earlier in 2020. Whilst this was incredibly challenging, it also provided an opportunity for us to reshape our organisation and develop a new vision and staffing model in line with the aims of our new Strategic Plan. It did mean however that in a year where students were significantly impacted and needed a strong support network to help them through their studies, were required to remove core staff posts from both our Student Representation and Advice Centre teams.



- We reduced our free reserves to fund our temporary reduction in size

As with all charities, the Union is required to hold (and explain) a 'sufficient level of free reserves' as part of a risk management strategy agreed by our Trustees. Over the past three years these have been eroded with successive annual deficits. The 2019/20 financial year was particularly challenging, with the pandemic creating a significant loss of income against an inability to 'switch off' the majority of our costs. We entered 2020/21 with c£387k of free reserves and budgeted to use upto £200k of these to fund the one-off redundancy costs.

- We agreed to access government financial support to offset further closure costs

Continued social distancing restrictions required us to continue to access the coronavirus job retention scheme. We had to make use of this in *both* our commercial operation (as expected), but also within our core charitable services (where almost all staff took some element of part time furlough) – causing us to slow our progress in developing core areas of work.

We were required to significantly reduce our staffing to ensure the future sustainability of the Union, which had a major impact on our service delivery.

## **Phase 2: October 2020 – April 2021**

Since the pandemic first hit in March 2020, we had to continually evaluate our services and the support we are providing for our members, ensuring that we are meeting our core purpose in a safe and secure way. Because so many of the interactions with have with our students are in-person, this has been very challenging. When deciding on an appropriate delivery model at each stage of the lockdown, it was important for us to consider:

- If the activity was mission critical
- If it aligned with the College's plans
- If it could be run safely
- If it was commercially viable, where this was appropriate.

## **Pre-Christmas (Term 1) delivery**

As with most other organisations, we were required to support our entire permanent staff team to work remotely. This meant changing our key infrastructure, increasing our reliance on digital systems and a greater use of wider technology to keep the team working together.

As the country moved into tighter restrictions during October/ November 2020, we suspended all in-person activity until the Student Travel Window ended on 09 December 2020. Most of our services were run remotely, and we engaged with students via online/ virtual methods. This was in line with government guidance to support the safe return of students to their permanent homes for the Christmas break. Our Advice Centre continued to offer support and guidance via virtual/ email appointments and there was high demand for these.

Recognising there would be an increase of Imperial students remaining on campus over the Christmas period, we increased the breadth of our support to students via peer networks and online groups (see Christmas Support in the section below). Within our commercial operations, we opened 568, one of our on-campus bars, on 10 December 2020. This provided students remaining on campus with a COVID-19 secure space to stay connected with their peers. We offered a limited menu and table service only in line with the guidance.

## **After Christmas (Terms 2 and 3) delivery**

Because of the uncertainties relating to the pandemic, we were required to prepare a number of different delivery scenarios to ensure we could pivot our model in response to the current government guidance. Following the Christmas break, some students were recommended for a phased return to campus. To ensure the safety of our staff and students, we implemented a blended service delivery

model using a three-tiered approach. This mapped out which services had to be delivered in-person (and therefore required staff to be on site), which could be delivered on campus and virtually and which should be delivered as a fully remote service.

We identified the following Tier 1 services which would be delivered in person, with necessary processes and restrictions in place:

- Union Helpdesk (additional signage and key card restrictions were put in place)
- Clubs, societies and projects (within which some face-to-face activity could now resume)
- Union Shop (with many safety measures in place including maximum capacities, one way system, revised layout and additional cleaning and PPE)
- 568 Bar (with safety measures including maximum table capacities, track and trace and table service only).

Our Tier 2 services were those we identified we could deliver in a blended way. These included:

- Delivery of volunteer training (this was held online, with the staff team working mainly at home and on site only when necessary)
- Our Leadership Team worked in a blended way, combining home and on-site working on rotation
- Our newspaper, The Felix, was relocated to the main Union building with a limited capacity and sign in procedures.

Our Tier 3 services, those that were delivered purely remotely included our internal support departments including Finance, Systems and Marketing. Our Advice Service for students was also delivered appointments via online and telephone methods.

To maintain the safety and COVID security of our spaces, we established social distancing measures across all areas and significantly reduced maximum room capacities. We developed one-way systems to ensure safe traffic of visitors, installed directional signage, used QR codes for our track and trace communications and promoted the use of face masks in internal areas.

Throughout the 2020/21 academic year, it was important for us that our students felt connected to ICU and with each other even if they were not able to socialise in person. Our approach to keeping our members engaged during this difficult time included:

- Publishing regular updates from our Officer Trustees concerning their representation work
- Signposting to key guidance and information from the College
- Updating our web and social media content regularly to keep our members informed
- Hosted a range of virtual, social events across our platforms to keep students connected
- Supported student groups to run their own virtual events and activities.

### **Phase 3: May 2021 onwards**

At the final stage of our phased approach, we worked in partnership with the College, our staff and student membership to begin a transformation programme for our organisation. This led to significant changes to our operating model, how we are structured and our strategic aims.

We developed a new strategic plan to guide our activity between 2021-2023. Further information about our new plan can be found in Section B3.

## **B2. OUR IMPACT**

### **Student Voice, Representation and Democracy**

Representing the student voice to the College is the core role of the Union. Our new Strategy 2021 - 2023 aims 'To improve the academic and educational experience of students'. Across the 2020/21 academic year, representation around issues related to COVID-19 have been extremely important and our elected reps have remained proactive in discussions around education and the wider student experience.

#### National Student Survey

In 2020/21, we produced NSS reports which included recommendations for the College and coordinating separate recommendations for different departments. Buy-in to the recommendations at the College level was high with staff assigned to ensure these were progressed. Strong progress was made in several key areas, including reviewing the SOLE survey (which will be replaced in 2021/22) and work on the use of shared spaces around campus. Some progress was made on the issue of marking transparency however this is still a priority for 2021/22 along with reviewing the management of staff, of student welfare in departments and timetabling support.

#### Strengthening the Rep Network

During 2020/21 we worked to strengthen our network of academic reps by increasing the regularity of meetings and providing greater levels of support. We had some success using Teams as a channel through which to share ideas and seek rep feedback on College-wide decisions. We also recognised and celebrated the successes of our reps via our Rep of the Month and Rep of the Year awards. Areas we have highlighted to continue improvement within for the 2021/22 academic year include developing our training and ensuring we can track and report on reps progress via a recording platform. As part of our transformation programme, we recognised the importance of increasing our staff support within representation and in August 2021 recruited a Representation Coordinator to support our reps.

#### Elections

Our elections are the vehicle through which we ensure we are a democratically led organisation with the student interests at our heart. They allow us to ensure representatives are in place at all levels across the College and give students an opportunity to raise their voice and engage in the democratic process.

Between 10 March 2021 and 18 March 2021 we held elections for the variety of positions including all 5 Full Time Officer Positions, Council Chair, Student Trustees and CSP Committee Positions. For the Leadership Elections, there were a total of 6,212 voters of a 22,822 strong electorate; this equates to a 27.22% turnout which represents a decline from the previous year's turnout of 29.57%. There are likely a multitude of factors for this, however the growth of fears around the pandemic and the lack of active engagement to encourage students to run likely drove the downturn in candidates, thus driving the downturn in voters.

The Union ran CSP elections concurrently with the main elections. This year 3,092 positions were available in the election. This election saw 4,754 voters, which is a 27.73% turnout.

A working group was established to look at the voting statistics and identify any areas for improvement which could lead to increased democratic engagement. During 2021/22 ICU will seek to enhance the experiences of volunteers and support deeper levels of engagement; this should in turn increase the appeal of elected roles. The online results event was successful and should be incorporated into planning for future elections regardless of whether in-person activity is permitted.

#### COVID-19 Representation

Our elected officers remained proactive during the pandemic to ensure that moves to remote learning and remote assessment were as effective as they could possibly be. We continued to be involved at

discussions and decision making at the highest levels of the College. This included co-chairing the College's Student Experience group to ensure plans have been developed for each possible delivery model for 2021/22. Another area of work included exploring developing an app to allow students to see live study space capacity reducing unnecessary footfall on campus in busy communal areas.

#### Reviewing Union governance

In recognition of failings in the past and opportunities to strengthen our governance, we conducted significant work across this year to improve our structures. This included reviewing the Felix Editor and Deputy President, Finance and Services roles. We also worked to clarify ICU's relationship with the constituent unions, to ensure the volunteers feel supported and how the model can operate transparently.

#### **Student Advice & Support**

Imperial College London is a high-pressure environment, and a Union priority is helping students not only to survive, but to thrive.

#### Liberation and Community

We continued to support minority groups at Imperial through our Liberation and Community Officers. These officers cover the 'traditional' minority groups (LGBT+, BME, Gender Equality, Disabilities) and four community/interest groups (International, Interfaith, Mental Health, Ethics & the Environment). Our officers represented their particular groups on College committees, organised activities to build communities and acted as a point of contact for welfare related issues experienced by those they represent. The officers worked reactively and collaboratively to respond to the Black Lives Matters movement, creating resources for students to access support and to become educated in the movement. We introduced a ninth officer with the remit of representing Working Class students in 2020. We are in the process of recruiting a Liberations and Campaigns Coordinator to support these officers and their networks as well as students who are interested in running campaigns.

#### Widening Participation

The Union has been continually engaged in Widening Participation at the College, with representation on all committees. In relation to the Covid pandemic, we lobbied for work to take place to look at differential in-year outcomes for students from disadvantaged backgrounds. This was successful and the College implemented an ongoing pilot of the analysis across a number of departments. We also submitted a response to the College's Access and Participation Plan to the Office for Students.

#### Advice

Imperial College Union's Advice Centre provides students with guidance in navigating College regulations, helping them with procedures such as mitigating circumstances, appeals, and problems with supervisors. Professional advisers also help with life challenges related to money, minor legal problems, and housing whilst signposting to College and other partners where necessary.

During the pandemic, our Advice Centre successfully moved to remote working – responding to students both in writing and taking appointments over video calls. We've also been supporting students with COVID-19 specific issues such as exam irregularities that come from online assessments, and complicated issues regarding fees.

A total of 513 cases were managed by the Advice Centre during 2020/21, an increase from the previous year's caseload of 437. The case type with the highest number of cases was Finance with 157. This figure was significantly higher than the previous year's (79 Finance cases) demonstrating an increase in demand from students for advice concerning this issue.

#### Wellbeing Representation Network

Our Wellbeing Representation Network had a successful third year in existence. Wellbeing Reps were especially proactive during the pandemic, ensuring that communities were able to continue online through ideas such as virtual common rooms and gaming communities. Furthermore, these reps have

been better involved in College-wide issues such as Access and Participation, and the development of an Emergency Contact policy.

#### Christmas support

Due to COVID-19 travel restrictions there was an increased number of students who remained in their term time accommodation over the Christmas break and closure period. We recognised these students were likely to face enhanced challenges over the break including social isolation, wellbeing related issues and accessing essential services. To support our students during this difficult time, we ran an online social programme encompassing a range of Union, CSP and College-run activities and events over the Christmas period. We also ran a Christmas Buddy Scheme, matching together students who are alone and who may wish to form a temporary social bubble. We facilitated online peer support groups for students to ensure they continued to feel connected to others at Imperial.

### **Student Activities & Development**

#### Clubs, Societies & Projects (CSPs)

Restrictions relating to the Covid pandemic prevented many in-person activities taking place which had a significant impact on our 380+ clubs, societies and projects. Later in the year, as we moved into Step 3 of the Government's roadmap out of lockdown, some activities could resume, and students were very keen to engage in safe, secure ways with their CSPs.

We provided significant levels of support to our CSPs to ensure CSP activities could continue safely and adhering to Government restrictions. This involved working with a Health and Safety Consultant to develop a suite of Health and Safety policies to ensure our members are protected and able to operate safely.

Following meeting with the IC Trust Secretary, funding was secured for Imperial CSPs to go on tour during the summer and the tour period runs until the end of Term 1 2021/22 academic year. As of October 2021, 15 applications have been approved and £14,154 funding has been awarded to our groups to take up this opportunity.

#### BeActive Strategy 2018-21

2020/21 was the third year of the BeActive Strategy (a partnership between Imperial College Union and Move Imperial). The strategy aims to promote, support and enable Imperial College London students and staff to enjoy a more active lifestyle. To support the strategy's aims, ICU has finished a kit tender process for Imperial Athletics and will be working with a kit partner for the next 5 years.

Following consultation with students, there are some required policy changes for Imperial Athletics which will be rolled out across 2021/22 as well as a handbook to ensure transparency for all involved.

#### Buildings and space review

In response to students' feedback, we implemented a full audit of Union spaces and a 'wider space review' was initiated as one of the five major projects for our Board. We developed a set of principles for CSP space and storage allocation, ensuring that our members' needs are prioritised over those of commercial clients. This is underpinned by a Commercial Bookings policy that outlined a key set of principles for when Commercial Bookings will be allowed that limits the disruption to our students.

#### Union Concert Hall redevelopment

Working closely with key stakeholders, we progressed this longstanding project and worked with students to ensure the plans for the redevelopment meet their needs. The building works began in June 2021 and are due to be completed by November 2021. Students are being kept regularly updated with progress of the project via the Officer Team.

### CSP policies, processes and procedures

Following consultation with our CSPs, we established a range of new internal practices and processes to make it easier for members to manage their finances and activities. This included changing the sponsorship contracts process leading to better response times. We also worked on a 3-year CSP development plan to ensure continual improvement of our clubs, societies and projects.

### Welcome Fair

The biggest student event on campus was overhauled in 2020 and redesigned as a digital-only event, because of limitations concerning face to face contact relating to the pandemic. We saw over 11,500 students engaging with the event where our Clubs, Societies and Projects were showcased in a digital version of campus. All of our 360+, Constituent Unions as well as Liberation and Community Groups took part, along with over 20 external partners. With over 12,500 society memberships sold (a 67% increase on 2019/20 figures), over 90,000 impressions on social media and 23,500 mailing lists sign-ups, it is evident that our students were still incredibly keen to engage with Union life at Imperial.

### Imperial Award

The Union continued its partnership with College on the Imperial Award, a programme which allows students to reflect on their experiences over the course of their studies and gain recognition of efforts on their transcripts. We continued to promote the Award to students, providing feedback to the College, and further developing systems to support its administration and assessment. 343 students registered for the Imperial Award in 2020-21 and 79 students have joined so far this academic year, bringing the total to 678 current registered students.

### **Our Venues**

Facilitating spaces where students can have fun and make lasting memories is an important aspect of what we do as a Union. Our spaces are central to this. Through our bars and kitchens, our nightclub, and our shops, we pride ourselves on our ability to help our members relax and build a community.

It goes without saying that the COVID-19 pandemic had a significant impact on the use of our spaces and level of activity in our bars – with all of them closed at some point during the 2020/21 academic year. However, we recognise that our bars are more than just spaces for students to purchase food and drink. They provide a valuable lifeline and support network for students, and staff, feeling isolated and still wish to engage safely in life at Imperial. Because of this, we took the difficult decision to continue running our bars, even at a deficit, as we understand they are an essential part of campus life. In doing this, we were required to overspend in important areas such as health and safety, however we made the conscious decision to do this for the benefit of our membership.

### **Our Retail**

In our Retail outlets, we continued to operate as best we could in the difficult circumstances whilst always adhering to the latest government guidelines. Given the challenging financial context we were operating in, it was important to ensure our retail, operations were financially sustainable. We utilised our website as a sales channel where possible which helped us to continue to sell stock to our customers.

### **Our Culture and Staff**

In June 2021 we took part in the NUS Staff Engagement Survey to gain insight into metrics associated with our staff and working culture. This is particularly important as we have recognised 'great people and culture' as a strategic enabler for successful delivery of our organisational aims. The survey was distributed to 80 staff in total; this amounted to 33 permanent staff (including our Officer Trustees) and 47 casual staff. There were 37 respondents in total, representing a 46% response rate. However, for permanent staff the response rate was much higher at 78%.

The survey was conducted at a very challenging time, with effects of the pandemic still rife and ICU having been through a significant transformation period. It was pleasing to see then that 70% of our

permanent staff were positive about our response to the pandemic, with only 17% answering negatively in this crucial area. The survey results highlighted a good level of permanent staff satisfaction across a number of themes, however the results from our casual staff were very different. The survey showed high levels of dissatisfaction among our casual staff, driven by historic and well documented issues. The three highest scoring areas for our permanent staff team were Colleagues (78%), Management (74%) and Engagement (71%). The lowest scoring areas for our permanent team were Service (35%), Learning and Development (46%) and EDI (52%). Overall, the results showed our overall satisfaction at 10 percentage points below the third sector average and 13 percentage points below the students' union sector average.

In response to the survey results, we commenced a People and Culture Strategic Review which was informed by a staff development day in June 2021. We also have a significant piece of work to do to understand and improve the satisfaction of our casual student staff, so they find ICU a supportive, empowering and inclusive place to work.

### **B3. OUR TRANSFORMATION AND FUTURE PLANS**

As a membership charity it's critical that we demonstrate to students and our other key stakeholders the positive impact that we have.

As part of our transformation programme, we have developed a new Strategic Plan – Back to Basics. Delivery of this plan will be underpinned by an organisational wide KPI framework which will enable us to measure our performance on a longitudinal basis across a broad range of metrics. Performance monitoring is an area that we have historically been weak, and we have now put in robust processes to address this.

#### **Our Mission**

To make a positive impact on the experiences and outcomes of all Imperial College students from all backgrounds.

#### **Our Strategic Plan 2021/23**

Our new strategy 2021/23 is called Back to Basics and it breaks down our activity under 7 clear aims, each with their own core themes of work.

1. To improve the academic and educational experience of students
2. To support and enhance the wellbeing of students
3. To strengthen and help create active and inclusive student communities
4. To empower students to change the world around them
5. To challenge and reduce inequalities affecting students
6. To enable students to have fun
7. To facilitate the personal and professional development of students.

#### **Our Theory of Change**

Our Theory of Change sets out the overarching contextual framework for how our impact will be achieved.

1. Positive impact is delivered by a combination of service provision (doing things for students, or helping them do things for themselves), and advocating for students (representing their interests to others).
2. Providing services for students can be done via direct delivery (doing it ourselves), in partnership with another organisation (most often the College), or via third parties. The appropriate model will differ depending on the nature of the service and where competitive advantage lies.
3. Advocating for students can be done at both the individual and collective level, using a range of lobbying and campaigning techniques that both rely on a combination of student voice, student insight and student interest.
4. We must be a sustainable, effective and credible organisation in order to provide services and advocate for students' interests successfully. Legitimacy must be earned and will be a key driver for success in both areas of impact.

#### **Our Enablers**

Our Enablers outline what we will need in the future to become a successful organisation.

1. Great people and culture
2. Sustainable resources and infrastructure
3. Effective governance and strong democracy
4. Integrated and innovative technology
5. Engaging communication
6. Comprehensive research, evidence and insight
7. A constructive relationship with the College and wider sector.



## Our Values

We also have a number of core values that sit at the heart of the organisation and help guide how we will go about achieving our impact.

0. We act with integrity
1. We are democratic in our approach
2. We are inclusive in everything that we do
3. We are accountable for our work
4. We are ambitious in what we want to achieve.

## Our Funding Model

Historically, the funding model of ICU has been reliant on a block grant from the College alongside commercial income to fund the charity, or core, costs of ICU activities. In the past, this was an effective model as it led to greater financial autonomy for the Union, reducing the reliance on block grant funding from the College. It also spread the income risk across different sources, removing the notion of a single point of funding failure, such as a particular commercial outlet. However, the student population and society as a whole has changed significantly over the last decade and the income generated from commercial operations is now much more volatile.

If ICU were to continue to operate using its former funding model, it may have led to one or more undesirable outcomes:

- It creates pressure to therefore maximize financial surplus over experience, value for money, and long-term investment in a number of our outlets, leading to reduced levels of student satisfaction and deterioration of assets.
- It creates pressure to minimise variable costs, for example student staff pay rates, leading to a loss of trust within the Union amongst our members.
- It creates pressure to 'chase' external income from third party clients that significantly conflicts with our primary purpose or creates mission drift for the organisation. Non students become prioritised, leading to a loss of trust amongst our members.
- It creates a culture where a union is unable to plan long term within its core functions, due to the instability of funding and potential for financially driven staff changes year on year due to small fluctuations in the commercial environment.
- It creates a 'hand out' culture with a university, requiring a union to make continual small bids for funding to prop up areas that are widely accepted as critical for the student community.

Over the last few years, ICU has faced many, if not all of these challenges. This led to many tough decisions needing to be made every year, gradually reducing our core services due to fluctuations in our commercial operations and increasing cost base.

## Our New Sustainable Funding Model

Our new Strategic Plan will refocus the organisation on our core purpose, making it much clearer what the organisation should prioritise, and providing a framework that shapes our development for the next two years. A sustainable financial model, with an increase in our level of grant funding, is clearly imperative in order to deliver this.

Working closely with the College, we developed and then adopted a new funding model that separates out our core services from those that we run to generate additional income for strategic investment in improving the student experience. This relies on a clear distinction of what we class as 'core' and 'enterprise' activities within the Union. It creates a split for how our services and activities are funded, i.e. by Block grant or Surplus income.

Our new funding model means we are no longer reliant on our commercial areas to support other parts of the Union. We can therefore be confident in the sustainability of our core functions, which will not be impacted by volatile trading or changing student demands.

### New Back to Basics Staffing Structure

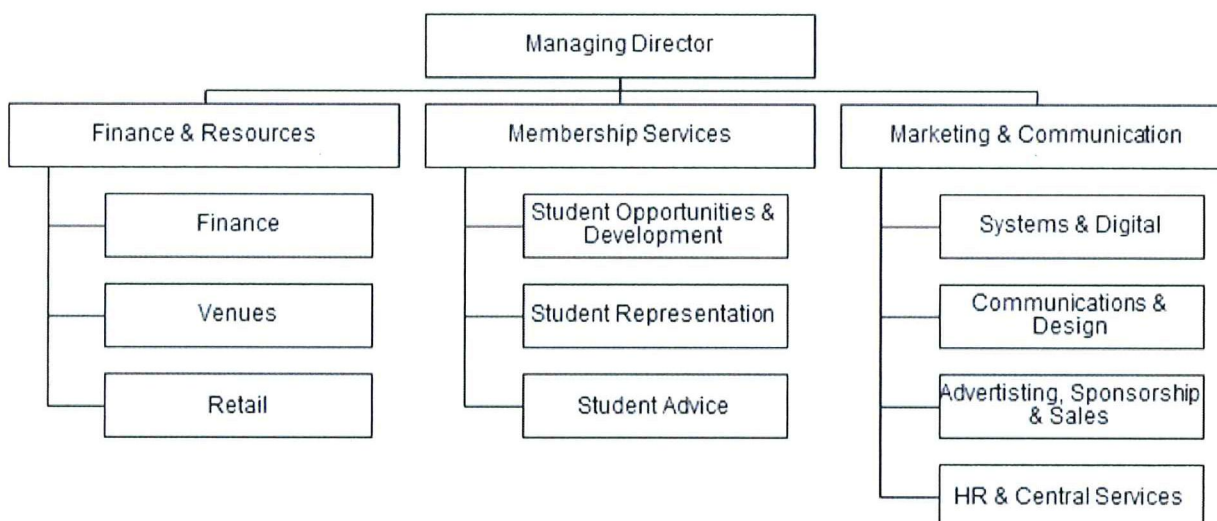
Like all organisations, we have spent the last 18 months responding to the challenges created by the pandemic. But we have also used this time to reflect on the inner workings of our organisation, trends within the higher education sector and the needs of our members.

Working together and in consultation with Imperial students, we identified areas in which we need to improve in order to become a more effective organisation. This led to our creation of a new staffing structure, which will allow us to prioritise the areas our members believe are the most important.

Across 2021/22, we plan to recruit over 20 new members of permanent staff into Imperial College Union as well as significantly increase the opportunities we provide for students to work across our different services. We are committed to ensuring that students can work alongside our permanent staff, in a broad range of management and operational roles. We provide extensive training and leadership development opportunities for students, to enable them to earn a living wage and strengthen their employability skills whilst they study. This harmony of permanent and student staff across our teams and services is what makes a students' union so special.

Every new permanent role has been carefully designed to build capacity enabling us to do even more for Imperial students. Our new staffing model ties directly into the aims of our strategy and the work we plan to deliver across the next academic years.

Our structure is organised under three directorates which can be seen below:



We have consulted with our staff and used their experiences to shape our future plans. Our existing team is incredibly excited about our new strategy and the opportunities that will come from having greater staffing resources across the Union.

Our recruitment will include three distinct phases, with the first phase beginning in August. We plan to have recruited all our new roles by December 2021.

As well as an increase in permanent staff roles, we are also committed to increasing the ratio of student/ casual staff we employ across our organisation. Our new funding model will also now allow us to pay our student staff the London Living Wage, which will make a significant impact on their quality of life and wellbeing.

We know Imperial College students deserve an outstanding students' union. And we intend to become just that.

## SECTION C: FINANCIAL REVIEW

### Statement of Financial Activities

The year was dominated by the coronavirus pandemic, and therefore the level of financial activity was much reduced compared to pre-pandemic levels. Income was £5.5m in 2020/21 compared to £8.3m in 2019/20 and £10.0m in 2018/19.

As a result of the disruption and uncertainty caused by the pandemic, reorganisation resulted in a number of redundancies which cost c£188k. This was required to reduce monthly payroll costs that would not be covered by commercial revenues due to closures. This was an exceptional cost which the Board of Trustees agreed to fund from reserves if required. Other than this, the Board of Trustees intended to operate a breakeven budget, in order to avoid further depletion of reserves, this was managed through a more frequent reforecasting process in response to increased levels of uncertainty.

In the year, a new accounting policy with regards to capitalisation and depreciation was adopted. There were two main changes to the policy: the threshold to capitalise individual additions was increased from £500 to £3,000 and the estimated useful life of various asset classes was adjusted (to more closely reflect historical realities and the technically insecure nature of tenancy within our premises). The effect of this was that an additional £2,774k of depreciation was posted to 2020/21 than would have been if the change in policy was not made. Of this, £1,838k was related to restricted capital grants, and £936k was in relation to assets for which a designated fund for future depreciation existed. Therefore there was no cash impact, and no impact on the free / general reserve of this change.

### Statement of Financial Activities

As a result of the above, a significant total deficit of £2,926k (2020: £764k) has been posted. If the effects of the exceptional cost of redundancy and accelerated depreciation are removed, this is reduced to a deficit of £36k.

Removing the remaining depreciation charge (which is funded by either restricted or designated funds) and one-off gains on investments or asset disposals gives an operating surplus of £376k.

Of this surplus, £247k relates to restricted funds (mainly our student groups and halls) and £129k is an unrestricted surplus.

	£'000
<b>Total net expenditure per financial statements</b>	<b>(2,926)</b>
Add: depreciation charge in year	3,222
Add: restructuring costs	168
Less: gains on investments	(22)
Less: proceeds on asset disposal	(66)
<b>Operating surplus</b>	<b>376</b>
<i>Of which restricted:</i>	<i>(247)</i>
<i>Unrestricted operating surplus:</i>	<i>129</i>

### Balance Sheet

The balance sheet remains healthy, with an increase of net current assets to £2,690k (2020: £826k) reflecting a reduction of investments of £1,535k as the portfolio was liquidated. Net assets have reduced to £2,729k (2020: £5,654k) reflecting the change to accounting policy explained above, with a corresponding reduction to restricted and designated funds.

There has been no material change to the long term liabilities related to defined benefit pension schemes.

The General Reserve stands at £502k (2020: £387k), which is healthy and in line with our reserves policy, and also reflects that hard work and tough decisions in year have protected the organisation's ability to respond to future shocks and focus on our Back to Basics strategy rather than immediate financial concerns.

### **Reserves Policy**

The reserves policy was reviewed in October 2020 and a new, risk-based approach adopted. This policy considers the organisation's key operational risks, and the financial implication of them materialising and then applies a likelihood risk rating and recommends a level of reserves that might be required to mitigate this risk. The sum of these is set as the baseline general (or free) reserves level that should be held. This is currently £350k.

This does not mean that this level of reserves would be sufficient to cover the impact if all of these risks materialised entirely in the same year, as this is considered to be unlikely, but is deemed to be a sufficient level to be able to mitigate each risk, or a combination of risks to a partial degree.

The policy will be reviewed annually, and considered against the risk register and local and national context.

### **Investment Policy**

During the year, we liquidated all investments held in order to provide maximum flexibility to respond to the uncertainty of the pandemic. This provided ready cash to respond to cashflow implications of the pandemic.

The Union does not have any immediate plans to purchase new investments in the future.

### **Risk Management**

In June 2021, after significant consultation, the Board of Trustees approved a new Strategic Risk Register based on the following principles:

- i. The register is based on the themes identified within the strategic plan, with a particular focus on the challenges, aims and enablers within it.
- ii. The register is developed and presented on the basis of both inherent and residual risk after the mitigating actions are taken into consideration. This ensures that the Board remains focussed on the major issues and makes the document a more effective and live piece of work.
- iii. The overall approach aligns with how the College is developing its own work in this area (where major changes are taking place), to enable our strategic risks to be incorporated within their own reporting and management software.
- iv. The register is predominantly based on 'threats', but where appropriate these are also articulated as 'opportunities'

The principal risks currently recognised are:

- i. **Uncertainty:** The continuation of the pandemic and potential future lockdowns or restrictions create an uncertain environment, but we also consider the potential for future shocks to the organisation unrelated to coronavirus. Business continuity and crisis communication planning is underway to help mitigate this, and a strong relationship with the College creates better resilience.

- ii. Strategic: Our new Back to Basics strategy is seen as an opportunity, but there is a risk that this opportunity is missed without proper monitoring and focus on delivering the detail of the plan.
- iii. Financial: Strong performance in the face of significant challenge in 2020/21 and the new funding model mitigate an immediate financial threat, however strong financial controls and reporting and a longer term plan for our social enterprise activities, as well as securing access to longer term capital investment funding would further mitigate the risk of under-resourcing.
- iv. Health and Safety: Significant change in the organisation over the last two years and a non-standard operating model during that time creates the risk that established health and safety procedures and protocols are either forgotten or no longer relevant. A comprehensive review of H&S policies has been undertaken and the recruitment of a Facilities, Health and Safety Manager will help mitigate this, alongside regular monitoring and evaluation by the Senior Management Team and the Board of Trustees.
- v. Staffing: Our ability to attract and retain high performing staff is key to achieving our strategic ambition. A 'People and Culture' review has been undertaken and a roadmap of actions developed.
- vi. IT & Systems: We rely heavily on our digital infrastructure, which is largely bespoke and highly complex. There is a risk that the failure of critical systems or key staff leaving would have a significant impact on the wider organisation. System documentation and stabilisation plans are being developed.
- vii. Relationships: The success of the organisation is significantly influenced by our ability to maintain strong relationships with key stakeholders, especially Imperial College. The relationship is currently strong and a Partnership Agreement and revised Code of Practice have been agreed to support the longevity of this. Sector relationships are also being developed to ensure ICU has access to best practice from other students' unions.
- viii. External Factors: There is a risk that external changes (particularly regulatory) may have a negative impact on the students' union sector directly, or on higher education more broadly. We are proactive in understanding potential changes and work collaboratively with the College to approach these issues.

### **Going Concern**

The Trustees have considered going concern and are satisfied that with the current level of reserves, new funding model and the budget position and are satisfied that the organisation has sufficient resources to be able to continue as a going concern for at least the next 12 months. This exercise has specifically considered the uncertainty around coronavirus and potential impacts to operations.

### **Statement of Trustees Responsibilities**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of its financial activities during the year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards). In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;

- follow applicable UK Accounting Standards and the Charities SORP, disclosing and explaining any departures in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Annual Affiliations & Donations

In 2020/21, the Union made the following affiliation payments and donations to external organisations:

#### AFFILIATIONS

	£
British Universities & Colleges Sport	17,179
Wembley Sailing Club	4,320
Ealing Golf Club Ltd	3,255
Lasham Gliding Society	2,225
England Basketball	1,196
British Rowing	989
United Hospitals Cricket Club	900
Erasmus Student Network UK	570
Toastmasters	463
British Canoe Union	419
St Columba's Tennis Club	380
United Hospitals Hockey Club	300
National Rifle Association	258
Advice UK	258
British Caving Association	245
British Universities Sailing Association	230
British Mountaineering Council	184
Archery GB	170
Surrey Rifle Association	160
England Hockey	157
King's Business Club	151
Swim England	106
Volleyball England	95
Student Windsurfing Association	91
UK Cinema Association	63
Football Association	53
London Boxing	50
British Fencing	45
East Anglian Rocketry Society	38
Middlesex County Archery Association	36
England Handball Association	25
British Kendo Association	20
	<u>34,629</u>

#### DONATIONS

	£
Right To Play UK	7,000
Ocean Stars Trust	5,000
Islamic Relief UK	3,176
Manitha Neyam	3,000
The Rahula Trust	1,000
World Vision	1,000
Birmingham Women's and Children's Hospital Charity	370
The Against Malaria Foundation	237
Schistosomiasis Control Initiative Foundation	237
Fashion Revolution Foundation	150
Hannah's Willbery Wonder Pony Charity	100
Hemkunt Foundation	25
	<u>21,296</u>

Approved on behalf of Imperial College Union on 8 December 2021 by.

*Jill Finney*  
Jill Finney

## **SECTION D: INDEPENDENT AUDITOR'S REPORT**

### **Independent auditor's report to the trustees of Imperial College Union**

#### **Opinion**

We have audited the accounts of Imperial College Union (the 'charity') for the year ended 31 July 2021 which comprise the statement of financial activities, the balance sheet, the statements of cash flows principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 July 2021 and of its income and expenditure for the year 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report and accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which 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 accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.



### **Auditor's responsibilities for the audit of the accounts (continued)**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

#### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements;
- We focused on specific laws and regulations which we considered may have a direct material effect on the accounts.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of representatives of management and the review of minutes of Board of Trustee meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of where management considers there was susceptibility to fraud and knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested and reviewed journal entries to identify unusual transactions;
- Tested the authorisation of expenditure;
- Gained an understanding of the processes in place for the management of the charity's investments and confirmed the validity of withdrawals from investments; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Review of the minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims; and
- Agreeing accounts disclosures to underlying supporting documentation.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the


inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's 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.



Buzzacott LLP  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date 11 January 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# SECTION E: STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted		2021 Restricted		2020	
		General	Designated Funds	Student Activities/ Halls	Capital Grants	Total Funds	Total Funds
		£	£	£	£	£	£
<b>Income and endowments</b>							
<b>Donations and legacies</b>							
Block Grant		1 907 612		-	-	1 907 612	1 897 212
Serviced Accommodation & Support Services	2	1 241 467		-	-	1 241 467	1 315 939
<b>Charitable activities</b>							
Social Enterprise	3	992 758		-	-	992 758	2 098 098
Student Activities and Development	5	38 921		928 973	-	967 894	2 469 454
Student Voice	6	-		-	-	-	3 913
<b>Other trading activities</b>							
Room Hire		36 810		-	-	36 810	113 512
<b>Investments</b>							
Other	4	10 489		-	-	10 489	49 232
Other		388 984		-	-	388 984	386 995
<b>Total income and endowments</b>		<b>4,617,041</b>		<b>928,973</b>	<b>-</b>	<b>5,546,014</b>	<b>8,334,355</b>
<b>Expenditure</b>							
<b>Charitable activities</b>							
Social Enterprise	3	(2 115,642)	(397 168)	-	(632,503)	(3,145,313)	(3,783,854)
Student Activities and Development	5	(1,663,695)	(683,359)	(681,815)	(1,280,766)	(4,309,635)	(4,454,675)
Student Voice	6	(810 324)	(83 622)	(550)	(144,100)	(1,038 596)	(805 181)
<b>Total expenditure</b>		<b>(4,589,661)</b>	<b>(1,164,149)</b>	<b>(682,365)</b>	<b>(2,057,369)</b>	<b>(8,493,544)</b>	<b>(9,043,710)</b>
<b>Net Gains/(losses) on investments</b>	12	<b>21,790</b>		<b>-</b>	<b>-</b>	<b>21,790</b>	<b>(54,164)</b>
<b>Net income/(expenditure)</b>		<b>49,170</b>	<b>(1,164,149)</b>	<b>246,608</b>	<b>(2,057,369)</b>	<b>(2,925,740)</b>	<b>(763,519)</b>
<b>Transfers between funds</b>		<b>66,206</b>	<b>(66,206)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movements in funds</b>		<b>115,376</b>	<b>(1,230,355)</b>	<b>246,608</b>	<b>(2,057,369)</b>	<b>(2,925,740)</b>	<b>(763,519)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward		386,579	1,398,644	1,712,148	2,157,036	5,654,407	6,417,926
Total funds carried forward		501,955	188,289	1,958,756	99,667	2,728,667	5,654,407

All operations are continuing

The notes on pages 30 to 43 form part of these financial statements

# SECTION F: BALANCE SHEET AS AT 31 JULY 2021

	Note	2021		2020	
		£	£	£	£
Tangible Fixed Assets	11		192,008		3,441,009
Investments	12		-		1,534,516
<b>Current Assets</b>					
Stocks	13	206,685		269,794	
Debtors & Prepayments	14	156,107		324,669	
Cash and bank balances	15	<u>3,055,644</u>		<u>776,612</u>	
		3,418,436		1,371,075	
Creditors: Amounts falling due within one year	16	<u>(728,459)</u>		<u>(544,674)</u>	
<b>Net Current Assets</b>			2,689,977		826,401
Creditors : Amounts falling due after more than one year	16		(153,318)		(147,519)
<b>Total Net Assets</b>			<u><u>2,728,667</u></u>		<u><u>5,654,407</u></u>
<b>Represented By:</b>	19				
<b>Restricted Funds</b>					
Capital Grants		99,667		2,157,036	
Student Activities/Halls		<u>1,958,756</u>		<u>1,712,148</u>	
			2,058,423		3,869,184
<b>Unrestricted Funds</b>					
Designated Funds		168,289		1,398,644	
General Reserve		<u>501,955</u>		<u>386,579</u>	
			670,244		1,785,223
			<u><u>2,728,667</u></u>		<u><u>5,654,407</u></u>

The notes on pages 30 to 43 form part of these financial statements

Approved on behalf of Imperial College Union on 8 December 2021 by.

*Jill Finney*  
Jill Finney

## SECTION G: STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Net movement of funds for the period	(2,925,740)	(763,519)
<b>Adjustments for:</b>		
Depreciation charges	3,221,518	497,488
(Gains)/losses on investments	(21,790)	54,164
Income received from investments	(10,489)	(49,232)
Loss/(profit) on sales of fixed assets	17,066	759
Decrease/(increase) in stock	63,109	(12,416)
Decrease/(increase) in debtors	168,562	132,127
Increase/(decrease) in creditors	189,584	(1,081,339)
<b>Net cash provided by operating activities</b>	<b>701,820</b>	<b>(1,221,968)</b>
<b>Cash flows from investing activities</b>		
Income received from investments	10,489	49,232
Payments to acquire fixed assets	-	(75,559)
Proceeds from sales of fixed assets	10,417	-
Purchase of investments	-	(48,307)
Proceeds from sale of investments	1,556,316	41,654
<b>Net cash provided by investing activities</b>	<b>1,577,212</b>	<b>(32,980)</b>
Change in cash and equivalents in the period	2,279,032	(1,254,948)
Cash and equivalents at the start of the period	776,612	2,031,560
<b>Cash and equivalents at the end of the period</b>	<b>3,055,644</b>	<b>776,612</b>

### Analysis of changes in net debt

	At start of year £	Cash-flows £	At end of year £
Cash	776,612	2,279,032	3,055,644
<b>Total</b>	<b>776,612</b>	<b>2,279,032</b>	<b>3,055,644</b>

The notes on pages 30 to 43 form part of these financial statements

## SECTION H: NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

#### **Basis of preparation**

These financial statements have been prepared for the year to 31 July 2021 and are presented in sterling and are rounded to the nearest pound.

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 FRS102 “the Financial Reporting Standard applicable in the UK and Republic of Ireland”, and the Charities Statement of Recommended Practice (Charities SORP) Second Edition effective 1 January 2019. Imperial College Union meets the definition of a public benefit entity under FRS 102. The principal accounting policies adopted are set out below and have been applied consistently throughout the period.

#### **Going Concern**

The charity has cash resources and is supported by Imperial College. The Trustees have also considered how COVID-19 could affect the accounting policies that underlie these financial statements and have reviewed income budgets and made assessments regarding possible uncertainties and the adequacy of disclosures. Following this review the trustees consider that there are sufficient reserves at 31 July 2021 to manage any foreseeable downturn in the UK and global economy and that there is a reasonable expectation the Charity has adequate resources to continue in operational existence for the foreseeable future and for this reason, the Trustees continue to adopt the ‘going concern’ basis in preparing the accounts.

#### **Taxation**

No provision is made in these financial statements for corporation tax as the Union is exempt from such tax as a result of its charitable status.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value.

#### **Tangible Fixed Assets**

Fixed assets are depreciated over their estimated useful economic lives. The threshold for capitalisation is £3,000 and the useful life for each asset is determined as shown below:

Freehold property	50 years
Building improvements (major)	10 years
Building improvements (minor)	5 years
Fixtures and fittings	5 years
IT Equipment	3 years

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.

## **Investments**

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

## **Pensions**

The Union participates in the Universities Superannuation Scheme (USS) and Superannuation Arrangements for the University of London (SAUL). Both are multi-employer defined benefit schemes and are externally funded. Provision is made in the accounts, appropriately discounted, for the total contributions payable to fund past service deficits. The Statement of Financial Activities reflects the contributions payable for the year in respect of current service and any movement in the provision in respect of past service.

## **Debtors**

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

## **Creditors**

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Union anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

## **Income and Expenditure**

Income is recognised in the accounts when the Union is legally entitled to the income and the amount can be quantified with reasonable certainty. Income is stated net of VAT and trade discounts. The most material items in the year were the block grant as disclosed in the SoFA and free serviced accommodation as disclosed in the note on Donated Services hereunder and which is accounted for at a value estimated by the College.

Grants are accounted for under the performance model as permitted by the Charity SORP. CJRS grant income is therefore recognised on a straight-line basis over the furlough period for each relevant employee.

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer or economic benefits will be received in settlement and the amount of the obligation can be measured reliably.

Expenditure is stated net of VAT and trade discounts, and includes irrecoverable VAT unless it relates to a capital asset in which case the irrecoverable VAT is included as part of the cost of the asset. Expenditure comprises the direct and indirect costs of delivering the Union's activities. Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit, annual elections, and training for sabbatical officers. The value of free serviced accommodation and other premises and equipment costs are apportioned to the Union's activities on estimated floor space occupied. Governance and Administration & Finance Costs are apportioned on a time basis. The value of free Support Services costs (HR and IT) are apportioned on a staff headcount basis.

## **Funds**

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.

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

**Critical accounting estimates and areas of judgement**

Preparation of the financial statements requires the Trustees and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- valuation of donations in kind received during the year
- estimating the useful economic life of tangible fixed assets
- allocation of support costs across charitable activities
- actuarial assumptions used to determine the valuation of the pension scheme liabilities in relation to the Universities Superannuation Scheme (USS). A discount rate of 0.87% (2020: 0.73%) has been used in line with industry standards

**Financial instruments**

The Union only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.



## 2 Donated Services

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Serviced Accommodation	1,079,837	-	-	1,079,837	1,080,372	-	-	1,080,372
HR and Payroll	99,103	-	-	99,103	158,523	-	-	158,523
IT Services	47,777	-	-	47,777	66,344	-	-	66,344
Audit Fees	14,750	-	-	14,750	10,700	-	-	10,700
	<b>1,241,467</b>	<b>-</b>	<b>-</b>	<b>1,241,467</b>	<b>1,315,939</b>	<b>-</b>	<b>-</b>	<b>1,315,939</b>

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

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Sales	992,758	-	-	992,758	2,098,098	-	-	2,098,098
Cost of Sales	(455,439)	-	-	(455,439)	(794,922)	-	-	(794,922)
Gross Profit	537,319	-	-	537,319	1,303,176	-	-	1,303,176
Staff Salaries & Wages	7 (554,685)	-	-	(554,685)	(1,328,429)	-	-	(1,328,429)
Other Direct Costs	(240,384)	-	-	(240,384)	(387,543)	-	-	(387,543)
Support Costs	8 (1,262,302)	-	(632,503)	(1,894,805)	(1,201,357)	-	(71,603)	(1,272,960)
	<b>(1,520,052)</b>	<b>-</b>	<b>(632,503)</b>	<b>(2,152,555)</b>	<b>(1,614,153)</b>	<b>-</b>	<b>(71,603)</b>	<b>(1,685,756)</b>

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

## 4 Other income

In the current financial year, other income contains Government grants totalling £316,010 relating to the Coronavirus Job Retention Scheme (2020: £305,091)

## 5 Student Activities & Development

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Income	38,921	928,973	-	967,894	55,493	2,365,018	48,943	2,469,454
Direct Costs	(268,703)	(625,113)	(8,777)	(902,593)	(460,030)	(2,103,861)	(5,120)	(2,569,011)
Staff Salaries & Wages	7 (238,969)	(56,702)	-	(295,671)	(287,391)	(41,281)	-	(328,672)
Support Costs	8 (1,839,382)	-	(1,271,989)	(3,111,371)	(1,412,996)	-	(143,996)	(1,556,992)
	<b>(2,308,133)</b>	<b>247,158</b>	<b>(1,280,766)</b>	<b>(3,341,741)</b>	<b>(2,104,924)</b>	<b>219,876</b>	<b>(100,173)</b>	<b>(1,985,221)</b>

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

## 6 Student Voice

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Income	-	-	-	-	313	3,600	-	3,913
Direct Costs	(10,228)	(550)	-	(10,778)	(12,353)	-	-	(12,353)
Staff Salaries & Wages	7 (70,677)	-	-	(70,677)	(133,944)	-	-	(133,944)
Support Costs	8 (813,041)	-	(144,100)	(957,141)	(642,571)	-	(16,313)	(658,884)
	<b>(893,946)</b>	<b>(550)</b>	<b>(144,100)</b>	<b>(1,038,596)</b>	<b>(788,555)</b>	<b>3,600</b>	<b>(16,313)</b>	<b>(801,268)</b>

## 7 Staff Salaries & Wages

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Salaries & Wages	(1,963,413)	(47,684)	-	(2,011,097)	(2,826,151)	(33,470)	-	(2,859,621)
Employers National Insurance Costs	(138,298)	(3,222)	-	(141,520)	(177,048)	(2,978)	-	(180,026)
Pension Costs	(220,275)	(5,597)	-	(225,872)	(256,666)	(4,679)	-	(261,345)
Apprenticeship Levy	(7,433)	(199)	-	(7,632)	(10,164)	(154)	-	(10,318)
	<b>(2,329,419)</b>	<b>(56,702)</b>	<b>-</b>	<b>(2,386,121)</b>	<b>(3,270,029)</b>	<b>(41,281)</b>	<b>-</b>	<b>(3,311,310)</b>
<b>Allocated to:</b>								
Social Enterprise	(554,685)	-	-	(554,685)	(1,328,429)	-	-	(1,328,429)
Student Activities & Development	(238,969)	(56,702)	-	(295,671)	(287,391)	(41,281)	-	(328,672)
Student Voice	(70,677)	-	-	(70,677)	(133,944)	-	-	(133,944)
Administration & Finance Costs	(1,382,958)	-	-	(1,382,958)	(1,423,882)	-	-	(1,423,882)
Governance	(82,130)	-	-	(82,130)	(96,383)	-	-	(96,383)
	<b>(2,329,419)</b>	<b>(56,702)</b>	<b>-</b>	<b>(2,386,121)</b>	<b>(3,270,029)</b>	<b>(41,281)</b>	<b>-</b>	<b>(3,311,310)</b>

Pensions costs are directly attributed to the activity and fund in which the originating salary costs resides, where salary costs are apportioned between charitable activities pension costs are apportioned on the same basis. In year no salary or pension costs were apportioned across different funds.

The average number of permanent staff during the year was 37 (2020: 60)

The average number of casual staff during the year was 24 (2020: 89)

There were 2 employees earning between £60,000-£69,999 at the year end (2020: 1)

There was 1 employee earning between £90,000-£99,999 at the year end (2020: 0)

The total remuneration of key management personnel, consisting of the Managing Director and 5 Officer Trustees, in the year was £325,863 (2020 : £297,572)  
During the year Imperial College Union made non contractual severance payments of £71,679 (2020: £48,576). These payments were approved by the trustees for payment.

## 8 Support Costs

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Premises & Equipment Costs	(2,132,155)	-	(2,048,592)	(4,180,747)	(1,172,668)	-	(231,912)	(1,404,580)
Administration & Finance Costs	(1,538,667)	-	-	(1,538,667)	(1,751,592)	-	-	(1,751,592)
Governance	(97,023)	-	-	(97,023)	(107,797)	-	-	(107,797)
Human Resources & Payroll	(99,103)	-	-	(99,103)	(158,523)	-	-	(158,523)
IT Services	(47,777)	-	-	(47,777)	(66,344)	-	-	(66,344)
	<b>(3,914,725)</b>	<b>-</b>	<b>(2,048,592)</b>	<b>(5,963,317)</b>	<b>(3,256,924)</b>	<b>-</b>	<b>(231,912)</b>	<b>(3,488,836)</b>
<b>Apportioned to:</b>								
Social Enterprise	(1,262,302)	-	(632,503)	(1,894,805)	(1,201,357)	-	(71,603)	(1,272,960)
Student Activities & Development	(1,839,382)	-	(1,271,989)	(3,111,371)	(1,412,996)	-	(143,996)	(1,556,992)
Student Voice	(813,041)	-	(144,100)	(957,141)	(642,571)	-	(16,313)	(658,884)
	<b>(3,914,725)</b>	<b>-</b>	<b>(2,048,592)</b>	<b>(5,963,317)</b>	<b>(3,256,924)</b>	<b>-</b>	<b>(231,912)</b>	<b>(3,488,836)</b>

## 9 Governance

	2021				2020			
	Unrestricted £	Restricted £	Capital £	Total £	Unrestricted £	Restricted £	Capital £	Total £
Audit	(14,750)	-	-	(14,750)	(10,700)	-	-	(10,700)
Staff Salaries & Wages	(82,130)	-	-	(82,130)	(96,383)	-	-	(96,383)
Trustees Expenses	(143)	-	-	(143)	(714)	-	-	(714)
	<b>(97,023)</b>	<b>-</b>	<b>-</b>	<b>(97,023)</b>	<b>(107,797)</b>	<b>-</b>	<b>-</b>	<b>(107,797)</b>
<b>Apportioned to:</b>								
Social Enterprise	(29,107)	-	-	(29,107)	(32,339)	-	-	(32,339)
Student Activities & Development	(29,107)	-	-	(29,107)	(32,339)	-	-	(32,339)
Student Voice	(38,809)	-	-	(38,809)	(43,119)	-	-	(43,119)
	<b>(97,023)</b>	<b>-</b>	<b>-</b>	<b>(97,023)</b>	<b>(107,797)</b>	<b>-</b>	<b>-</b>	<b>(107,797)</b>

Trustees' Expenses paid in the year were £143 (2020: £714)

## 10 Trustees' Remuneration

The Union's Officer Trustees' received the following amounts in the reporting period, as authorised in the Union's governing document:

	<b>Pay</b>	<b>Pension</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
President	33,286	5,326	38,612
DPCS	33,286	5,326	38,612
DPFS	33,442	5,351	38,793
DPE	33,286	5,326	38,612
DPW	33,286	5,326	38,612

These amounts are for the representation, campaigning and support work they undertake as distinct from their trustee responsibilities. This work includes voicing student opinion with the College and local community, defending and extending the rights of students through petitions, discussion with MPs and also organising and supporting student volunteers and service provision for them.

There were no other trustee benefits for the year.

<b>11 Tangible Fixed Assets</b>	<b>Building Refurbishment</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cost as at 31 July 2020	6,785,668	2,859,923	9,645,591
Additions	-	-	-
Disposals	-	(421,573)	(421,573)
Cost as at 31 July 2021	<u><b>6,785,668</b></u>	<u><b>2,438,350</b></u>	<u><b>9,224,018</b></u>
Accumulated Depreciation as at 31 July 2020	3,628,411	2,576,171	6,204,582
Depreciation	3,079,804	141,714	3,221,518
Disposals	-	(394,090)	(394,090)
Accumulated Depreciation as at 31 July 2021	<u><b>6,708,215</b></u>	<u><b>2,323,795</b></u>	<u><b>9,032,010</b></u>
Net Book Value as at 31 July 2020	3,157,257	283,752	3,441,009
Net Book Value as at 31 July 2021	<u><b>77,453</b></u>	<u><b>114,555</b></u>	<u><b>192,008</b></u>

In the year, the Trustees approved a new capitalisation and depreciation policy and undertook a review of the fixed asset register in light of this. As a result, a number of significant assets (mainly building refurbishments) have had their estimated useful lives reduced to be in line with the new policy. This has resulted in an accelerated depreciation charge of £2,773,825 (2020: £nil). This depreciation charge relates to either restricted or designated funds and therefore the impact of this policy change on the general reserve is £nil.

<b>12 Investments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Rathbones	-	1,534,516
	<u><b>1,534,516</b></u>	<u><b>1,534,516</b></u>
<b>Rathbones</b>		
Market value at 1 August	1,534,516	1,582,027
Additional capital invested	-	48,307
Capital returned	(1,556,306)	(30,000)
Investment Management Fees	-	(11,654)
Gain/(Loss) in Market Value	21,790	(54,164)
Market value at 31 July	<u><b>-</b></u>	<u><b>1,534,516</b></u>

<b>13 Stock</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Stock	206,685	269,794
	<u><b>206,685</b></u>	<u><b>269,794</b></u>

The amount of stock recognised as an expense in the year was £536,508 (2020: £943,036)

<b>14 Debtors and Prepayments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade Debtors	30,530	201,553
Credit Note Provision	-	(4,200)
Other Debtors	5,156	43,063
Provision for Bad Debts	(16,469)	(60,698)
Prepayments	122,140	69,554
Accrued Income	14,750	40,970
VAT	-	34,427
	<u><b>156,107</b></u>	<u><b>324,669</b></u>

<b>15 Cash and Bank Balances</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank Accounts	3,054,350	775,318
Cash Floats	661	661
Petty Cash	633	633
	<u><b>3,055,644</b></u>	<u><b>776,612</b></u>

<b>16 Creditors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<i><b>Due within one year</b></i>		
Trade Creditors	92,176	65,207
Credit Note Provision	-	(20,043)
Other Creditors	38,841	46,933
Imperial College Creditor	286,423	173,228
VAT	16,217	-
Accruals	222,903	223,946
Deferred Income	17 14,386	-
Staff benefits accrued	35,072	48,481
Pension Schemes Deficit Provision	18 22,441	6,922
	<b>728,459</b>	<b>544,674</b>
<i><b>Due after one year</b></i>		
Pension Schemes Deficit Provision	18 153,318	147,519
	<b>881,777</b>	<b>692,193</b>

<b>17 Deferred Income</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Opening Balance	-	64,991
Income Received	14,386	-
Income Utilised	-	(64,991)
Closing Balance	<b>14,386</b>	<b>-</b>

Deferred income relates to advance payments for goods/services that will be supplied by the Union in the new financial year.

<b>18 Defined Benefits Pension Schemes Deficit Provision</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Opening balance	154,441	280,586
Additional staff costs	20,191	(121,712)
Interest payable	1,127	(4,433)
	<b>175,759</b>	<b>154,441</b>

19 Funds	Opening Balance £	Income £	Expenditure £	Transfers £	Revaluations £	Closing Balance £
<b>Restricted Funds</b>						
Student Activities / Halls	1,712,148	928,973	(682,365)	-	-	1,958,756
Capital Grants	2,157,036	-	(2,057,369)	-	-	99,667
<b>Total Restricted Funds</b>	<b>3,869,184</b>	<b>928,973</b>	<b>(2,739,734)</b>	<b>-</b>	<b>-</b>	<b>2,058,423</b>
<b>Designated Funds</b>						
Fixed Assets Fund	1,283,973	-	(1,164,149)	(27,483)	-	92,341
Investment Revaluation Reserve	38,723	-	-	(38,723)	-	-
Capital Plan Designated Funds	-	-	-	-	-	-
Student Activities Designated Funds	75,948	-	-	-	-	75,948
<b>Total Designated Funds</b>	<b>1,398,644</b>	<b>-</b>	<b>(1,164,149)</b>	<b>(66,206)</b>	<b>-</b>	<b>168,289</b>
<b>General Reserve</b>	<b>386,579</b>	<b>4,617,041</b>	<b>(4,589,661)</b>	<b>66,206</b>	<b>21,790</b>	<b>501,955</b>
<b>Total Reserves</b>	<b>5,654,407</b>	<b>5,546,014</b>	<b>(8,493,544)</b>	<b>-</b>	<b>21,790</b>	<b>2,728,667</b>

Unrestricted Funds which require the sale of investments to realise £0 (2020: £1,534,516)

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 Fund represents the balance of Fixed Assets not covered by Capital Grants

## 20 Pension Schemes

The Union participates in two separate, independently managed, defined benefit occupational pension schemes, which were contracted out of the State Second Pension (S2P) until 31 March 2016. Each is valued triennially by professionally qualified and independent actuaries. The Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL) are multi-employer schemes and it is not possible to identify the Union's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. Hence, as required by Section 28 of FRS 102, contributions to the schemes are accounted for as if they were defined contribution schemes. This means the amounts charged to the statement of financial activities (SOFA) represent the contributions payable to the schemes in respect of the accounting period. For both USS and SAUL, in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer may be spread across the remaining participant employers and reflected in the next actuarial valuation.

### USS

Staff paid on academic and academic-related scales (who are otherwise eligible), can acquire pension rights through USS, which is a national scheme administered centrally for UK universities. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits, above a threshold amount of salary. The assets of the scheme are held in a separate fund administered by the Trustee.

The total cost for the Union for the year ended 31 July 2021 was £81,253 (2020: £66,026). Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole. The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion, indicating a shortfall of £3.6 billion. The assets were therefore sufficient to cover 95% of the benefits which had accrued to members, after allowing for expected future increases in earnings.

Following the 2018 actuarial valuation a new deficit recovery plan was agreed. This amended the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. The plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

The 31 March 2020 valuation is in progress and is expected to complete by 30 June 2021.

### SAUL

The Union participates in SAUL, which is an independently-managed pension scheme for the non-academic staff of over 50 Unions and institutions with links to higher education in London. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020. At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trustee and the employers have agreed that the ongoing employer's contributions will continue at a rate of 16% of CARE Salaries.

### Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and will be reviewed again at SAUL's next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements following the valuation date were positive and the Trustees and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers' contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

### Accounting Policy

The Union is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2020 was £3,612 million representing 94% of the liabilities. The market value of SAUL's assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. Imperial College Union accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs based on the amounts actually paid (i.e cash amounts) in accordance with paragraphs 28.11 of FRS 102.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e the present value of any deficit contributions due to SAUL) to be recognised by Imperial College Union.

## 21 Capital Commitments

There were no capital commitments at the year end (2020: Nil)

## 22 Contingent Liabilities

HMRC is currently challenging the application of the catering concession by Students' Unions if they consider the establishment to be a pub or bar. Whilst the Union believes it has complied with the concession in good faith, the subjective nature of the interpretation of the concession could mean that HMRC take a different view. No contingent liability has been quantified.

## 23 Analysis of assets between funds

	Restricted Funds		Unrestricted Funds	Total Funds
	Capital Grants	Student Activities		
	£	£	£	£
Tangible Fixed Assets	99,667	-	92,341	192,008
Investments	-	-	-	-
Current Assets	-	1,958,756	1,459,680	3,418,436
Creditors	-	-	(881,777)	(881,777)
	<b>99,667</b>	<b>1,958,756</b>	<b>670,244</b>	<b>2,728,667</b>

## 24 Third Party Transactions

### Imperial College London

A block grant from Imperial College of £1,907,612 (2020: £1,897,212) was receivable by the Union in the year.

Transactions throughout the year resulted in a trading balance as at 31 July 2021 of £377,931 (2020: £291,417) due to the College. The significant decrease is due to invoices for staff costs being paid more promptly this year compared to previous years. At 31 July 2021 there was also a balance of £86,680 (2020: £118,190) due from the College.

In addition, the Union building is provided by the College free of charge together with the provision of support services including HR, Payroll & IT. This donation of serviced accommodation is valued by the Union at £1,226,717 (2020: £1,315,939), see Note 2 Donated Services for details.

## 25 Comparative SOFA for 2020

	2020				
	Unrestricted		Restricted		Total
	General	Designated Funds	Student Activities/ Halls	Capital Grants	
	£		£	£	£
Income and endowments					
Donations and legacies					
Block Grant	1,897,212	-	-	-	1,897,212
Serviced Accommodation & Support Services	1,315,939	-	-	-	1,315,939
Charitable activities					
Social Enterprise	2,098,098	-	-	-	2,098,098
Student Activities and Development	55,493	-	2,365,018	48,943	2,469,454
Student Voice	313	-	3,600	-	3,913
Other trading activities					
Room Hire	113,512	-	-	-	113,512
Investments	49,232	-	-	-	49,232
Other	386,995	-	-	-	386,995
Total income and endowments	5,916,794	-	2,368,618	48,943	8,334,355
Expenditure					
Charitable activities					
Social Enterprise	(3,712,251)	-	-	(71,603)	(3,783,854)
Student Activities and Development	(2,160,417)	-	(2,145,142)	(149,116)	(4,454,675)
Student Voice	(788,868)	-	-	(16,313)	(805,181)
Total expenditure	(6,661,536)	-	(2,145,142)	(237,032)	(9,043,710)
Net Gains/(losses) on investments	(54,164)	-	-	-	(54,164)
Net income/(expenditure)	(798,906)	-	223,476	(188,089)	(763,519)
Transfers between funds	288,763	(288,763)	-	-	-
Net movements in funds	(510,143)	(288,763)	223,476	(188,089)	(763,519)
Reconciliation of funds					
Total funds brought forward	896,722	1,687,407	1,359,971	2,577,037	6,521,138
Total Funds carried forward	386,579	1,398,644	1,583,447	2,388,948	5,757,619

The Comparative SOFA for 2020 has been updated to split Unrestricted funds into General and Designated Funds, this is to aid comparisons with the SOFA for 2021.



# SECTION I: APPENDICES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

## 1 Clubs, Societies & Projects

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
<b>Arts &amp; Entertainments Sector</b>						
Income	2,987	46,944	49,931	1,821	200,263	202,084
Expenditure	(13,167)	(51,332)	(64,499)	(31,856)	(197,689)	(229,545)
	(10,180)	(4,388)	(14,568)	(30,035)	2,574	(27,461)
<b>CGCU (City &amp; Guilds College)</b>						
Income	160	156,787	156,947	(2,335)	406,926	404,591
Expenditure	(11,464)	(67,097)	(78,561)	(10,974)	(300,431)	(311,405)
	(11,304)	89,690	78,386	(13,309)	106,495	93,186
<b>Community Sector</b>						
Income	249	29,225	29,474	267	75,538	75,805
Expenditure	(218)	(10,330)	(10,548)	(1,476)	(102,970)	(104,446)
	31	18,895	18,926	(1,209)	(27,432)	(28,641)
<b>Culture Sector</b>						
Income	204	39,350	39,554	280	243,821	244,101
Expenditure	(34)	(31,631)	(31,665)	(771)	(219,094)	(219,865)
	170	7,719	7,889	(491)	24,727	24,236
<b>GSU (Graduate Students' Union)</b>						
Income	-	-	-	-	16,397	16,397
Expenditure	-	(200)	(200)	(94)	(15,400)	(15,494)
	-	(200)	(200)	(94)	997	903
<b>ICSMSU (School of Medicine)</b>						
Income	4,671	151,026	155,697	3,344	353,877	357,221
Expenditure	(12,683)	(154,181)	(166,864)	(60,090)	(318,746)	(378,836)
	(8,012)	(3,155)	(11,167)	(56,746)	35,131	(21,615)
<b>Knowledge Sector</b>						
Income	246	39,028	39,274	163	45,921	46,084
Expenditure	(751)	(17,699)	(18,450)	(1,997)	(45,948)	(47,945)
	(505)	21,329	20,824	(1,834)	(27)	(1,861)
<b>NAI (New Activities Incubator)</b>						
Income	140	1,097	1,237	40	4,636	4,676
Expenditure	-	(638)	(638)	-	(2,456)	(2,456)
	140	459	599	40	2,180	2,220
<b>RCSU (Royal College of Science)</b>						
Income	1,005	57,636	58,641	60	110,330	110,390
Expenditure	(429)	(48,032)	(48,461)	(1,412)	(82,318)	(83,730)
	576	9,604	10,180	(1,352)	28,012	26,660
<b>Recreation Sector</b>						
Income	5,494	37,975	43,469	7,496	99,661	107,157
Expenditure	(34,833)	(18,731)	(53,564)	(57,422)	(107,646)	(165,068)
	(29,339)	19,244	(10,095)	(49,926)	(7,985)	(57,911)
<b>RSM (Royal School of Mines)</b>						
Income	780	9,722	10,502	40	56,953	56,993
Expenditure	(104)	(7,631)	(7,735)	(7,199)	(53,350)	(60,549)
	676	2,091	2,767	(7,159)	3,603	(3,556)
<b>Silwood (Silwood Park)</b>						
Income	-	-	-	-	52	52
Expenditure	(1,770)	(427)	(2,197)	(3,631)	(756)	(4,387)
	(1,770)	(427)	(2,197)	(3,631)	(704)	(4,335)
<b>Sports Sector</b>						
Income	9,728	118,624	128,352	12,084	521,859	533,943
Expenditure	(26,251)	(102,295)	(128,546)	(146,084)	(488,085)	(634,169)
	(16,523)	16,329	(194)	(134,000)	33,774	(100,226)
<b>All Clubs, Societies &amp; Projects</b>						
Income	25,664	687,414	713,078	23,260	2,136,234	2,159,494
Expenditure	(101,704)	(510,224)	(611,928)	(323,006)	(1,934,889)	(2,257,895)
	<b>(76,040)</b>	<b>177,190</b>	<b>101,150</b>	<b>(299,746)</b>	<b>201,345</b>	<b>(98,401)</b>

## 2 Student Halls

	2021			2020		
	Income	Restricted Expenditure	Total	Income	Restricted Expenditure	Total
	£	£	£	£	£	£
Beit	16,024	(10,069)	5,955	21,851	(19,531)	2,320
Chapter Islington (Paragon)	11,319	(11,377)	(58)	-	-	-
Falmouth & Keogh	6,902	(6,326)	576	12,818	(13,582)	(764)
Gabor	8,691	(4,844)	3,847	17,714	(18,776)	(1,062)
Kemp Porter	39,164	(36,990)	2,174	-	-	-
Linstead	8,078	(7,723)	355	10,893	(12,609)	(1,716)
Parsons	2,233	(4,178)	(1,945)	4,204	(3,191)	1,013
Pembridge	5,498	(5,494)	4	8,122	(9,363)	(1,241)
Selkirk	5,664	(6,235)	(571)	8,640	(7,558)	1,082
Silwood Halls	9,670	(8,555)	1,115	7,805	(11,894)	(4,089)
Tizard	4,918	(4,865)	53	11,732	(10,976)	756
Wilkinson	8,673	(4,019)	4,654	13,993	(13,570)	423
Wilson House	23,259	(22,275)	984	31,734	(26,487)	5,247
Woodward Hall	39,091	(31,433)	7,658	67,095	(49,749)	17,346
Xenia	8,405	(7,208)	1,197	12,866	(12,967)	(101)
	<b>197,589</b>	<b>(171,591)</b>	<b>25,998</b>	<b>229,467</b>	<b>(210,253)</b>	<b>19,214</b>

## 3 Premises & Equipment Costs

	2021			2020		
	Unrestricted	Capital	Total	Unrestricted	Capital	Total
	£	£	£	£	£	£
Cleaning	(21,106)	-	(21,106)	(58,867)	-	(58,867)
Building Redevelopment Depreciation	(1,031,212)	(2,048,592)	(3,079,804)	(33,429)	(231,912)	(265,341)
Serviced Accommodation	(1,079,837)	-	(1,079,837)	(1,080,372)	-	(1,080,372)
	<b>(2,132,155)</b>	<b>(2,048,592)</b>	<b>(4,180,747)</b>	<b>(1,172,668)</b>	<b>(231,912)</b>	<b>(1,404,580)</b>
<i>Apportioned to:</i>						
Social Enterprise	(658,303)	(632,503)	(1,290,806)	(362,061)	(71,603)	(433,664)
Student Activities & Development	(1,323,874)	(1,271,989)	(2,595,863)	(728,120)	(143,996)	(872,116)
Student Voice	(149,978)	(144,100)	(294,078)	(82,487)	(16,313)	(98,800)
	<b>(2,132,155)</b>	<b>(2,048,592)</b>	<b>(4,180,747)</b>	<b>(1,172,668)</b>	<b>(231,912)</b>	<b>(1,404,580)</b>

## 4 Administration & Finance Costs

	2021	2020
	Unrestricted	Unrestricted
	£	£
Bad Debt Expense	56,771	(130,084)
Bank Charges	(2,598)	(5,407)
Depreciation of Fixtures, Fittings & Equipment	(28,734)	(27,243)
Irrecoverable VAT	(13,325)	(22,730)
Office Equipment	(50,045)	(43,107)
Officer Training	(4,362)	(4,005)
Other Staff Costs	(11,653)	(32,841)
Printing, Stationery & Postage	(10,840)	(28,511)
Staff Salaries	(1,382,958)	(1,423,882)
Telephone and Fax	(7,065)	(3,751)
Training	(4,529)	(17,752)
Miscellaneous	(71,421)	(119,526)
Pension scheme deficit expense	(21,317)	126,146
Staff benefits accrued	13,409	(18,899)
	<b>(1,538,667)</b>	<b>(1,751,592)</b>
<i>Apportioned to:</i>		
Social Enterprise	(497,123)	(679,065)
Student Activities & Development	(451,070)	(600,445)
Student Voice	(590,474)	(472,082)
	<b>(1,538,667)</b>	<b>(1,751,592)</b>

<b>5 Human Resources &amp; Payroll</b>	<b>2021</b>	<b>2020</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>£</b>	<b>£</b>
HR Rate / FTE	(2,489)	(2,568)
FTEs (including casual workers)	39.82	61.73
	<u><b>(99,103)</b></u>	<u><b>(158,523)</b></u>
<i><b>Apportioned to:</b></i>		
Social Enterprise	(54,925)	(95,157)
Student Activities & Development	(22,608)	(34,302)
Student Voice	(21,570)	(29,064)
	<u><b>(99,103)</b></u>	<u><b>(158,523)</b></u>
 <b>6 IT Services</b>	 <b>2021</b>	 <b>2020</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>£</b>	<b>£</b>
IT Rate / FTE	(1,410)	(1,417)
FTEs (excluding casual workers)	33.89	46.82
	<u><b>(47,777)</b></u>	<u><b>(66,344)</b></u>
<i><b>Apportioned to:</b></i>		
Social Enterprise	(22,844)	(32,734)
Student Activities & Development	(12,723)	(17,790)
Student Voice	(12,210)	(15,820)
	<u><b>(47,777)</b></u>	<u><b>(66,344)</b></u>
 <b>7 Trade Debtors</b>	 <b>2021</b>	 <b>2020</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>£</b>	<b>£</b>
Debtor control	24,112	187,350
Debtors with credit balances	6,418	14,203
	<u><b>30,530</b></u>	<u><b>201,553</b></u>
 <b>8 Trade Creditors</b>	 <b>2021</b>	 <b>2020</b>
	<b>Unrestricted</b>	<b>Unrestricted</b>
	<b>£</b>	<b>£</b>
Credit control	(24,039)	(100,335)
Creditors with debit balances	109,797	59,620
Debtors with credit balances	6,418	14,203
	<u><b>92,176</b></u>	<u><b>(26,512)</b></u>