

**Imperial College
London**

**Annual Report and Accounts
2012–13**



OUR MISSION

Imperial College embodies and delivers world class scholarship, education and research in science, engineering, medicine and business, with particular regard to their application in industry, commerce and healthcare. We foster multidisciplinary working internally and collaborate widely externally.

On the cover:

*Stephen Ramsey, scientific glassblowing and design, Department of Chemistry.
Here, Stephen is making bespoke prototype glass flasks for chemists working in the Department.*

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Imperial at a glance

8th

Imperial's league table position in the world in the *Times Higher Education World University Rankings 2012–13*

7.4%

Amount by which the College's income increased during 2012–13

£429m

Imperial's 2012–13 income from research grants and contracts and HEFCE's research grant

18%

Amount by which overall value of the Endowment grew during 2012–13

£124m

Total capital expenditure during 2012–13

86%

Overall satisfaction rating in the National Student Survey 2012

President & Rector's foreword



I am very pleased to present this year's Annual Report and Accounts for Imperial College London. I would like to commend all the staff, students and alumni who are responsible for the achievements detailed within, and who make and shape Imperial's outstanding reputation.

By the same token I am honoured to be able to thank once again, on behalf of all the College's members, our friends, allies and supporters who provide us with their wider perspectives and encouragement to fulfil our mission to excel in research, education and translation.

A decade on from the launch of the first *Times Higher Education World Rankings*, Imperial is now well-established and recognised as amongst the world's greatest universities. It can rightly lay claim to being the best science, technology, medicine and business focused university in a global city today.

As this report chronicles we are now laying the foundations for the next 25 years, to ensure that in a generation's time that claim is not only intact but strengthened. Our CFO Muir Sanderson sets out on page 7 the basis for that confidence through his report on the stewardship of our resources. We remain in excellent financial health, and I strongly believe that what Imperial is capable of achieving in future shall be limited only by our imagination, vision and the ability to find the right partners to help achieve new value from our ideas.

IMPERIAL WEST MOVES AHEAD

I wrote last year that planning approval had been granted for our masterplan for the Imperial West site in White City, giving the go-ahead for a major regeneration project. In terms of construction, the next milestone is the development of the £150 million Research and Translation Hub which is scheduled for completion in 2015. In 2013 we purchased an additional 11.5 acres of land, giving us a total campus footprint of 22.75 acres, and significantly increasing our capacity to deliver the College's vision of a major research and translation ecosystem.

This vision for Imperial West was launched at South Kensington in March, when over 700 guests including leaders from business, research and healthcare, and Imperial staff, students and alumni heard David Willetts, Minister of Universities and Science, and Boris Johnson, Mayor of London, both give speeches endorsing the project.

There is great enthusiasm across an increasingly space-strapped College for expanding our research and translation activities into this new Hub, and we have received strong expressions of interest in co-locating at Imperial West from businesses, universities and research organisations around the world.

Just one example serves to illustrate our new compass. Huawei, the leading global ICT company, is in discussions with Imperial to collaborate on a joint R&D hub at Imperial West. The proposed centre will focus on the emergent field of data science and will co-locate academic researchers and business experts from Imperial and Huawei respectively to work on big data research and applications together.

SINGAPORE MEDICAL SCHOOL OPENS

At the beginning of August, the first 54 students were welcomed to Singapore's Lee Kong Chian School of Medicine, Imperial's ground-breaking collaboration with Nanyang Technological University, and Singapore's first undergraduate medical school for 100 years. Over the next five years they will pursue an innovative curriculum developed by Imperial's team, and will gain experience in a wide range of clinical settings. This inaugural cohort has attracted some of the country's brightest talents and I am confident they will excel as doctors serving Singapore.

OLYMPIC HEALTHCARE LEGACY

2013 saw the launch of the MRC-NIHR Phenome Centre, a collaborative venture that brings together Imperial with King's College London, the Waters Corporation, Bruker Biospin and funders, the MRC and NIHR, and which is a legacy of the 2012 Olympics and its drug testing and analysis labs.

The national facility, which will work with medical researchers throughout the UK, promises to transform our understanding of diseases and to translate research

into tangible benefits for patients. The Centre is based on Imperial's Hammersmith campus at the heart of our Academic Health Science Centre partnership with Imperial College Healthcare NHS Trust.

THE LIFETIME STUDENT EXPERIENCE

We are committed to offering an outstanding student experience and the results of the 2013 National Student Survey show that we continue to make progress and improvement. The feedback from 1,634 students – four-fifths of the graduating cohort – gave Imperial its highest student satisfaction score and response rate in the survey's history.

The high levels of student satisfaction perhaps explain why so many of our students want to attend graduation ceremonies in the Royal Albert Hall with their family and friends beside them. In May over 2,600 graduates and 5,000 guests attended Imperial's largest Postgraduate Graduation Ceremonies to date.

But our commitment to our students extends well past graduation.

A record 1,300 alumni registered for the alumni reception that was held as part of the second annual Imperial Festival in May. I was delighted to welcome an estimated crowd of 10,000 including alumni and the general public to the South Kensington campus for hands-on scientific demonstrations and imaginative presentations of research by four hundred researchers and students. To complement the Festival, throughout 2012–13 the College also launched an innovative series of monthly Imperial Fringe events to engage the public around topical research themes.

We were honoured that our new Alumni Visitor Centre was formally opened in July by Mr Koh Boon Hwee (Mechanical Engineering, 1972), Chairman of Nanyang Technological University. The Centre provides an exclusive space at South Kensington for visiting Imperial alumni and their guests to relax, work, meet friends and colleagues, and catch up with the latest developments at the College.

MEETING SUPPORTERS WORLDWIDE

As I said last year, nothing beats spending time with would-be partners and our supporters. We have continued our programme of overseas engagement with visits to the United States, India, Malaysia, Singapore, China, and Hong Kong, where I have enjoyed many productive conversations with alumni, government, universities and industry.

Our alumni continue to provide significant levels of financial support for our endeavours. During 2012–13 the College secured gifts from an all-time high of 4,646 donors, with 935 donors making their first regular gift to the College.

Its current priority is the Rector's Scholarship Fund, and thanks to the generosity of alumni and friends, the College was able to offer 85 new undergraduate scholarships to talented students from across the world.

The programme also made a large allocation to support researchers through the new Imperial College PhD Scholarship scheme. In addition to this, the College and its Indian supporters association, the Imperial College India Foundation, launched the Imperial College India Foundation PhD Scholarships during my visit to India in January.

DIVERSITY WINS

In 2013 Imperial can be hugely proud to have been granted institution-wide Athena Swan silver status for the support it offers women pursuing careers in science; one of only three universities ever to be recognised in this way, the award is testament to our serious long-term commitment to gender equality at all levels.

NEW GOVERNANCE APPROACH

The past year has seen considerable change to the College's management structure, including the separation of the responsibilities of the Rector into a Provost and President model – similar to the approach taken by many of our US counterparts.

On 1 August, we welcomed Professor James Stirling as our first Provost. James is an outstanding theoretical particle

physicist, with an excellent track record in university leadership, and as Provost, he will take responsibility for the delivery of the College's core mission: education, research, and translation. Together, James and I share responsibility for the overall strategic direction of the College.

James's appointment has given way to a wider reorganisation of executive leadership and governance from 1 August 2013. Aside from new titles – Principals becoming Deans; Pro Rectors becoming Vice-Provosts; Deans becoming Consuls – there have been a number of new senior College appointments.

We welcomed Professor G. 'Anand' Anandalingam as Dean of Imperial College Business School and Professor of Management Science. Anand is an expert in electronic markets and telecommunications networks and was formerly Dean of the Robert H. Smith School of Business at the University of Maryland, USA. Professor David Gann CBE, formerly Deputy Principal of the Business School, took up the new appointment of Vice-President (Development and Innovation), and former Deputy Rector Professor Stephen Richardson FREng became the Associate Provost (Institutional Affairs).

We said warm farewells to Mr Edward Astle, Pro-Rector (Enterprise), and Dr Simon Buckle, Pro Rector (International), who returns to his role as Policy Director in the Grantham Institute; we thank them for their significant contributions and wish them both very well in their future endeavours.

Finally, Sir Tom Hughes-Hallett, formerly CEO of Marie Curie Cancer Care, was appointed Executive Chair of Imperial's Institute of Global Health Innovation, and became a co-opted member of Council. We were also pleased to welcome two new external appointments to the Council: Chris Brinsmead, formerly President of Astra Zeneca UK Limited, and now the Government's Life Sciences Business Adviser, and Dame Ruth Carnall, former chief executive of NHS London.

Sir Keith O'Nions,
President & Rector

SENIOR STAFF



Professor Sir Keith O'Nions,
President & Rector (Chairman)



Professor James Stirling,
Provost (from 1 August 2013)



Professor David Gann,
Vice-President (Development and Innovation)



Professor Stephen Richardson,
Associate Provost (Institutional Affairs)



Mr Muir Sanderson,
Chief Financial Officer



Mr John Neilson,
College Secretary and Registrar



Professor Jeff Magee,
Dean, Faculty of Engineering



Professor Dermot Kelleher,
Dean, Faculty of Medicine; Vice-President (Health)



Professor Maggie Dallman,
Dean, Faculty of Natural Sciences



Professor Anand Anandalingam,
Dean, Imperial College Business School (from 1 August 2013)



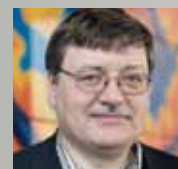
Mr Simon Harding-Roots,
Chief Operations Officer



Professor Dot Griffiths,
Dean, Imperial College Business School (until 31 July 2013)



Professor Debra Humphris,
Vice-Provost (Education)



Professor Donal Bradley,
Vice-Provost (Research)



Mr Edward Astle,
Pro-Rector (Enterprise) (until 31 July 2013)



Dr Simon Buckle,
Pro-Rector (International Affairs) (until 31 July 2013)

Five-year summary of key statistics

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	2013 £m	2012 £m	2011 £m	2010 £m	2009 £m
INCOME AND EXPENDITURE					
Funding Council grants	169	172	169	172	178
Academic fees and support grants	186	163	138	121	109
Research grants and contracts	330	314	299	297	287
Other operating income	126	108	94	89	85
Endowment and investment income	13	8	6	15	13
Less: share of joint venture income	(2)	–	(1)	(1)	–
Net income	822	765	704	693	672
Total expenditure	755	702	660	651	657
Surplus from ordinary activities	67	63	44	42	15
Share of profit/(loss) in joint ventures and associates	(2)	(3)	(2)	–	–
Minority interests	–	–	1	(1)	2
Surplus before exceptional items	65	60	43	41	16
Surplus for the year retained within general reserves	87	61	95	41	17

BALANCE SHEET

Fixed assets	1,145	1,030	920	869	787
Endowment assets	97	79	76	59	56
Net current assets/(liabilities)	43	64	39	(3)	(4)
Long term creditors and provisions	(283)	(265)	(192)	(180)	(191)
Net assets	1,002	908	843	745	647

CAPITAL EXPENDITURE (IN-YEAR CAPITAL EXPENDITURE ADDITIONS)

Externally funded	20	30	44	77	34
Internally funded	86	47	33	38	81
Finance leases	18	75	–	–	–
Total in-year capital expenditure additions	124	152	77	115	115
HEFCE capital grant received	14	14	18	42	42

LIQUIDITY

Cash and cash equivalent	317	331	261	189	201
Bank loans	(154)	(160)	(166)	(172)	(173)
Finance leases	(93)	(75)	–	–	–
Net cash	70	96	95	17	28

STUDENT NUMBERS

Full-time equivalent students – undergraduate	8,834	9,080	8,885	8,608	8,554
Full-time equivalent students – postgraduates	5,580	5,262	5,079	4,865	4,465
Visiting students / other	1,209	1,229	1,251	1,094	994
Total	15,623	15,571	15,215	14,567	14,013
Average number of full-time equivalent staff	6,731	6,648	6,736	6,613	6,654
Staff costs as a percentage of expenditure	52.0%	53.3%	55.1%	54.9%	53.4%

Financial review



Mr Muir Sanderson, Chief Financial Officer

KEY HIGHLIGHTS

With significant growth in income, a robust surplus and strong cash generation, 2012–13 could be seen as being much the same as the previous financial year. There is one crucial difference: this was the year the College significantly reversed its decline in internally funded capital investment. This was not a decision taken lightly; there is still much uncertainty about the external environment. However we are determined to provide the investment needed to cement our world leading academic position and are confident in our ability to do so. The securing of land at White City was an important example, giving the College the space and partnership opportunities with industry, academia and government, to support its inexorable growth. This is only the beginning – further acreage has been bought after the end of the financial year – and developing the estate will take many years. Ensuring that we can continually generate the cash needed to fund our commitment to world class research, education and translation will not be easy; but it is possible. We will need to keep diversifying our income and carefully managing our costs whilst never deviating from our academic mission. This will continue to be the focus of our financial plans in the coming years.

The key highlights for the year are:

- Income grew by 7.4% over 2011–12 to £822 million.
- The introduction of the new fee regime for home undergraduates had no overall negative impact on the College's financial position in the year.
- A further 720 postgraduate accommodation rooms became available following the completion of the developments at Battersea and White City.
- The surplus on ordinary activities was £67 million, representing 8.2% of income.
- There were two exceptional items, relating to the sale of postgraduate accommodation and the surrender of a lease, resulting in a total surplus retained within general reserves of £87 million.
- The College's total net asset position at year end exceeded £1 billion, with the value of fixed assets increasing by £115 million in the year as a result of the capital and investment programme.
- The investment returns on the Endowment were again outstanding at 16.5%.
- Cash generation from operations remained very healthy at £106 million, with gross cash and short term deposits of £317 million and net cash, including debt and finance lease commitments, of £70 million.

INCOME

Total College income for the year was £822 million, an increase of 7.4% over the previous year.

Income analysis	2013 £m	2012 £m	Change %
Funding Council grants	168.9	172.4	-2.0
Academic fees and support grants			
Home and EU students (full-time)	48.2	34.8	38.5
Overseas students	103.9	96.3	7.9
Other	34.2	32.0	6.9
	186.3	163.1	14.2
Research income			
UK research councils	102.3	102.4	-0.1
UK charities	66.4	66.5	-0.2
UK industry	23.2	18.9	22.8
European Union and overseas	86.9	74.5	16.6
Other	50.7	51.6	-1.7
	329.5	313.9	5.0
Other income	126.6	108.1	17.1
Endowment and investment income	12.5	8.1	54.3
Less: share of income from joint venture	(1.8)	(0.4)	350.0
Total income	822.0	765.2	7.4

Financial review

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Movements in the main components of income during the year were as follows:

- Funding Council grants, primarily from the Higher Education Funding Council for England (HEFCE), fell by £3.5 million to £169 million. The teaching grant fell by £6.6 million, mainly as a result of the introduction of the new fee regime in 2012–13. The research grant from HEFCE rose by £3.1m to £99m, driven by the increase in the funding rate per PhD student.
- Academic fees and support grants grew by £23 million to £186 million, representing 23% of the College's total income. £8.7 million of the increase came from the introduction of £9,000 tuition fees for new UK and European Union undergraduates, though this was partly offset by an increase in the amount paid in financial support to students. Student numbers were largely unchanged overall, increasing by 52 to 15,623, but there was a slight shift from home to overseas and from undergraduate to postgraduate. These changes in the mix of the student population generated around an additional £6m in fees. Price increases for postgraduate courses and in fees for overseas students generated an additional £7 million.
- Having exceeded £300 million for the first time in the previous year, research income from grants and contracts again grew by 5% to £330 million and continues to be by far the largest contributor to income at 40% of the total. The majority of this income is directly related to expenditure, with the contribution to College overheads within it being £60 million. The £5.7 million increase in the latter was the first for four years. The increase in research volume was mainly from industry, the European Commission and other overseas sources. UK funding sources represent 74% of the total (down from 76%).

- Other operating income rose by £19 million to £127 million. Part of this was due to additional consultancy revenue of £6.2 million coming in to College, with a further £8.7 million relating to the new postgraduate accommodation as a further 720 rooms were completed, and for which there is a corresponding increase in other operating expenditure.

With UK and European Union undergraduate fees not increasing with inflation and continuing pressure on public funding, the College still needs to seek alternative income sources as a matter of priority.

EXPENDITURE

Total expenditure increased by 7.5% and the cost pressure in operating a world class science based university remains a significant challenge. Staff costs of £393 million are the largest component of expenditure, representing 52% of the total. Directly funded research contracts accounted for £4.9 million of the £19 million year on year increase in staff costs and full-time equivalent staff numbers increased by around 1%, the rest of the increase related mainly to higher salaries and pension fund contributions.

The depreciation charge rose by £6.4 million to £58 million, reflecting the College's ongoing capital investment programme.

Other operating expenses grew by £26m to £292m with around half of this increase offset by corresponding increases in income related to research and residences as noted above. Other major cost increases included central fellowships, scholarships and prizes (including the financial support package for students) rising by £2.3 million and the utilities costs rising by £2 million, an increase of 11%.

Interest costs rose as a result of the increase in the finance lease on postgraduate accommodation.

Expenditure analysis	2013 £m	2012 £m	Change %
Staff costs			
Academic departments incl. consultancies	171.4	162.4	5.5
Research grants and contracts	149.2	144.3	3.4
Other	72.3	67.2	7.6
	392.9	373.9	5.1
Depreciation	58.4	52.0	12.3
Other operating expenses			
Academic departments incl. consultancies	69.4	62.6	10.9
Research grants and contracts	107.1	105.4	1.6
Other	115.9	98.4	17.8
	292.4	266.4	9.8
Interest and other finance costs	11.2	9.7	15.5
Total expenditure	754.9	702.0	7.5

SEGMENTAL ANALYSIS

The consolidated position comprises the two main segments within the College: the University (being the core academic function and associated activities) and the Endowment, representing the pool of endowment and investment assets managed with an investment focus to support the long-term academic mission.

The Endowment has a key role in the College's long-term strategy to secure its financial stability by maximising the return from investment assets and providing a regular source of income to support the College's objectives. During the year, the overall value of the Endowment rose 18% from £306 million to £354 million. New donations and endowments amounted to £8.8 million during the year.

Within the Endowment there are three distinct portfolios – the Unitised Scheme, Non-Core Property and the Strategic Asset Investments. The Unitised Scheme comprises the restricted endowments as well as funds the College retains for specific purposes or long term growth, and these are invested in a variety of liquid assets with the aim of achieving a return of at least RPI+4% on a rolling five-year basis. The investment return in 2012–13 was 16.5%. Management of the Unitised Scheme assets was outsourced in February to three external firms. This move was in no way a reflection on the performance achieved to date which has been quite simply outstanding.

The Non-Core Property portfolio grew by £15 million to £105 million during the year following property transfers in and out of the portfolio, with postgraduate accommodation that was no longer required after the new rooms were completed being sold and assets at Imperial West being transferred back to College as it was determined that all of the development should be considered core at this stage.

The College's shareholding in Imperial Innovations dominates the Strategic Asset Investment portfolio. The shares showed their usual levels of volatility during the year and closed lower than at the start of the year, contributing significantly to the £9 million reduction in the size of the portfolio to £79 million.

EXCEPTIONAL ITEMS

There were two exceptional items during the year. As noted above, the sale of a postgraduate accommodation residence took place, generating proceeds of £26 million and a profit of £20 million on a historic cost basis. The Medical Research Council paid £2 million to the College to buy it out of the remaining period of the lease it held with them on a building at the Hammersmith hospital site.

Segmental information	University 2013 £m	The Endowment 2013 £m	Total 2013 £m	University 2012 £m	The Endowment 2012 £m	Total 2012 £m
Surplus before exceptional items	61.8	3.1	64.9	53.4	6.9	60.3
Total assets	1,506.5	212.8	1,719.3	1,270.4	268.5	1,538.9
Net cash						
Cash in hand	188.3	9.8	198.1	111.9	23.9	135.8
Overdrafts	(2.0)	–	(2.0)	–	–	–
Short term investments	110.0	–	110.0	165.0	–	165.0
Cash in endowment assets	–	11.0	11.0	–	29.8	29.8
Total cash and short term investments	296.3	20.8	317.1	276.9	53.7	330.6
Borrowings	(153.9)	–	(153.9)	(126.0)	(33.7)	(159.7)
Finance lease	(93.0)	–	(93.0)	–	(74.6)	(74.6)
Total net cash /(debt)	49.4	20.8	70.2	150.9	(54.6)	96.3

Financial review

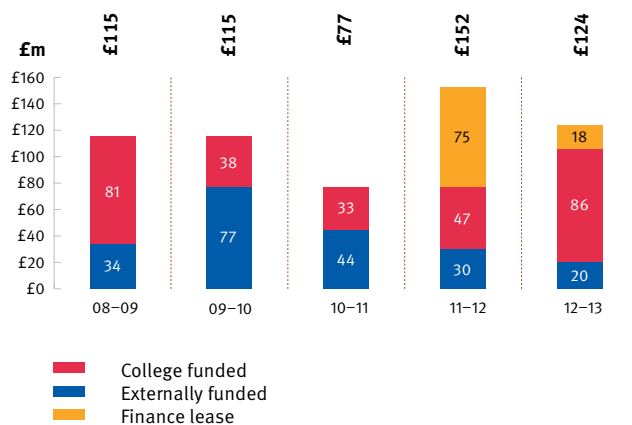
CAPITAL EXPENDITURE

The College made a significant level of capital investment in 2012–13 in both its current estate and in new acquisitions to support its expansion plans. A total of £124 million was invested in fixed assets (land, building and equipment) during the year, including an additional £18 million finance lease for the second phase of postgraduate accommodation in Battersea. Of the remaining investment, £20 million was financed externally and £86 million came from the College's own funds.

The main items of expenditure included:

- £34 million on undergraduate accommodation, representing the initial payment on a new accommodation development in Acton and the cost in year of the upgrade to Wilson House which will reopen in 2013–14.
- £15 million on the purchase of Centre House at White City as part of the now enlarged development of Imperial West.

Capital expenditure



BALANCE SHEET

By year end the value of the College's net asset value had exceeded the £1 billion mark for the first time, up by £94 million from the year before. As well as the investments in tangible fixed assets noted above, the College:

- Paid a further £14 million tranche of its £40 million investment in the Francis Crick Institute, which is due to open in 2015.
- Invested a further net £33m in securities as part of the outsourcing to external fund managers.
- Used the cash generated from the additional payments in advance for research projects, reducing net current assets by £21 million.

CASH AND LIQUIDITY

Cash flow summary	Cash £m	Short term investment £m	Total £m
At 1 August 2012	165.6	165.0	330.6
Cash from operations	105.7	–	105.7
Capital expenditure	(103.6)	–	(103.6)
Purchase/receipt of investments	(175.4)	–	(175.4)
Disposal of investments and fixed assets	137.5	–	137.5
Deferred capital grants	25.2	–	25.2
Returns on investments	14.0	–	14.0
Debt repayments and servicing	(16.9)	–	(16.9)
Sub total	(13.5)	–	(13.5)
Management of liquid resources	55.0	(55.0)	–
Net movements	41.5	(55.0)	(13.5)
As at 31 July 2013	207.1	110.0	317.1

Taken together, cash and short term deposits at the end of the year amounted to £317 million, down from £331 million at the end of the previous year. The continuing strong cash flow from operations (£106 million), boosted again by an excellent working capital performance, largely underpinned the increased capital and investment programme. Including the debt and finance leases, net cash reduced by £26 million over the course of the year to £70 million.

FUTURE FINANCIAL CHALLENGES, RISKS AND UNCERTAINTIES

Although the College is in a sound financial position there remain a number of financial risks and uncertainties on the horizon:

- Current financial austerity within the NHS, including changes in relation to education funding, governance structures and consultant appointments.
- Uncertainty of government funding and in particular the level of HEFCE grant.
- The ongoing ability to attract the best students from the UK, Europe and the rest of the world.
- The increasing cost of pensions.
- Research funders paying less than the full economic cost of the work, thereby threatening the sustainability of the supporting physical infrastructure.
- Volatility in investment markets impacting the value of the Endowment.

- Ability to hold the cost base down, especially given exposure to inflation in items such as utility prices.
- The scope to develop partnerships, increase income from philanthropy and identify other sources of funding.

SUMMARY

Another strong financial performance from the College has enabled it to invest a significant amount of its own resources during the year with only a relatively small impact on cash balances. This is not a trend that it is expected will be able to continue as surpluses are not forecast to remain at the current level, whereas the increased level of investment in facilities needs to continue over the next few years at least. Diversifying income streams further so that the College can support its long-term vision from its own resources remains a priority, as does determining the appropriate balance between the growing and containing costs in order to maintain the long-term financial stability of the institution. The results for 2012–13 again demonstrate the resilience the College has to meet these financial challenges.

Muir Sanderson
Chief Financial Officer



Professor James Stirling CBE FRS became the first Provost of Imperial College London, joining the College on 1 August 2013.

College news

SENIOR LEADERSHIP CHANGES

First Provost of Imperial

Professor James Stirling CBE FRS was appointed Provost of Imperial and took up his appointment on 1 August 2013. He is the first person to occupy the role which follows changes to Imperial's leadership model announced in 2012. Professor Stirling was latterly Head of the Department of Physics at the University of Cambridge and has an academic background in theoretical particle physics. He was previously Pro-Vice Chancellor for research at the University of Durham. As Provost, Professor Stirling will be responsible for the College's core academic mission – education, research and translation.

New Dean for Imperial College Business School

Professor G. 'Anand' Anandalingam, an expert in electronic markets and telecommunications networks, was appointed Dean of Imperial College Business School and Professor of Management Science in April 2013, taking up his position on 1 August. Professor Anandalingam, a graduate of Cambridge and Harvard, was latterly Dean of the Robert H. Smith School of Business at the University of Maryland, USA.

Vice-President for Development and Innovation appointed

Professor David Gann CBE, previously Deputy Principal of the Business School, has been appointed College Vice-President (Development and Innovation) from April 2013. Reporting to the President & Rector Professor Gann will build on his role as a member of the College's Development Board to advise on development strategy and capacity, as well as the commercial opportunities at Imperial West. He will retain his professorship in the Business School.

THE RANKINGS POSITION

Imperial maintained its eighth place ranking in the *Times Higher Education World University Rankings 2012–2013*, published 4 October 2012. The College was the third highest ranked university in the UK, behind Oxford and Cambridge (second and seventh respectively). California Institute of Technology was ranked first, with 31 UK universities featuring in the top 200.



LKCMedicine's inaugural white coats ceremony where new students affirm their commitment to medicine and receive their first stethoscopes and white coats.

LEE KONG CHIAN SCHOOL OF MEDICINE

The Lee Kong Chian School of Medicine (LKCMedicine), a joint initiative between Imperial and Nanyang Technological University (NTU), admitted its first cohort of students this year. The 54 new students started a five year Bachelor of Medicine and Bachelor of Surgery (MBBS) degree in August 2013 on LKCMedicine's new campus in Singapore. The curriculum, developed by a team from Imperial's Faculty of Medicine, will expose the students to a wide range of clinical settings from an early stage and will use the latest learning technology, including South East Asia's first Anatomage Table, which displays life-sized 3D images of anatomy. President & Rector Sir Keith O'Nions and Professor Dermot Kelleher, Dean of LKCMedicine and Dean of Imperial's Faculty of Medicine, attended a ceremony to welcome the students.

PRESIDENT & RECTOR INTERNATIONAL VISITS

President & Rector Sir Keith O'Nions continued his international engagement programme in 2012–2013 meeting overseas alumni as well as industry leaders, government figures and higher education colleagues. Following a visit to New York, Boston, Houston, San Francisco and Palo Alto in the USA in September 2012, he undertook visits to Mumbai, Delhi and Bangalore in January 2013, Kuala Lumpur during March 2013, and Beijing, Shanghai, and Hong Kong in May 2013, as well as Singapore throughout the year.



Prime Minister of Thailand, Ms Yingluck Shinawatra

THAI PRIME MINISTER VISITS

The Prime Minister of Thailand, Ms Yingluck Shinawatra, visited the College in November 2012, addressing Thai students and representatives of the Thai media. Prime Minister Shinawatra was in the UK on a mission to foster collaboration between the UK and Thailand in trade, technology and academia. Imperial already has links with Chulalongkorn University, King Mongkut's Institute of Technology Ladkrabang, and the National Science and Technology Development Agency of Thailand. Around 195 Thai students enrolled at Imperial in 2011–2012, seventy of whom receive scholarships from the Thai government.



Fleur Ferguson, MSci 4th year undergraduate chemistry student.

The College's efforts to further and support the careers of women in academia were recognised this year through being granted an institution-wide Athena SWAN silver award. The Department of Chemistry became one of only four university departments in the UK to win an Athena SWAN Gold Award.

DEPARTURES

Pro Rector (Enterprise)

Pro Rector (Enterprise) Edward Astle MBA left Imperial in June 2013 after nearly five years at the College, having helped forge many commercial partnerships to support the academic mission. Among his wide range of work at the College, Edward Astle helped pioneer Imperial's new venture in Singapore, the Lee Kong Chian School of Medicine. Dr Simon Hepworth was named Head and Director of Corporate Partnerships from August 2013.

APPOINTMENTS

Honorary Distinguished Professor of Medicine

Professor Sir Mark Walport FRS succeeded Professor Sir John Beddington as the Government Chief Scientific Adviser in April 2013. In addition Sir Mark has accepted appointment as an Honorary Distinguished Professor of Medicine at Imperial College for the duration of Sir Mark's appointment as the Government's Chief Scientific Adviser. Sir Mark had previously been Professor of Medicine and Head of the Division of Medicine at Imperial, before becoming Director of the Wellcome Trust in 2003.

Director of the Imperial College Academic Health Science Centre

Professor David Taube, one of the UK's leading nephrologists and the UK's only Professor of Transplant Medicine, was appointed Director of the Imperial College Academic Health Science Centre (AHSC), in September 2012. Professor Taube, was previously medical director at Imperial College Healthcare NHS Trust.

Executive Chair of Institute for Global Health Innovation

Sir Tom Hughes-Hallett took up his appointment as Executive Chair of Imperial's Institute for Global Health Innovation in October 2012. As Executive Chair, he will work to build partnerships, raise awareness both internally and outside the College, and increase external funding.

New Consuls

Three new Consuls, formerly Deans, were elected to serve from 1 September 2013: Professor Peter Lindstedt (Mechanical Engineering) for the Faculty of Engineering;

Professor Desmond Johnston (Medicine) for the Faculty of Medicine and Professor Andrew Parry (Mathematics) for the Faculty of Natural Sciences. Professor Nigel Gooderham (Surgery and Cancer), and the current Senior Consul, was elected to continue in this role for a further year from 1 September 2013 to 31 August 2014.

Director of Library Services

The College appointed Mrs Chris Banks as Director of Library Services in June 2012. Mrs Banks has overall responsibility for the strategic direction and operational management of the College's libraries reporting to the Associate Provost (Institutional Affairs). Mrs Banks joins the College from the University of Aberdeen where she was University Librarian and Director, Library, Special Collections and Museums since 2007. Debby Shorley, the previous Director of Library Services, retired in December 2012.

Vice-Deans for Faculty of Medicine

Four Vice-Deans were appointed in the Faculty of Medicine, following a review of the Faculty's internal governance structure. Professor Gavin Sreaton has been appointed as the Vice-Dean for Academic Development, with responsibility for the creation of strategic plans and their implementation. Professor Lord Darzi becomes Vice-Dean of Health Policy and Engagement and Professor Jenny Higham has been appointed Vice-Dean for Education and Institutional Affairs. Professor Jonathan Weber has been named as the Vice-Dean for Research and will oversee the Faculty and AHSC research strategy.

OTHER

Athena SWAN awards for Imperial

Imperial was granted Athena SWAN silver status in April 2013, one of only three universities to have been recognised at this level. The institution-wide award recognises Imperial's successful development of employment practices that further and support the careers of women in academia. The Athena panel cited positive initiatives including prizes in every department named after distinguished Imperial female scientists, the College's annual Athena lecture, the annual dinner for academic women, lunches for all promoted women, receptions for all new award holders

and the Imperial women's portrait series. Bronze departmental awards were conferred on the Departments of Mathematics and Medicine. In September 2013, the Department of Chemistry became one of only four university departments across the UK to win an Athena SWAN Gold Award.

Julia Higgins Medal and Awards

The College has established the Julia Higgins Medal and Awards to recognise individuals and departments that have made a significant contribution to the support of academic women at the College. Named in honour of Professor Dame Julia Higgins FRS, FREng (Chemical Engineering), now a Senior Research Investigator and previously the first female Dean of the City and Guilds College and the first female Principal of the Faculty of Engineering, the first winner was Professor Lesley Cohen, Head of Solid State Physics in the Department of Physics. The 2013 Julia Higgins Certificates were awarded to the NHLI and the Department of Chemistry.

First institution to run development courses for people with disabilities

Imperial became the first institution in the higher education sector to run a unique development course designed for people with disabilities. Established to build the leadership skills of staff with disabilities, the Calibre Leadership Programme is the first of its kind in Higher Education. As the only course for disabled people working within higher education, Calibre was also open to other universities, and Imperial staff were joined by participants from LSE, and the Universities of Nottingham and Manchester.

Apprenticeships for skilled technicians

In January 2013, the College revived an apprenticeship scheme to train technicians for the Faculty of Engineering and the Department of Physics. The College intends to develop dedicated and skilled workshop technicians who manufacture bespoke equipment and parts for use in experiments. Senior workshop supervisors Paul Brown (Physics) and Russell Stracey (Materials) helped develop the scheme in consultation with Human Resources and College departments. The apprenticeships are run in cooperation with Kingston College, Surrey, which also cooperates with BAA and TFL on similar schemes.



Professor Christofer Toumazou, the first Imperial College Regius Professor of Engineering. He is shown here in the High Frequency Electromagnetics Laboratory investigating the frequency response of quartz resonators.

Awards and honours

COLLEGE AWARDED FIRST REGIUS PROFESSORSHIP

The Queen awarded the College a prestigious Regius Professorship in January 2013 as part of her Diamond Jubilee celebrations. The Regius Professorship, which recognises the highest standard of research and teaching in the Faculty of Engineering, was conferred upon Professor Christofer Toumazou (Electrical and Electronic Engineering), whose work includes the development of the world's first cochlear implant and the creation of a digital plaster able to remotely monitor a patient's vital signs in their own home. Professor Toumazou was this year also honoured with election to the Fellowship of the Academy of Medical Sciences, and became one of the rare academics to hold Fellowships from three of the major UK academies, including the Royal Society and the Royal Academy of Engineering.

NEW YEAR HONOURS

Three academics from the Faculty of Natural Sciences were recognised in the Queen's New Year Honours 2013. Professor Joanna Haigh, Head of the Department of Physics, was appointed a CBE for her services to Physics, having published widely on the subject of atmospheric science and climate modelling. OBEs were awarded to Professor Susan Gibson (Chemistry) for services to Chemistry and Science Education, and Professor David Hand (Mathematics) for services to Research and Innovation, in particular his work in applying statistics to medicine, psychology and finance.

QUEEN'S BIRTHDAY HONOURS

The Queen's Birthday Honours list included awards for five College staff for their contribution to science, engineering and health. CBEs were awarded to two members of the Centre for Environmental Policy, Helen ApSimon, Professor of Air Pollution Studies, and Jim Skea, Professor of Sustainable Energy. Professor in Gastrointestinal Epidemiology Wendy Atkin and Professor of Paediatrics John Warner received OBEs for services to bowel cancer prevention and food allergy research respectively. Professor Neil Alford, Head of the Department of Materials and Vice-Dean of the Faculty of Engineering, was recognised with an MBE. Six Imperial alumni were also recognised in the Honours list.



Professor Joanna Haigh, Head of the Department of Physics, appointed a CBE this year.

ROYAL SOCIETY FELLOWS

The Royal Society elected three Imperial academics to Fellowships in May 2013. Professor Sir Steve Bloom (Medicine), Professor the Lord Ara Darzi of Denham (Medicine), and Professor Joanna Haigh CBE (Physics) became the newest members of the group of 72 Royal Society Fellows who are currently Imperial staff members, or who have an ongoing association with the College.

INSTITUTE OF PHYSICS AWARDS

Five leading academics from the Department of Physics were among the 2013 Institute of Physics (IoP) award winners unveiled in July 2013. Professor Sir John Pendry received the Isaac Newton Medal for his outstanding contribution to Physics, in particular his work exploring metamaterials. Professor Paul French won a Joule Medal Subject Award for his contributions to the development of fluorescence lifetime imaging. Emeritus Professor Tom Kibble becomes one of four honorary fellows of the IoP for his exceptional service to Physics. Professor Ed Hinds and Lyndon Rees Evans both received Gold Awards.

GOVERNMENT ROLES

Professor Robin Grimes (Materials) and Professor David Hand (Mathematics) have both been appointed to government roles. In February 2013 it was announced that Professor Grimes, previously Director of the Centre of Nuclear Engineering at Imperial, will serve as the Chief Scientific Advisor to the Foreign and Commonwealth Office, whilst Professor Hand will act as a Non-Executive Director of the UK Statistics Agency from April 2013.




Professor Tejinder Virdee FRS

HIGGS BOSON EUROPEAN PRIZE

In May 2013, the European Physical Society High Energy Physics Prize was awarded to the CMS and ATLAS collaborations 'for the discovery of a Higgs boson' and to three individually named scientists 'for their pioneering and outstanding leadership roles in the making of the CMS and ATLAS experiments'. Two of the three named scientists are Imperial physicists, Professor Tejinder Virdee FRS, and Dr Michel Della Negra. This prestigious prize has been awarded to 23 scientists since its establishment in 1989, of whom nine are also winners of the Nobel Prize for Physics.

RECORD NUMBER OF ROYAL ACADEMY OF ENGINEERING FELLOWSHIPS

Six engineers associated with Imperial were among the 60 new Fellows announced by the Royal Academy of Engineering, a record number for the College. This year's cohort included Professors Jeff Magee, Dean of the Faculty of Engineering; Molly Stevens, Departments of Materials and Bioengineering and the Institute of Biomedical Engineering; Robin Grimes, Department of Materials; Jianguo Lin, Department of Mechanical Engineering; Washington Ochieng, Department of Civil and Environmental Engineering and Stratos Pistikopoulos, Department of Chemical Engineering. The new intake brings the number of Imperial Fellows to 83.

A group of researchers, including Professor John Dear, are gathered around a large industrial machine in a laboratory setting. The machine features prominent vertical silver columns and a large black upper section. The researchers are wearing white lab coats and safety glasses, looking intently at the equipment. The background shows a typical industrial or laboratory environment with various pipes and structures.

Professor John Dear (Mechanical Engineering) with his research group. His research focuses on the structural stability of materials under pressure and strain. He helped establish the two new AVIC Centres formed this year in a new £5 million partnership with the Chinese aerospace conglomerate.

Research

Engineering

NEW COLLEGE PARTNERSHIP WITH CHINESE AEROSPACE COMPANY

A new £5 million partnership between Imperial College London and a major Chinese aerospace conglomerate, announced in November 2012, will support the development of the next generation of passenger aircraft, using advanced materials, design and manufacturing processes. Imperial and the Aviation Industry Corporation of China (AVIC) are establishing two research centres at the College that will assist the company in developing the next generation of advanced commercial aircraft. These research centres are among only a few AVIC facilities to be funded outside of China. Work at the AVIC Centre for Structural Design and Manufacturing, based in the Department of Mechanical Engineering, will focus on developing ways to improve manufacturing methods.

LAUNCH OF A MANUFACTURING FUTURES LAB

The Manufacturing Futures Lab (MFL) launched in May 2013 bringing together experts from around Imperial who are working on developing technologies and processes that will make manufacturing in the UK more efficient, cost effective and, ultimately, more profitable. Along with industry and the Government, researchers aim to turn ideas into new businesses. Academics at the MFL, overseen by its Director, Professor Nilay Shah (Chemical Engineering), will focus on a range of projects including ways of making stronger, more durable parts for cars and aircraft using less material and energy.

SOFTWARE TO COMBAT DISEASE

Researchers at Imperial are leading a major new European Union funded project, which aims to enable pharmaceutical companies, governments, academia and hospitals to share information confidentially between all the major stakeholders in the European healthcare industry. Imperial scientists, led by Professor Yi-Ke Guo (Computing), are developing software that will enable organisations to share vital information about diseases. The £20 million project is part of a €2 billion project called the Innovative Medicines Initiative (IMI), Europe's largest public-private partnership

that aims to speed up the development of more effective and safer medicines for patients.

FOUR NEW LABS FOR CARBONATE ROCK RESEARCH

Four laboratories were opened in September 2012 at a cost of £6 million to enable scientists to study carbonate rocks and how fluids flow in them. The aim is to discover how to store CO₂ efficiently and effectively in carbonate rock, with potential valuable applications to help mitigate the environmental impact of industry. The research forms part of the Qatar Carbonates and Carbon Storage Research Centre (QCCSRC) established in 2008 as part of 10-year, \$US 70 million collaboration between Imperial, Qatar Petroleum, Shell and Qatar Science and Technology Park. The QCCSRC is run jointly by researchers in the Departments of Chemical Engineering and Earth Science and Engineering at Imperial and led by Professor Geoffrey Maitland.

Business School

BREVAN HOWARD CENTRE FOR FINANCE

The College marked the founding of the Brevan Howard Centre for Finance in March 2013 after a £20 million gift from Brevan Howard, a large Hedge Fund established by Imperial alumnus Alan Howard (MEng, Chemical Engineering & Chemical Technology 1986). The new Centre will spearhead cutting-edge research in financial market behaviour, enhance Imperial College Business School's expertise in financial economics, and strengthen ties with other disciplines including engineering and computational finance. It will serve as a bridge between the Business School and the world of business, aiming to develop a greater understanding and more efficient management of risk, and to promote investment and productivity.

GERRY GEORGE NAMED AMJ EDITOR

Professor Gerry George, Professor of Innovation and Entrepreneurship at Imperial College Business School, Director of the Rajiv Gandhi Centre, and Deputy Dean for Faculty and Programmes at Imperial College Business School, was appointed Editor-in-chief of the prestigious Academy of Management Journal (AMJ),

the first editor from outside the USA, in December 2012. Professor George, previously Associate Editor at AMJ, is known for his research into business models and organisational design.

PRIZE WINNING IMPERIAL MBA STUDENTS

Making the internet more accessible for blind and visually impaired people was the focus of a £10,000 prize-winning business plan developed by Imperial College MBA students. The winning team, Audioweb, was brought together through the Business School's Innovation, Entrepreneurship and Design (IED) programme, and includes MBA students Sumeet Singh, Elizabeth Benjamin and Akshay Jha. The team created a software package that allows users to access audio versions of websites, making it possible for anyone to listen to and navigate around large amounts of content online.

Medicine

NEW PHENOME CENTRE LAUNCHED

The MRC-NIHR National Phenome Centre, a collaboration between Imperial College London, King's College London, and analytical technology companies Waters Corporation and Bruker Biospin, launched at the Hammersmith and South Kensington campuses in June 2013. Funded by the Medical Research Council and the National Institute for Health Research (NIHR), it will analyse phenomes, the biological results of people's genes and environment, to help determine the causes of disease and indicate how treatments can be tailored for individual patients. Professor Jeremy Nicholson (Surgery and Cancer) has been named Director of the Centre.

NEW IMPERIAL BHF RESEARCH CENTRE

Repairing the damage caused by a heart attack will be the focus of a new British Heart Foundation (BHF) research centre located at the College. The Centre, led by Professor Sian Harding (National Heart & Lung Institute), will study 'induced pluripotent stem cells', a type of stem cell created from patients' own cells, as well as naturally occurring stem cells inside the heart, and how they could be turned into a regenerative treatment.



CANCER DETECTING iKNIFE INVENTED

Imperial researchers, led by Dr Zoltan Takats (Medicine), have developed an intelligent knife that can tell surgeons immediately whether the tissue they are cutting is cancerous or not. In the first study to test the invention in the operating theatre, the “iKnife” diagnosed tissue samples from 91 patients with 100% accuracy, instantly providing information that ordinarily takes up to half an hour to reveal using laboratory tests. The study was funded by the NIHR Imperial Biomedical Research Centre, the European Research Council, and the Hungarian National Office for Research and Technology.

FIRST GLOBAL HEATH POLICY SUMMIT

Medical researchers, politicians and decision makers gathered in London to discuss solutions to the world’s major health problems in the first Global Health Policy Summit in August 2012. The summit, the result of a partnership between Imperial College London and the Qatar Foundation for education, science and community development, was hosted by Professor The Lord Darzi of Denham, Director of the Institute of Global Health Innovation at Imperial, and Lord Green, Minister of State for Trade and Investment, with speakers including Prime Minister David Cameron, and Her Highness Sheikha Moza of Qatar. Subjects raised included maternal health, primary care, non-infectious diseases and ageing societies.

FLU TRANSMISSION DISCOVERY

Research led by Professor Wendy Barclay (Medicine), examining influenza transmission in ferrets, suggests that the virus can be passed on before the appearance of symptoms. If the finding applies to humans, it indicates that people pass on flu to others before they know they’re infected, making it difficult to contain epidemics. Previous research using mathematical models estimated that most flu transmission occurs after the onset of symptoms.

GENE THERAPY COULD TREAT HEART FAILURE

Therapy designed to increase the levels of SERCA2a protein in heart muscle cells by using a harmless virus to insert extra genes into the cells is being trialled by Dr Alexander Lyon, BHF Senior Lecturer at Imperial and Consultant Cardiologist at the Royal Brompton Hospital. The trials, which started in April 2013, are the next step in the research after laboratory studies found that the gene therapy can be used to effectively restore function to the failing heart.

Natural Sciences

CORKSCREW SHAPED LIGHT COULD IMPROVE SCREENS AND FIBRE OPTICS

Next generation screens could slash energy use in TVs, mobiles and tablets following new research by Dr Matthew Fuchter (Chemistry) and Dr Alasdair Campbell (Physics) on molecules that emit and detect twisted light. Current technologies, such as backlit LCD screens, produce text and images by streaming white light through a series of polarising and colour filters, a process that typically wastes over 75% of the light. This new research demonstrates that molecules shaped like twisted corkscrews can be made to emit twisted ‘circularly polarised’ light, which could be utilised to create next generation screens.

RESEARCHERS TEST SOLUTION TO FUNGAL DISEASE OF ASH TREES

Researchers at the Silwood Park Campus have developed a low-cost solution that could control the fungal disease threatening the UK’s 80 million ash trees. The fungus *Chalara fraxinea* entered the

country via ash saplings imported from the European mainland and led to the UK Government banning the import of foreign trees and the movement of UK ash trees. Professor Simon Leather (Life Sciences) is overseeing field trials at Silwood Park and is part of the Government’s Tree Health and Plant Biosecurity Taskforce.

NEW TECHNOLOGY TO DETECT HAZARDOUS CHEMICALS

Imperial chemists have developed a system to quickly detect trace amounts of pollutants, explosives or illegal drugs. The new system can pick out a single target molecule from 10,000 trillion water molecules within milliseconds, by trapping it on a self-assembling single layer of gold nanoparticles. The technology enables devices to be developed that are compact, reusable and easy to assemble, which could have a range of uses including detecting illegal drugs, explosives, pollutants in rivers or nerve gases released into the air.

COST SAVING SATELLITES LAUNCHED INTO ORBIT

A shoebox-sized satellite called CINEMA, – CubeSat for Ions, Neutrals, Electrons, & MAGnetic fields – built by students and scientists including a team from Imperial, was launched into space aboard an American military rocket in September 2012. Professor Tim Horbury’s team from the Department of Physics created a magnetometer, an instrument that measures the magnetic fields in space, to be included in the satellite. It is one of the first in a new generation of CubeSats, small and inexpensive satellites designed to save cost by riding aboard other space missions.

Multidisciplinary

ERC AWARD €25M TO IMPERIAL

In January 2013, Imperial was awarded over €25m in the latest round of funding by the European Research Council (ERC), including two prestigious new Synergy grants for projects that promote partnerships in academic research. The ERC received over 700 applications for Synergy grants and have funded only 11 projects across the EU, representing the top 1.5% of proposals.

Professor Christofer Toumazou (Electrical and Electronic Engineering), and Professor Sir Stephen Bloom (Medicine) received a grant of over €7,000,000, and will combine their expertise in bioengineering and endocrinology to create a device that mimics the response of the vagus nerve after eating, suppressing the appetite of a patient.

The second Synergy grant for the College was awarded to Professor Daniel Rueckert (Computing) in conjunction with colleagues from King's College London and the University of Oxford for a study using MR imaging to track brain connectivity in fetuses and newborn children, providing insights into neuropsychiatric conditions such as autism. The College also secured an additional €15m in Starting and Advanced Grants.

SCIENCE OF CYBER SECURITY

Improving the understanding of the science behind cyber security threats is the focus of a new Institute created in September 2012. Imperial was one of four universities selected to participate in the Institute, which will be hosted at University College London. The Institute is part of a cross-government commitment towards increasing the nation's academic capability in all fields of cyber security. Its research will ultimately make it easier for businesses, individuals and government to take informed decisions about how to implement better cyber protection measures and safely benefit from the huge opportunities offered in cyber space.

FRANCIS CRICK INSTITUTE UNVEILS STRATEGY

Research leaders announced their strategy for the Francis Crick Institute, a new biomedical research centre that includes Imperial as a founding partner. The strategy was unveiled in June 2013 by Sir Paul Nurse, Director of the Francis Crick Institute and a Nobel Prize winning scientist. The Crick Institute is a partnership between the UK's three largest funders of biomedical research: the Medical Research Council, Cancer Research UK and the Wellcome Trust, and three leading universities: Imperial, UCL and King's College London. The Institute, due to open in 2015, will house 1,500 leading researchers and support staff working to help better

understand why disease develops and to find new ways to diagnose, prevent and treat a range of illnesses – such as cancer, heart disease and stroke, infections and neurodegenerative diseases.

MAN-MADE YEAST RESEARCH BEGINS

In June 2013, work began at Imperial to build and test a man-made chromosome, the UK's contribution to the first entirely artificial yeast. Based at Imperial's Centre for Synthetic Biology and Innovation, Dr Tom Ellis (Bioengineering) is leading the UK team to build and test the yeast's Synthetic Chromosome XI working with Professor Paul Freemont (Life Sciences). Scientists hope to complete the synthetic genome by 2017, and use it to design new strains of yeast that go beyond their current ability to produce beer and bread. Instead, the new yeasts will be able to create valuable chemicals, antibiotics, vaccines or biofuels.

COLLEGE TO SUPPORT THE MANUFACTURE OF FUTURE ELECTRONICS

College scientists are being backed by the Government to put the UK at the forefront of a growing global high-tech electronics industry. The Engineering and Physical Sciences Research Council (EPSRC) announced in February 2013 that it will contribute £5.6 million funding to a consortium of four universities, including Imperial. Dr Natalie Stingelin (Materials), and Physicists Dr Paul Stavrinou, Professor Thomas Anthopoulos and Professor Donal Bradley, from the Centre for Plastic Electronics, will contribute to the EPSRC Centre for Innovative Manufacturing in Large Area Electronics, one of four new centres funded under the scheme. Researchers at the Centre aim to develop new ways to assemble individual electronic components into sophisticated systems and reduce their cost over a 10 year timescale.

INSTITUTE OF GLOBAL HEALTH INNOVATION TO IMPROVE PATIENT CARE

Bringing data from GPs and hospitals together to improve healthcare is the focus of a new £2 million project run by Imperial in conjunction with the Peter Sowerby Foundation. The Institute of Global Health Innovation at Imperial received funding in February 2013 to establish the Peter

Sowerby Forum for Primary Care. It will conduct research to improve the links between GP and hospital data, and will use the information available to demonstrate how treatment and care can be improved. The Forum's report and recommendations are expected to be published in May 2014.

IMPERIAL AWARDED £4.5M GRANT FOR GRAPHENE RESEARCH

An investigation into how graphene, one of the thinnest, lightest, strongest and most conductive materials to have been discovered, can drive improvements in high-tech industries will be conducted by Imperial researchers after the College was awarded £4.5 million of public funding. Three research projects at Imperial will share the EPSRC funding as part of a new programme with a number of industrial partners, including aeroplane manufacturer Airbus. A team led by Professor Tony Kinloch (Mechanical Engineering) will explore how combining graphene with current materials can improve the properties of aeroplane parts, such as making them resistant to lightning strikes. Professor Eduardo Saiz (Materials) will develop new manufacturing processes using liquids that contain tiny suspended particles of graphene, in order to reduce the cost of currently expensive industrial techniques, whilst a third grant received by Professor Norbert Klein (Materials) will pay for new equipment to deposit extremely thin sheets of graphene, so scientists can explore its electrical properties.

DEVELOPING CONSTRUCTION METHODS FOR NUCLEAR PLANTS

New methods for building nuclear reactors from preassembled parts is the focus of a new academic and industrial collaboration between researchers from Imperial, engineering firms Laing O'Rourke and ARUP, along with the BRE group. The partnership, announced in April 2013, intends to optimise the design, manufacture and assembly of components for nuclear power plants as part of a wider Government strategy to boost activity in the construction sector and make the UK a global leader in the lucrative nuclear power plant construction industry. Dr Panagiotis Angeloudis (Civil and Environmental Engineering), is the Imperial academic leading on the project.



Rector's Scholar Alonso Castillo Ramirez (PhD Mathematics) with his supervisor Professor Alexander Ivanov. They are discussing the algebra of the Monster group in Professor Ivanov's office.

Education

COLLEGE CLIMBS IN NATIONAL STUDENT SURVEY

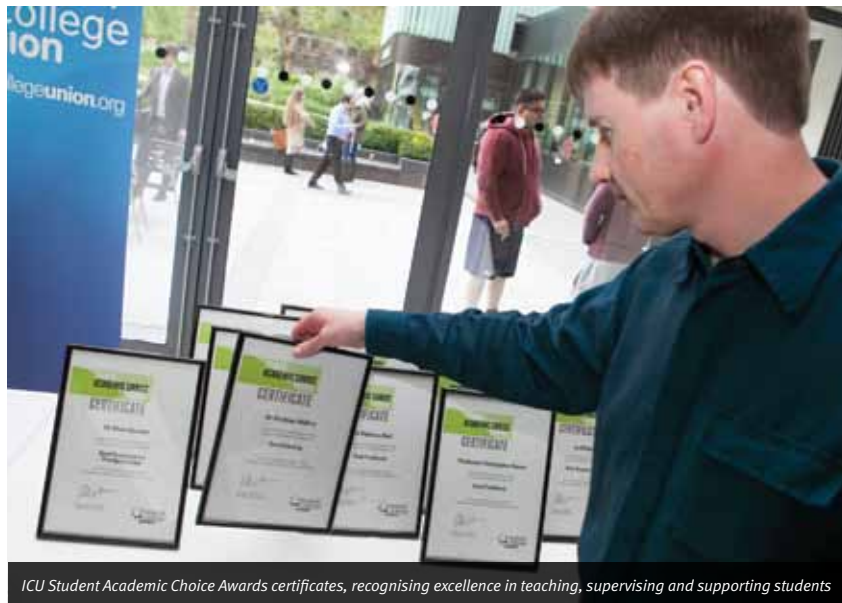
National Student Survey 2012 results revealed an overall satisfaction rating of 86% for the College, 1% higher than the sector average and Imperial's results in 2011. Across all the categories in the survey, the College achieved a higher or equal percentage satisfaction compared with previous years, with the largest climb being in assessment and feedback, which saw an improvement of 8%. The College scored most highly in the learning resources category, with student satisfaction increasing compared to 2011 with access to library services, IT support and specialised equipment, achieving an overall rate of 92% against the sector average of 79. Following a campaign led by Imperial College Union to engage students with the survey, the participation rate at the College also increased from 64 to 71%, among the highest in England and Wales.

COLLEGE FOCUSES ON EDUCATION AND STUDENT STRATEGY DEVELOPMENT

In April 2013, Imperial launched the second phase of the development of a new College Education and Student Strategy, led by Professor Debra Humphris, Vice-Provost (Education). Students, staff and alumni were invited to comment on a discussion paper and shape priorities for the College's five year plan. This phase follows an initial consultation in February 2013, which resulted in contributions from across the College and alumni. The final strategy will be published by the College in October 2013.

FIRST IMPERIAL MEDICS COMPLETE SECONDMENT IN SINGAPORE WITH LKC Medicine

Seventeen Imperial medics completed a clinical elective in Singapore with the Lee Kong Chian School of Medicine (LKC Medicine) in July 2013, the first group of College students to undertake a placement there. LKC Medicine, established through a joint venture between Imperial and Nanyang Technological University, is Singapore's newest medical school and will welcome its first intake of students in August 2013. The Imperial medics, in their sixth year of study, undertook a three or six week placement gaining an insight into Singapore's healthcare system. The elective will be offered to eligible College medics every year.



ICU Student Academic Choice Awards certificates, recognising excellence in teaching, supervising and supporting students

IMPERIAL HORIZONS LAUNCHES

The 2012–13 academic year saw the launch of the Imperial Horizons programme, designed to broaden students' education, inspire creativity and enhance employability. The optional programme offers first year undergraduates the opportunity to take courses outside their core subject area in four fields of study: Business and Professional Skills, Global Challenges, Languages and Global Citizenship and Science, Culture and Society. 69% of all first year undergraduates participated in at least one Horizons course during the academic year, and 80% of participating students described the delivery of the courses as good or very good.

NEW ANNUAL PhD SCHOLARSHIP SCHEME

The College expanded its efforts to recruit the world's most talented students in November 2012 with the creation of 50 new PhD scholarships. The new Imperial College London PhD Scholarship scheme, which is open to Home, EU and International students, will provide talented students with fully funded PhD places and a £20,000 annual stipend. The scheme forms part of 1,000 new postgraduate research opportunities available at the College every year and was, in part, funded by donations from Imperial alumni.

ICU STUDENT ACADEMIC CHOICE AWARDS

Academic and support staff were honoured at the inaugural Student Academic Choice Awards organised by Imperial College Union in May 2013. The awards aim to give students the chance to recognise and reward excellence from staff in teaching, supervising students or for the broader support they provide across departments. Students submitted over 400 nominations in eight categories. The award for Best Teaching for Undergraduates went to Dr Alastair Donaldson (Computing). Professor Andrew Purvis (Ecology and Evolution) won the award for Best Teaching for Postgraduates, whilst Anna Hikel (Civil and Environmental Engineering) was named Best Support Staff. Dr Jane Saffell (Medicine), Dr Rafael Palacios Nieto (Aeronautics), Dr Rebecca Bell (Earth Science and Engineering), Dr Sohag Saleh (Medicine), and Alan Zucconi (Computing) were also named winners.

BUSINESS SCHOOL TRIPLE ACCREDITATION

Imperial College Business School was recognised in November 2012 by one of the leading business school accreditation institutions in the world bringing it into the top 1% of schools. The Business School has now met the necessary quality standards to achieve accreditation from the Association to Advance Collegiate Schools of Business (AACSB) in the USA, adding to its existing accreditation from the AMBA (Association of MBAs) and EQUIS (European Quality Improvement System).



Professors Paul Freemont (Life Sciences) and Richard Kitney (Bioengineering) lead the SynbiCITE Centre. They are shown here in Imperial's Centre for Synthetic Biology and Innovation.

Translation

NEW £24M SYNBIKITE CENTRE

The SynbiKITE Centre, a new initiative providing a bridge between academia and industry to speed up the development of new technologies in synthetic biology, was announced in July 2013. The Centre, supported with £24 million from Government and private industry is led by Professors Richard Kitney (Bioengineering) and Paul Freemont (Life Sciences), and will host researchers from a further 17 institutions across the UK as well as 13 industrial partners, including Microsoft, Shell and GlaxoSmithKline. SynbiKITE researchers aim to re-engineer cells to develop microscopic devices that can be used to address a range of global challenges such as producing low-carbon fuel, reducing the cost of industrial raw materials and producing new pharmaceuticals.

DR ADRIAN BULL APPOINTED AS THE MD OF IMPERIAL COLLEGE HEALTH PARTNERS

Dr Adrian Bull took up his new post of Managing Director of Imperial College Health Partners on 1 April 2013. Launched in June 2012 ICHP aims to improve the health and care of the population of 1.9 million people living in North West London. It brings together healthcare providers in North West London, including acute and specialist hospitals, mental health and community care services, in partnership with Imperial to drive practical improvements to the quality of healthcare delivery and to foster the creation of wealth in health-related industries. ICHP was designated the Academic Health Science Network for North West London in May 2013.

£1.8M TO POWER TRANSLATION OF HEART RESEARCH

New knowledge about the genetic causes of heart diseases will be translated into improvements in diagnosis and treatment thanks to a £1.8 million grant. Awarded jointly by the Department of Health and the Wellcome Trust, the funding supports the drive to translate academic research into patient benefits. Professor Stuart Cook (National Heart & Lung Institute) will lead the project, working with Imperial researchers and clinicians at Royal Brompton & Harefield NHS Foundation Trust to harness the growing power of genomic technologies.

GOVERNMENT GRANTS FOR FUTURE TECHNOLOGIES

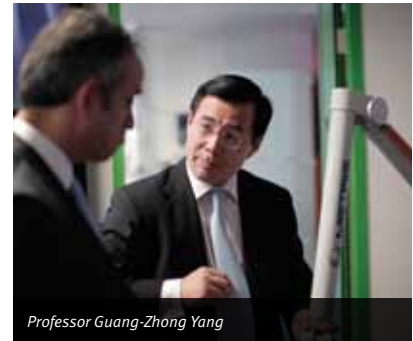
Two translation focused projects received £18.3 million of support from the EPSRC in July 2013. Professor Nigel Brandon, Director of the Energy Futures Lab, was granted £14.3 million to develop new technologies for storing energy captured from low carbon sources, such as wind farms and nuclear reactors, so that it can be used more effectively by the UK's electricity grid. Professor Guang-Zhong Yang, co-director of the Hamlyn Centre for Robotic Surgery, will manage a £4 million project that will establish new engineering facilities for developing miniaturised robots for surgery and new types of targeted therapies for patients.

EPSRC £6M SUPPORT FOR TRANSLATION

In November 2012, the College received £6 million from the EPSRC as part of a nationwide scheme to increase the conversion rate of research into commercial ventures and enable new partnerships with industry. The College received the largest Impact Acceleration Account (IAA) award, under a scheme that has 31 universities sharing a total investment of £60 million. The IAA at Imperial will fund activities including secondments for scientists and engineers to spend time in a business environment and for practitioners from industry and commerce to spend time in the College.

BUSINESS SCHOOL TO MENTOR NEW INDIAN SCHOOL OF MANAGEMENT

Improving management education will be the focus of a new alliance between Imperial College Business School and the Hero Group in India launched in January 2013. The Business School signed a Memorandum of Understanding with BML Munjal University (BMU) to serve as a mentor institution helping BMU to form, develop and grow its School of Management. The collaboration will encompass both research and education activities, with BMU opening its doors to students in July 2014. The alliance was developed by Professor Gerry George, Director of the Rajiv Gandhi Centre, and Deputy Dean of Faculty and Research at Imperial College Business School.



Professor Guang-Zhong Yang

TECH FORESIGHT CONFERENCE

Imperial Business Partners' annual Tech Foresight Conference held in June 2013 saw 100 industry R&D specialists come to Imperial to hear academic "Foresighters" reveal how the leading edge of research in their field is advancing – in some cases so fast that prevailing trends have ceased to be readily predictable. Imperial's Foresighters presented four futures which could result from developments today, and then explored with R&D leaders which industries will change and how businesses will respond to these new opportunities and potential threats.

INTERNATIONAL CENTRE FOR ADVANCED MATERIALS ANNOUNCED

In August 2012, BP announced its intention to establish a £64 million international research centre for Advanced Materials with a consortium of universities including Imperial College London. The centre will lead research aimed at advancing the understanding and use of materials across a variety of oil and gas industrial applications.

SMART WATER SYSTEMS LAB LAUNCHED

Imperial and the telecommunication company NEC Corporation established a Smart Water Systems Lab at the College in October 2012, which will develop new technologies to monitor the UK's Victorian water infrastructure and optimise how it is managed. In a 5-year collaboration, researchers at the Lab will pioneer smart sensors and data analysis tools engineered to monitor and control water flow and pressure in pipes. The research will draw on the expertise from across the College, including Dr Ivan Stoianov (Civil and Environmental Engineering) and Dr Julie McCann (Computing).



Imperial's award-winning Public Engagement Tricycle provides staff and students with a new way of starting conversations about their research.

Community and public engagement

IMPERIAL AND LONDON 2012

During July and August 2012, the College welcomed Olympic athletes from fourteen nations to train at Imperial's sports centre, Ethos, in South Kensington. Some 72 Olympic athletes competing in triathlon, swimming and fencing, accompanied by 49 support staff, used Imperial's facilities for training. Among the athletes were Alastair and Jonny Brownlee who won gold and bronze for Great Britain in the men's triathlon, Swiss triathlon gold medal winner Nicola Spirig, as well as five further medal winners from other nations. Two current Imperial students, Melanie Wilson and Adam Scholefield represented Great Britain in rowing and water polo respectively.

IMPERIAL FESTIVAL CELEBRATES ITS SECOND SUCCESSFUL YEAR

The College welcomed 10,000 visitors when it opened its doors to the public, alumni and VIPs during the Imperial Festival in May 2013. The second annual festival, showcasing the best of Imperial, featured hands-on activities, performances, talks and tours alongside music, comedy, dancing and art. The festival included the largest alumni reunion of recent years with 840 alumni attending. Building on the success of Imperial Festival, October 2012 saw the introduction of the Imperial Fringe, regular public events held throughout the year exploring the unexpected side of science.

Based on Imperial's groundbreaking research, Imperial Fringe is comprised of monthly evening events to engage with and build Festival audiences throughout the year via innovative public programming. The first event, "The science behind our fears", attracted 350 visitors combining a Halloween theme with demonstrations of the science behind cryogenics, fear, and epidemic disease. This work received recognition in September 2013 when Imperial was awarded a CASE (Council for Advancement and Support of Education) Circle of Excellence Gold medal for the Imperial Public Engagement Tricycle, used at Fringe events.

ALUMNI VISITOR CENTRE OPENED AT SOUTH KENSINGTON

The Alumni Visitor Centre was opened in April 2013 by distinguished alumnus Koh Boon Hwee (Mechanical Engineering, 1972), currently chairman of Nanyang Technological University, Singapore. Containing a lounge space as well as a bookable room equipped with audiovisual

facilities, the Centre is located near the Main Entrance of the South Kensington Campus, and seeks to improve access to Imperial for its alumni community and provide a venue for alumni group and association meetings.

NAMING OF WOHL REACH OUT LAB

Imperial's Reach Out Lab, opened in 2010 to engage school children in science, technology, engineering and mathematics (STEM), was renamed the Wohl Reach Out Lab in June 2013 in recognition of the support provided by the Maurice Wohl Charitable Foundation. The Lab, headed by Professor Lord Robert Winston, holder of the College's first Chair in Science and Society, has hosted thousands of school children aged from six to eighteen since its launch three years ago in an attempt to promote the study of STEM subjects at A-Level and university.

FIRST BUSINESS SCHOOL SUMMER SCHOOL

Seventy nine students from around the world gathered to attend Imperial College Business School's first summer school programme in July 2013. The one month programme in Strategic Marketing, led by Business School Director of Marketing Colin Love, gave students an experience of what it is like to study at the Business School as well as providing a pathway for students to apply to for a graduate degree programme in the future. Plans are underway to expand the Summer School for summer 2014 to include four courses: Global Finance, Innovation and Entrepreneurship, Strategy and Consulting, and Strategic Marketing.

ALUMNI GENEROSITY ALLOWS EXPANSION OF SCHOLARSHIP PROVISION

The generosity of alumni allowed the College to expand its scholarship offering this year. The support of alumnus Derek Kingsbury CBE FEng (Electrical Engineering, 1947) facilitated the extension of the Kingsbury Scholarship Scheme in February 2013. The scheme offers scholarships to UK undergraduates in financial need who have a firm offer from the College to study an engineering course. Eligible students are required to spend a year working in UK industry before they start studying at Imperial. In January 2013, the College and its Indian supporters association, the Imperial College India Foundation, launched the Imperial College India Foundation PhD Scholarships aimed at academically outstanding Indian students who have not already completed a degree at a higher

education institution outside India and will focus on supporting those in financial need.

PROFESSOR KNEEBONE AWARDED ENGAGEMENT FELLOWSHIP

In October 2012 Professor Roger Kneebone was awarded one of two Wellcome Trust Engagement Fellowships, supporting his work of promoting public engagement with science and medicine. Professor of Surgical Education, Professor Kneebone will use his Fellowship to build links between the College's pioneering biomedical research and a wide range of public engagement events to create ways for scientists and the public to share ideas.

BBC'S MOCK MARTIAN MISSION MADE POSSIBLE BY IMPERIAL EXPERTISE

Imperial researchers worked with a video journalist from the BBC, and computer animation experts to design a mission to Mars which aired on the BBC in July and August 2013. The five part BBC programme, "How to put a human on Mars", outlined some of the technological challenges that space agencies like NASA will need to overcome for astronauts to land successfully on Mars and return back safely again. Dr Tom Pike (Electrical and Electronic Engineering), one of the academics involved in the making of the BBC programme, has previously worked on two NASA missions to the red planet. Professor Mark Sephton (Earth Science and Engineering) who is helping NASA design their next mission to Mars, was also involved along with Dr Simon Foster and Martin Archer from the Department of Physics.

TEDMEDLive AT IMPERIAL

Imperial staff and students contributed to discussions about pressing medical and health challenges in April 2013 when the College participated in the international conference, TEDMED. Taking place at the Royal Geographical Society, five themes were explored at the TEDMEDLive at Imperial event: understanding the human mind, the body as a stimulus for art, staying alive, universal health and achieving medical innovation. Imperial speakers included Professor of Science and Society, Lord Winston (Centre for Co-Curricular Studies), Professor Roger Kneebone (Surgery and Cancer) who uses groundbreaking techniques to simulate surgery, and Dr Henrietta Bowden-Jones (Medicine), consultant psychiatrist who founded the first National Problem Gambling Clinic in the UK.



An artist's impression of the new Imperial West campus. Shown here, part of the £150 million Research and Translation Hub (centre), with the conference centre in the foreground.

Estate developments

IMPERIAL WEST

Launching the vision

Leaders from business, research and government joined Imperial College London staff in March 2013 for the launch of the vision for Imperial West, a new campus in White City, west London, which will co-locate world class researchers, businesses and higher education partners to create value from ideas, for the benefit of society on a local, national and global scale. President & Rector Sir Keith O’Nions showcased the centrepiece of the new campus, a £150 million Research and Translation Hub, and laid out the vision for a £1 billion innovation ecosystem where 3,000 researchers will work to solve the scientific challenges of the future. The project was supported by Mayor of London Boris Johnson and Universities and Science Minister David Willetts who both spoke at the launch.

Students move into postgraduate accommodation at Imperial West

October 2012 saw the first cohort of postgraduate students move into the newly opened Wood Lane Studios Residences, on the site of the Imperial West campus. The 19,500 square metre building with 606 self-contained studios includes a residents’ multi-gym, 30 mbps broadband, secure bike storage, quiet study rooms, a large communal lounge and landscaped communal courtyards. Included in the new development are family sized flats for Imperial and NHS staff.

£35 million HEFCE award for Imperial West Research and Translation Hub

In November 2012, the College was awarded £35 million to support the development of Imperial West. The investment by the Higher Education Funding Council for England (HEFCE) through the UK Research Partnership Investment Fund (UK RPIF) will contribute to the development of the campus’s £150 million Research and Translation Hub. Incorporating 50 new units for spinout companies, the 42,000 square metre Hub will serve the needs of London’s enterprise community, expanding support for innovation drawn from Imperial and other leading universities. With an emphasis on the commercialisation of research to bring benefits to society and the economy, the site is expected to attract innovation businesses to co-locate and could offer a London base to world-class international higher education institutions. The Hub will also provide



President & Rector, Sir Keith O’Nions, launches the vision for Imperial West.

high specification, multidisciplinary research space for 1,000 scientists and engineers investigating next generation materials. Design work on the Hub, which is also funded by investor Voreda and from the College’s own resources, is underway. The College plans to complete the construction in 2015.

Huawei and Imperial sign MoU for collaborative research hub

Huawei, a leading global information and communications technology solutions provider, signed a memorandum of understanding with the College in June 2013 to explore the next generation of big data technologies. Imperial and Huawei plan to collaborate on a joint R&D hub, enabling academic researchers and business experts to collectively develop innovations and applications in research areas including digital, energy, healthcare, future cities and life sciences. The proposed joint centre, located at Imperial West, will focus on the emergent field of data science as Imperial and Huawei work to harness the latest scientific and technological breakthroughs around big data and translate them into real world applications. The MoU was signed by Sir Keith O’Nions, President & Rector of Imperial College London, and William Xu, Chief Executive of Huawei’s Enterprise Business Group.

Imperial West expands with 11.5 acres of new land

The College announced its purchase of a further 11.5 acres of land for Imperial West in June 2013, bringing the College’s total landholding for its new campus to 22.75 acres. The investment in additional land will allow the College to increase its capacity for delivering its vision for research and translation activities on the new campus.



The Fleming Library at the St Mary’s campus.

MORE CAMPUS DEVELOPMENTS

St Mary’s Library revamp complete

St Mary’s Library, the medical library at the St. Mary’s campus, re-opened in May 2013 following a £3 million, six-month renovation. The library, renamed the Fleming Library, dates from 1933 and was last renovated in 1982. It has been modernised and now features new staircases, improved heating, lighting, wifi, more computers, a study space and a training room. The St Mary’s Development Trust made a generous charitable donation of £1.5 million towards the work.

Accommodation expansion

The College is expanding its offering of undergraduate accommodation with two new projects. Wilson House, near the St Mary’s campus, has been extensively refurbished and reconfigured. Following its £23.2 million development, the hall reopened in September 2013 with 309 bed spaces, an increase of 36, and an improved ratio of facilities per student. An annex is also being built at the back of Wilson House providing a further 83 bed spaces for the next academic year. In addition, a new hall of residence in W3 for over 700 students is due to be completed for the 2015–16 academic year.

Public benefit statement

Imperial College is an exempt charity under the laws of England and Wales by virtue of the Exempt Charities Order 1962 and Schedule 3 of the Charities Act 2011. Its activities include the promotion of scholarship, education and research in science, engineering and medicine especially in their application to industry. In accordance with the Charities Act 2006 HEFCE is the responsible body for regulating universities as charities on behalf of the Charity Commission.

The Objects

Imperial College's Objects are set out in its Royal Charter. They are to provide the highest specialised instruction and the most advanced training, education, research and scholarship in science, technology and medicine, especially in their application to industry; and in pursuit of these objects to act in co-operation with other bodies.

The College's Mission is derived from these objects. The Mission states that Imperial College embodies and delivers world class scholarship, education and research in science, engineering, medicine and business, with particular regard to their application in industry, commerce and healthcare. We foster multidisciplinary working internally and collaborate widely externally.

The Council serves as the College's trustee and is responsible for defining Imperial's strategic aims and directing the activities of its executive in the furtherance of these objects. In setting and reviewing the College's objectives and activities, the Council has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education and on fee charging. The Council has also paid due regard to the guidance issued by HEFCE in its role as principal regulator on behalf of the Commission.

Strategic Aims

The College's Aims are set out in the College Strategy 2010–2014, which was approved by the Council in July 2010. They are:

- To undertake research of the highest international quality within an intellectually challenging and inspiring environment
- To extend the frontiers of knowledge within and beyond existing research disciplines
- To bring together research expertise within and beyond the College to address science challenges of today and the future
- To identify, attract and develop students of the highest ability who are most able to benefit from an education at the College
- To provide research-led teaching of the highest international quality within an intellectually challenging and inspiring environment
- To offer an educational experience that empowers graduates to be leaders in their chosen careers and contribute to the long-term needs of society
- To engage with the world to understand, identify and lead emerging scientific challenges and solutions
- To maximise the social and economic value of our education and research through the transfer of both talent and technology

- To find innovative ways to extend the reach and impact of all our work
- To maintain excellence by being efficient, effective, adaptable and integrated
- To build mutually beneficial relationships with appropriate organisations in the UK and worldwide
- To achieve high standards of health, safety and environmental practice
- To attract, develop, reward and retain a diverse community of staff of the highest calibre
- To invest in our facilities and estate and be financially sustainable with diverse sources of income
- To transform information and data into insight and intelligence that guides our thinking
- To anticipate, understand and shape the thinking of stakeholders and policy makers worldwide, including those in government, academia and industry
- To be a world leading source of independent scientific advice
- To help create a wide awareness in society of the benefits of world-class research and education in science, engineering, medicine and business

In implementing its strategic aims and objectives, the College is guided by the values set out in its Vision & Strategy and the Council is mindful of its responsibility to ensure that the College acts for the benefit of the public.

The Report on Imperial's activities during the year, which forms a major part of this Annual Report and Accounts provides further information on our progress and achievements against these and other objectives. This section highlights areas in which the College carried out its activities for the public benefit during the year in furtherance of its objects.

Education

The College offers excellent research-led education in science, engineering, medicine and business subjects. It places importance on teaching, whilst recognising that teaching alone is not sufficient to provide a higher education, particularly in STEM subjects. At undergraduate level, the College provides academically rigorous courses in core disciplines which give students practical experience, a theoretical understanding of research and a fundamental knowledge of their discipline. This provision is research-led, encouraging students to think independently and critically, and develop strong analytical skills. The College's postgraduate taught courses build upon fundamental knowledge acquired at undergraduate level. They include both discipline-based and multidisciplinary programmes and provide students with a platform to pursue doctoral study or to develop a successful career in the commercial, industrial, healthcare or public sectors. In addition, through the School of Professional Development, the College delivers short, bespoke postgraduate courses in science, engineering, medicine and business to the commercial sector and the NHS.

Student Admissions and Equal Opportunities

The College's mission is to maintain excellent standards of achievement in teaching and research in order to attract and admit students of the highest calibre, and its international reputation relies on the people who make up its diverse and high-achieving community. In pursuing this aim, Imperial adheres to a comprehensive policy of equal opportunities which ensures that it does not discriminate against any individual, from the first point of contact through to graduation. Selection for entry is based on consideration of academic ability, motivation for study, interest in the subject area and the potential to benefit from the experience and to contribute to College life.

The College has a number of support methods to facilitate access of appropriately qualified students to its courses regardless of their financial circumstance. Fees for Home and EU undergraduates are set currently at the maximum level and a generous undergraduate bursary scheme is provided. Scholarships are provided for overseas students, which are awarded on academic merit and financial need, and the College has a dedicated fund of around £500k per annum to support PhD students.

Following the Government's decision to increase the level of tuition fees from 2012, the College's undergraduate tuition fees for Home and EU students starting in the academic year 2012–13 have been set at £9,000 per year, reflecting the high quality of education and student experience that Imperial offers. The College has an Access Agreement which has been approved by the Office of Fair Access and which sets out the measures being taken by the College to provide financial support for students and to ensure wider access to the College's courses. The College's Access Agreement seeks to ensure that financial considerations do not preclude those most able to benefit from studying at the College from doing so and the College has committed to spend at least 35% of its additional fee income on supporting access, both through the provision of financial support for students and through the provision of additional support for the College's outreach activities.

Financial Support

The College offers a very flexible financial support package for home undergraduates, including tuition fee waivers, cash in hand and/or a partial accommodation fee waiver, and help for those living costs that cannot be covered by the system of government loans that all eligible full-time students are able to receive.

Outreach

Imperial College has a long established reputation for delivering excellent outreach activities to school and college students. The College believes in raising the aspirations of all students, regardless of background, to fulfil their potential and apply to the right university for them. Imperial is committed to inspiring students in the study of science, technology, engineering and medicine. In support of this commitment, the College offers a range of activities and programmes from Open Days for prospective students; inspirational hands-on activities; summer schools; mentoring programmes in schools; exciting lectures, to a Schools Visit Programme to help raise awareness of Higher Education.

In 2011–12, the College developed a targeted pilot programme, aimed at disadvantaged children who are capable in science. The first cohort benefited from provision tailored to their particular needs, including face-to-face and network mentoring, science enrichment activities and revision support with the aim of enabling and encouraging them to apply successfully to study science at a selective university, including the College. This programme was expanded in 2012–13 to include a broader range of activities. Initial feedback shows that 81% of respondents felt that the scheme had made them more likely to apply to university, with 85% stating that it had made them more motivated about their studies.

Research

The challenges faced by the world today are complex and interrelated, affect the length and quality of life of entire populations, and can be addressed only through the discovery and application of new knowledge, most particularly in science, engineering, medicine and business. The College's research aims to create knowledge generally and provide solutions to a broad spectrum of societal and economic issues, including energy, environment, healthcare and security. It addresses these challenges on three broad levels, which are interdependent (core disciplines, multidisciplinary research, global challenges) with many academics being engaged with all three.

Translation

The College's definition of translation encompasses all forms of knowledge transfer. The College is the only UK university to focus exclusively on science, technology, engineering, medicine and business, and the only one to have had the application of its work to industry, commerce and healthcare central to its mission since its foundation. Imperial College's approach to translation is distinguished by being (i) open to external engagement, which stimulates the exchange of new ideas and a shared understanding of how emerging challenges might be addressed; (ii) multidisciplinary in mobilising people, knowledge and expertise across internal and external boundaries; and (iii) innovative in widening the overall reach and impact of its work – both in the UK and internationally. The College seeks to ensure that translating both into, and from, practice continues to remain an integral part of how it maximises value for society from its education and research.

Summary

In 2012–13 the College fulfilled its educational and research mission, bringing direct benefit to its members and to society at large.

Corporate governance

The following corporate governance statement is provided to enable the reader of the financial statements to obtain a better understanding of the governance and legal structure of the College.

Principles

The College is committed to exhibiting best practice in all aspects of corporate governance. It endeavours to conduct its business in accordance with the seven Principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to universities from the Committee of University Chairmen in its *Guide for Members of Higher Education Governing Bodies in the UK*, the latest edition of which was published by the Higher Education Funding Council for England (HEFCE) in 2009.

Legal Status

The College is an independent corporation whose legal status derives from a Royal Charter granted under Letters Patent in 1907. Its objects, powers and framework of governance are set out in its Charter and Statutes, which were granted by Her Majesty The Queen in 1998. On 4 April 2007 a Supplemental Charter and Statutes were granted by Her Majesty. This Supplemental Charter, which came into force on the date of the College's Centenary, 8 July 2007, established the College as a university with the name and style of 'The Imperial College of Science, Technology and Medicine'.

Governance

The Charter and Statutes require the College to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities as follows:

The Council is 'the governing and executive body of the College', and is responsible for the finance, property, investments and general business of the College, and for setting its general strategic direction. There are up to 23 members of the Council, the majority of whom are external members, including the Chairman and Deputy Chairman. Also included in its membership are representatives of the staff of the College and of the student body. None of the external members receive any payment, apart from the reimbursement of expenses, for the work they do for the College.

The Court is a large stakeholder body which includes representatives from associated NHS Trusts, funding agencies, alumni and companies, public sector bodies and charities which fund research and employ graduates from the College. It consists of 100 members most of whom are from outside the College and offers a means whereby stakeholders with an interest in the College can be associated with it, and provides a public forum where members of the Court can raise any matters about the College. Its membership also includes representatives of the College's staff and students. In addition, changes to the College's Charter require the approval of the Court before they can be submitted to the Privy Council. The Court normally meets at least once a year to coincide with the annual Imperial Festival of Science.

The Senate is the academic authority of the College and draws its membership largely from the academic staff and the students of the College. Its role is to direct and regulate the teaching work of the College.

The principal academic and administrative officer of the College is the President & Rector who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the College. Under the terms of the formal Financial Memorandum between the College and the Funding Council, the President & Rector is the Designated Officer of the College and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons. The financial management of the College is prescribed in the Financial Ordinance approved by the Council and conducted in accordance with the Financial Memorandum with the Funding Council.

In 2012, the Council agreed that the functions of the President & Rector should be separated to create the new positions of President & Rector and Provost, with effect from 1 August 2013. The President & Rector has ultimate responsibility for all of the College's functions and activities, but gives greater emphasis to Imperial's external relationships, development and fundraising. The Provost has direct responsibility for the delivery of the College's core mission: education, research and translation. The Provost reports directly to the President & Rector and together they have responsibility for the strategic direction of the College. From 1 August 2013, the College also instituted a new management governance structure, reflecting the respective roles of the President & Rector and the Provost. Under this new structure the Management Board has been replaced by the College Cabinet and the Provost's Board.

As Chief Executive of the College, the President & Rector exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and the shaping of the institutional ethos. He is supported in this by the College Cabinet whose primary function is to plan for and address issues of broad, strategic, and College-wide significance. The College Cabinet is also responsible for high level policy matters, external relationships, the College Masterplan, financial budgets (annual and medium term) and governance issues.

The Provost is supported and advised by the Provost's Board. The Provost's Board is responsible for the delivery of the College's core academic mission, including oversight of the quality and efficacy of education and research; recruitment, development and retention of academic and research staff; and student life and well-being. It also has responsibility for delegated budgets and their financial control.

The Council is responsible for the College's system of internal control and for reviewing its effectiveness. Its approach is risk-based and includes an evaluation of the likelihood and impact of risks becoming a reality and also ensures that risk assessment and internal control procedures are embedded in the College's ongoing operations. The reviews included in the College's risk-based Strategic Audit Plan cover business, operational and compliance issues as well as financial risk. Such a system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Council's view is that there is an ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2013 and up to the date of approval of the Annual Report and Accounts, that it is regularly reviewed by the Council and that it accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education.

The Council meets at least four times a year and, following the completion of a review of governance in 2010, now has six committees; the Audit Committee, Risk Committee, the Remuneration Committee, the Nominations Committee, the Development Board and the Endowment Board. These are formally constituted as committees of the Council with written terms of reference and specified membership, including a significant proportion of external members. With the exception of the Development Board, which is chaired by the President & Rector, all are chaired by external members of the Council. The decisions of these committees are formally reported to the Council.

The Audit Committee meets three times a year with the College's internal and external auditors in attendance. It considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Funding Council as they affect the College's business and monitors adherence to regulatory requirements. The Committee reports directly to the Council and has the authority to call for any information from the College officers, from internal and external auditors and from others whom it considers necessary to consult in order to discharge its responsibilities effectively. Whilst senior officers attend meetings of the Committee, they are not members of it. At least once a year the Committee meets separately with the internal and external auditors on their own for independent discussions. The Audit Committee also receives regular reports from Internal Audit and from the Management Board. Its role in this area is confined to a high level review of the arrangements for internal control, value for money, risk management and the arrangements for the management and quality assurance of data submitted to formal funding bodies at the College. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

The Risk Committee's primary objective is to consider the strategic risks facing the College and the actions proposed to mitigate these risks.

The Remuneration Committee determines the remuneration of senior staff in the College including the President & Rector.

The Nominations Committee considers nominations for membership of the Court and Council and for the latter's Committees.

The Development Board provides independent objective guidance on the College's fundraising activities. Board members are asked to be advocates and enthusiastic communicators of Imperial's mission and vision, and to play an integral role in our fundraising activities.

The Endowment Board manages those College assets that are not essential to the core academic mission of the College and that can therefore be managed with a pure investment focus. Its Terms of Reference include an obligation to maintain a diversified portfolio of investments, to have regard to the suitability of the investments within this portfolio and to manage the investments in a way that is appropriate to achieve the Investment Objective set by the Council. The Investment Objective necessitates growth in value of the non-core assets in line with inflation whilst also providing a regular distribution for the core academic mission of the College. Within these restrictions, the Endowment Board is authorised to make such investments as it sees fit.

The College Cabinet and the Provost's Board (formerly the Management Board until 31 July 2013) receive reports setting out key performance and risk indicators. The Provost's Board also considers possible control issues brought to its attention by early warning mechanisms which are embedded within the operational units.

The College maintains a Register of Interests of members of the Council and of Senior Officers which may be consulted by arrangement with the Clerk to the Court and Council.

The College Secretary is the Clerk to the Court and Council. Any enquiries about the constitution and governance of the College should be addressed to him.

Responsibilities of the Council

The Council has adopted the Governance Code of Practice published by the Committee of University Chairmen, and accordingly has approved the following Statement of Primary Responsibilities:

1. To approve the mission and strategic objectives of the College, its long-term business plans and key performance indicators, and to ensure that these take account of the interests of the College's stakeholders.
2. To safeguard the good name and values of the College.
3. To appoint the President & Rector, the College's chief executive, and to put in place suitable arrangements for monitoring his/her performance.
4. To appoint other executive members of the Council as specified in the Statutes.
5. To delegate authority to the President & Rector, as chief executive, as advised by the College Cabinet and Provost's Board for the academic, corporate, financial, estate and personnel management of the College.
6. To assess risk to the College and to position its management and mitigation.
7. To ensure the establishment of systems of control and accountability, including financial and operational controls, risk assessment, and procedures for managing conflicts of interest; and monitor the effectiveness of these systems.
8. To ensure that processes are in place for regular monitoring and evaluation of the performance and effectiveness of the College against its approved plans and key performance indicators.
9. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
10. To be the principal financial and business authority of the College, to ensure that proper accounts are kept, to approve the annual budget and financial statements, and to have overall responsibility for the College's assets, property and estate.
11. To be the College's legal authority and, as such, to ensure that systems are in place to ensure that all its legal obligations, including those arising from contracts and other legal commitments made in its name, are properly met.
12. In accordance with the College's Charter and Statutes, to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the College.
13. To ensure that the College's Charter and Statutes are adhered to at all times, with appropriate advice available as necessary.
14. To approve the College's human resources strategy.
15. To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.
16. To appoint a Clerk to the Council and ensure that accountability for his/ her performance in that capacity is properly separated from such managerial responsibilities as he/ she may have in the College.

In accordance with the College's Charter and Statutes, the Council is responsible for the efficient management and good conduct of all aspects of the affairs of the College (including its finances and property). It is required to present audited financial statements for each financial year. As such it is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the Charter of Incorporation, the Statement of Recommended Practice (SORP) on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, and in accordance with the formal Financial Memorandum between the College and the Higher Education Funding Council for England, the Council, through its Designated Officer, is required to prepare financial statements for each financial

year which give a true and fair view of the state of affairs of the College and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- the SORP and applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- the College has adequate resources to continue in operation for the foreseeable future and for this reason the financial statements are prepared on a going concern basis.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud;
- secure the economical, efficient and effective management of the College's resources and expenditure.

Members of the Council confirm that, so far as they are each aware, there is no relevant audit information of which the College's auditors are unaware; and each member of the Council has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

The key elements of the College's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the authority delegated to principals of faculties and heads of academic and administrative departments and divisions as set out in the College's approved Levels of Authority;
- approval by Council each year of a College budget and a three year rolling College plan which, whilst driven from the academic standpoint, are based on detailed financial projections of all College budget centres;
- a comprehensive monthly review of the financial performance of all budget centres and update of forecast outturns with a report to the President & Rector and senior College staff, to the Provost's Board and to Governors at each Council meeting;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council
- a comprehensive Financial Ordinance, detailing financial controls and procedures, approved by the Audit Committee and the Council;
- independent internal auditors, whose risk-based Strategic Audit Plan of work (based upon the College's Risk Register) is approved by, and conclusions subsequently reviewed by, the Audit Committee.

The Audit Committee, on behalf of the Council, regularly reviews the effectiveness of the internal controls in the College and its subsidiaries. Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Council and Council committees



Members of Imperial's Council 2012–13 who attended their Away Day in 2013. From left to right – back row: Mr John Neilson, Mr Jeremy Newsum, Mr Stewart Newton, Mr Muir Sanderson, Professor Jeff Magee. Middle row: Professor Jeff Kramer, Professor Dame Julia Higgins, Mr Paul Beaumont, Professor Stephen Richardson, Professor Dermot Kelleher, Mr Iain Conn. Front row: Ms Rachel Lomax, Baroness Manningham-Buller, Sir Keith O'Nions, Professor Maggie Dallman, Professor Dorothy Griffiths, Lord Tugendhat.

The Council

Chair

- Baroness Manningham-Buller

Co-opted External Members:

- Mr C Brinsmead (from 1 October 2013)
- Dame Ruth Carnall (from 1 October 2013)
- Mr I Conn
- Mrs P Couttie
- Mr P Dilley
- Ms R Lomax
- Mr JHM Newsum
- Mr S Newton
- Ms K Owen
- Lord Tugendhat (to 30 September 2013)

Ex-Officio:

- President & Rector: Professor Sir Keith O'Nions
- Associate Provost (Institutional Affairs): Professor S Richardson (to 31 July 2013)
- Provost: Professor J Stirling (from 1 August 2013)
- Chief Financial Officer: Mr M Sanderson

Senior Staff Representatives:

- Professor G Anandalingam (from 1 August 2013)
- Professor MJ Dallman
- Professor D Griffiths (to 31 July 2013)
- Professor D Kelleher (from 1 October 2012)
- Professor J Magee
- Professor Sir Anthony Newman Taylor (until 30 September 2012)

Elected Staff Member:

- Professor J Kramer (to 30 August 2013)
- Professor N Gooderham (from 19 September 2013)

President, Imperial College Union:

- Mr P Beaumont (to 31 July 2013)
- Mr D Goldsmith (from 1 August 2013)

Co-opted Members

- Sir Thomas Hughes-Hallett (from 13 December 2012)
- Professor Dame Julia Higgins

Clerk to the Court and Council:

- Mr JS Neilson

Audit Committee

Chair

- Mrs P Couttie

Membership:

- Ms R Lomax
- Mr S Newton
- Ms K Kantor (co-opted)

Secretary:

- Mr JB Hancock

Development Board

Chairman

- Sir Keith O'Nions

Membership

- Mr Mah Yong Sun
- Mr C Mistry
- Professor W Wong
- Mr D Hinduja
- Sir S Robertson
- Mrs S Howard
- Professor Lord Darzi
- Professor D Gann
- Professor Sir Peter Knight
- Mr M Sanderson

Secretary

- Ms A Bowen

Endowment Board

Chairman:

- Mr S Newton

Membership:

- Professor DKH Begg
- Mr N Moakes
- Mr J Newsum
- Professor Sir Keith O'Nions
- The Hon. R Rayne
- Professor S Richardson (to 31 July 2013)
- Mr M Sanderson (from 23 November 2012)

Secretary:

- Ms J Soulieux

Nominations Committee

Chair

- Baroness Manningham-Buller

Membership

- Mr J Newsum
- Ms K Owen
- Lord Tugendhat (to 30 September 2013)
- Professor S Richardson (to 31 July 2013)
- Mr M Sanderson
- Professor J Stirling (from 1 August 2013)

Secretary

- Mr J Neilson

Remuneration Committee

Chair

- Baroness Manningham-Buller

Membership:

- Mr J Newsum
- Ms K Owen
- Lord Tugendhat (to 30 September 2013)

Secretary:

- Ms L Lindsay

Risk Committee

Chair

- Ms R Lomax

Membership

- Mr P Beaumont (to 31 July 2013)
- Mr D Goldsmith (from 1 August 2013)
- Dr J Groom
- Professor Dame Julia Higgins
- Mr J Newsum
- Mr S Newton
- Professor Sir Keith O'Nions
- Professor S Richardson (to 31 July 2013)
- Mr M Sanderson
- Professor J Stirling (from 1 August 2013)

Secretary

- Ms J Soulieux



Financial year 2012–13



Independent auditors' report

Independent auditors' report to the Council of Imperial College London

We have audited the Group and College financial statements (the "financial statements") of Imperial College London for the year ended 31 July 2013, which comprise the Consolidated Income and Expenditure Account, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Consolidated Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of the Council and auditors

As explained more fully in the Statement of Responsibilities of the Council set out on page 34, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Council as a body in accordance with the Charters and Statutes of the College and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the College's affairs as at 31 July 2013 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the *Statement of Recommended Practice: Accounting for Further and Higher Education*.

Opinion on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the College's statutes; and
- funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion the statement of internal control (included as part of the Corporate Governance Statement) is inconsistent with our knowledge of the College and Group.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 November 2013

Consolidated income and expenditure account

For the year ended 31 July 2013

	Note	2013 £m	2012 £m
Income			
Funding Council grants	1	168.9	172.4
Academic fees and support grants	2	186.3	163.1
Research grants and contracts	3	329.5	313.9
Other operating income	4	126.6	108.1
Endowment and investment income	5	12.5	8.1
Total income		823.8	765.6
Less: share of income from joint ventures		(1.8)	(0.4)
Net income		822.0	765.2
Expenditure			
Staff costs	6	392.9	373.9
Depreciation	9, 11	58.4	52.0
Other operating expenses	7	292.4	266.4
Interest and other finance costs	8	11.2	9.7
Total expenditure	9	754.9	702.0
Surplus on ordinary activities		67.1	63.2
Share of results in joint ventures and associates		(2.2)	(2.9)
Surplus before exceptional items		64.9	60.3
Exceptional items			
Exceptional income from sale of fixed assets	28	21.9	0.5
Surplus after exceptional items		86.8	60.8
Transfer from/to accumulated income within endowments	14	(0.1)	0.5
Surplus for the year retained within general reserves		86.7	61.3

No operations were discontinued during the year. All operations above are continuing.

Note of historical cost surpluses and deficits

For the year ended 31 July 2013

Surplus after exceptional items	86.8	60.8
Realisation of revaluation gains on fixed asset investments sold in the year	8.1	1.8
Historical cost surplus for the year before tax	94.9	62.6
Historical cost surplus for the year after taxation	94.9	62.6

Balance sheets

as at 31 July 2013

	Note	Consolidated		College	
		2013 £m	2012 £m	2013 £m	2012 £m
Fixed assets					
Tangible assets	11	985.0	928.3	965.5	909.0
Investments	12, 27	158.0	99.6	123.8	55.7
Investments in joint ventures:					
Share of gross assets	13	3.4	3.1	-	-
Share of gross liabilities	13	(0.7)	(0.6)	-	-
		1,145.7	1,030.4	1,089.3	964.7
Endowment asset investments	14	96.7	79.1	96.7	79.1
Current assets					
Stocks		0.4	0.5	0.3	0.3
Debtors	15	168.4	128.2	178.8	141.8
Investments and short-term deposits	25	110.0	165.0	110.0	165.0
Cash at bank and in hand	25	198.1	135.8	198.1	133.4
		476.9	429.5	487.2	440.5
Creditors: amounts falling due within one year	16	(434.1)	(365.5)	(438.6)	(364.3)
Net current assets / (liabilities)		42.8	64.0	48.6	76.2
Total assets less current liabilities		1,285.2	1,173.5	1,234.6	1,120.0
Creditors: amounts falling due after more than one year	17	(253.8)	(233.0)	(253.8)	(233.0)
Provisions for liabilities and charges	18	(29.3)	(32.1)	(29.3)	(32.1)
Total net assets		1,002.1	908.4	951.5	854.9

	Note	Consolidated		College	
		2013 £m	2012 £m	2013 £m	2012 £m
Represented by:					
Deferred capital grants	19	388.0	404.6	385.7	402.1
Endowments					
Expendable	20	30.6	25.0	30.6	25.0
Permanent	20	66.1	54.1	66.1	54.1
		96.7	79.1	96.7	79.1
Reserves					
Revaluation reserve	22	5.2	6.6	5.1	6.5
General income and expenditure reserve	21,22	512.2	418.1	464.0	367.2
		517.4	424.7	469.1	373.7
Total funds		1,002.1	908.4	951.5	854.9

The financial statements on pages 39 to 64 were approved by the Council on 22 November 2013 and signed on their behalf by:

Baroness Manningham-Buller, Chair

Sir Keith O’Nions, President & Rector

Mr Muir Sanderson, Chief Financial Officer

Consolidated cash flow statement

For the year ended 31 July 2013

	Note	2013 £m	2012 £m
Net cash inflow from operating activities	24	105.7	121.6
Returns on investments and servicing of finance			
Income received from endowments		2.7	1.4
Income received from short-term investments		9.8	3.8
Income received from fixed asset investments		1.0	–
Other interest received		0.5	0.3
Interest paid		(5.7)	(5.8)
Interest element of finance lease payments		(4.9)	(3.3)
		3.4	(3.6)
Capital expenditure and financial investment			
Payments to acquire tangible assets		(103.6)	(75.1)
Purchase of fixed asset investments		(85.5)	(15.5)
Acquisition of endowment assets		(97.0)	(5.3)
Total payments to acquire fixed and endowment asset investments		(286.1)	(95.9)
Receipts from disposal of tangible assets		28.1	0.5
Receipts from disposal of fixed asset investments		52.2	11.9
Receipts from disposal of endowment assets		57.2	13.4
Deferred capital grants received		25.2	29.3
Endowments received		7.2	1.9
		(116.2)	(38.9)
Acquisitions and disposals			
Payments to acquire an associate / joint venture		(0.1)	(2.8)
Management of liquid resources		55.0	(50.0)
Financing			
Net mortgages and loans repaid		(5.8)	(5.8)
Capital element of finance lease repayments		(0.5)	(0.4)
		(6.3)	(6.2)
Increase in cash	25	41.5	20.1

Reconciliation of net cash flow to movement in net cash

For the year ended 31 July 2013

	Note	2013 £m	2012 £m
Increase in cash in the period		41.5	20.1
(Decrease)/Increase in short-term investments		(55.0)	50.0
Decrease in loan balances		5.8	5.8
Increase in lease balances		(18.4)	(74.6)
Change in net cash		(26.1)	1.3
Net cash at 1 August		96.3	95.0
Net cash at 31st July	25	70.2	96.3

Statement of consolidated total recognised gains and losses

For the year ended 31 July 2013

	Note	2013 £m	2012 £m
Surplus after exceptional items		86.8	60.8
Increase in market value of endowment asset investments	14, 20	10.3	2.5
Net endowment additions	14, 20	7.2	1.5
Revaluation of investments within fixed assets	22	6.7	1.2
Purchase of treasury shares		(0.5)	(0.3)
Subsidiary companies funds moved to reserves		(0.2)	–
Total recognised gains relating to the year		110.3	65.7
Opening reserves and endowments		503.8	
Total recognised gains relating to the year		110.3	
Closing reserves and endowments		614.1	

Statement of principal accounting policies

1. Accounting convention

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of endowment and fixed asset investments, and in accordance with both the *Statement of Recommended Practice: Accounting for Further and Higher Education Institutions (SORP)* and applicable UK accounting standards. The principal accounting policies have been applied consistently throughout the year.

2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the College, Imperial College Union and all subsidiary undertakings for the financial year to 31 July. The consolidated income and expenditure account includes the College's share of the income, expenditure and tax of associated undertakings and joint ventures, while the consolidated balance sheet includes investment in associated undertakings and joint ventures at the College's share of their net tangible assets. Associated undertakings are those in which the College has a significant, but not dominant, influence over their commercial and financial policy decisions. Joint ventures represent investments in which the College has joint control.

Intra-group transactions and any gains or losses on intra-group transactions are eliminated in full on consolidation. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the College and its associates and joint ventures are not eliminated; unsettled normal trading transactions are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the College's share is eliminated.

A separate income and expenditure account for the parent organisation has not been presented because the College has taken advantage of the exemption allowed under s408 of the Companies Act 2006.

For those subsidiary, joint venture and associated undertakings that have different accounting year-end dates, interim financial statements to 31st July for these companies have been consolidated. For those subsidiary and associated companies that report under International Financial Reporting Standards, primarily Imperial Innovations Group plc, their financial statements have been restated to comply with UK Accounting Standards for the purposes of consolidation.

3. Recognition of income and expenditure

Income from donations, research grants and contracts, and other services rendered is included to the extent of the associated expenditure incurred during the year together with any related contributions towards overhead costs.

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount.

All income from short-term deposits and endowments is credited to the income and expenditure account in the period in which it is earned. Income from endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to endowments. Income is deferred only when the College has to fulfil conditions before becoming entitled to it or where it has been specified by the donor that the money should be expensed in a future period.

Expenditure incurred relates to the receipt of goods and services. This includes patent costs which are written off in the year that they are incurred rather than being capitalised. A provision for bad debts is estimated on the basis that as debts become older, a higher percentage become irrecoverable.

Where the College disburses funds it has received as paying agent on behalf of the Funding Council or other body, and has no beneficial interest in the funds, the receipt and subsequent disbursement of the funds have been excluded from the income and expenditure account.

4. Pension schemes

The College participates in four principal pension schemes which are funded defined benefit schemes. The schemes are contracted-out of the State Second Pension (S2P). The SAUL, USS and FPS schemes are valued formally every three years by professionally qualified and independent actuaries using the Projected Unit method. The NHS Pension scheme is valued every four years using the Aggregate method.

The USS, SAUL and NHS are multi-employer schemes and it is not possible to identify the College's share of the underlying assets and liabilities of the schemes. Therefore, as required by FRS 17, the contributions are charged directly to the income and expenditure account as if the schemes were defined contribution schemes.

The FPS pension scheme is accounted for on the basis of FRS 17. The scheme's assets are included at market value and the scheme's liabilities are measured on an actuarial basis using the projected unit method and discounted at an appropriate rate of return. The College's share of the surplus or deficit of the scheme is recognised as an asset or liability on the balance sheet, with surplus included only to the extent that it is recoverable through reduced contributions in the future or through refunds from the scheme. The current service cost and past service costs are included within staff costs and the expected return on the scheme's assets, net of the impact of the unwinding of the discount on the scheme's liabilities, is included within endowment and investment income. Actuarial gains and losses, including differences between the expected and actual return on the scheme's assets, are recognised in the statement of total recognised gains and losses.

5. Foreign currencies

Transactions denominated in Euros, US\$ and other foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are recognised as part of income and expenditure.

6. Finance leases

Assets held under finance leases together with the related lease obligations are recorded on the balance sheet with initial values equivalent to the purchase price of the asset. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

7. Land and buildings

Purchased land and purchased or constructed buildings are stated at cost. Freehold land is not depreciated while leasehold land is depreciated over the life of the lease. Buildings, including service plant, are depreciated over their expected useful lives or at the rate of 2% per annum of their historical cost (no purchased buildings are held on leases of less than 50 years). Buildings which are still under construction are not depreciated. Where

land and buildings are acquired with the aid of specific grants, the grants are treated as deferred capital grants and released to income at the same rate as depreciation is charged.

Buildings acquired on integration of previously independent institutions are brought into the balance sheet at fair value (market value where ascertainable, otherwise depreciated replacement cost) and depreciated over their remaining expected useful lives. An amount equivalent to the fair value of assets so acquired is credited to deferred capital grants and released in the same manner as other such grants.

Costs incurred in relation to buildings after their initial acquisition are capitalised only to the extent that they increase the expected future benefits beyond those originally assessed. The cost of such enhancements are depreciated at the rate of 2% per annum, or over the life of the asset if shorter. Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

Some accommodation within associated hospitals is occupied rent free by the College but this is approximately offset by College accommodation occupied rent free by them.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 15, the College followed the transitional provision to retain the book value of land and buildings but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

8. Fixtures, fittings, tools and equipment

Fixtures, fittings, tools and equipment, including computers and software, costing less than £50,000 per individual item or group of related items are written off in the year of acquisition. All other items are capitalised.

Capitalised equipment is stated at cost and, once in service, depreciated over its expected useful life or at 20% per annum; equipment acquired for specific research projects is depreciated over the remaining life of the project (generally three years).

Where fixtures, fittings, tools and equipment are acquired with the aid of specific grants

they are capitalised and depreciated as above. The related grant is treated as a deferred capital grant and released to income at the same rate as depreciation is charged.

9. Reserves

Discretionary reserves are earmarked for specific purposes by the management of the College whereas non-discretionary reserves are legally restricted.

10. Investments

Endowment asset investments and listed fixed asset investments are included in the balance sheet at market value less a provision, where appropriate, to reflect restrictions in their marketability. Fixed assets investments that are not listed on a recognised stock exchange are carried at cost less any provision for impairment in their value except where costs are revalued in compliance with accounting standards. Current asset investments are included at the lower of cost and net realisable value. Increases/decreases in value arising on the revaluation of fixed asset investments are carried to the revaluation reserve; a diminution in value is taken to the income and expenditure account to the extent it is not covered by a previous revaluation surplus. Investments in associated companies where the input from the College is represented only by the intellectual property rights are valued at zero historical cost.

11. Stocks

Only the value of stocks held in the refectories and central stores are included on the balance sheet. They are valued at the lower of cost and net realisable value.

12. Cash flows and liquid resources

Cash flows comprise increases and decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they can be withdrawn at any time without notice and without penalty or if a maturity or period of notice of not more than 24 hours has been agreed. No investments, however liquid, are included as cash.

Liquid resources comprise assets held as readily disposable stores of value. They include term deposits, government securities and loan stock held as part of the College's

treasury management activities. They exclude any such assets held as endowment asset investments.

13. Taxation status

The College is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993) and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478-488 of the Corporation Taxes Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax. The College's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

14. Provisions

Provisions are recognised in the financial statements when the College has a present obligation (legal or constructive) as a result of a past event, it is probably that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

Notes to the accounts

1. Funding Council grants	Note	2013 £m	2012 £m
Recurrent – teaching		46.2	52.8
Recurrent – research		99.5	96.4
Higher Education Innovation Fund (HEIF)		2.1	1.8
Project capital allocations		7.4	15.4
Other specific grants		1.5	1.6
<hr/>			
Grants from Higher Education Funding Council for England (HEFCE)		156.7	168.0
Joint Information Systems Committee (JISC)		–	0.1
Transferred to deferred capital grants in the year			
Buildings	19	(5.3)	(5.8)
Equipment	19	(2.1)	(8.9)
Deferred capital grants released in the year			
Buildings	19	14.5	13.9
Equipment	19	5.1	5.1
<hr/>		168.9	172.4

2. Academic fees and support grants	Registered student numbers		2013 £m	2012 £m
	31 Dec 2012	31 Dec 2011		
Full-time home and European Union students	9,915	10,041	48.2	34.8
Full-time overseas students	4,499	4,301	103.9	96.3
Part-time students	1,209	1,229	8.7	6.6
Research training support grants			21.1	20.4
Short course fees			4.4	5.0
<hr/>			186.3	163.1

Research training support grants include £3.6 million (£3.4 million in 2012) of tuition fees paid in respect of full-time home and European Union students.

Total numbers of full-time and part time students are 15,623 in 2013 and 15,571 in 2012 (excluding those on research training support grants and short courses).

3. Research grants and contracts	2013 £m	2012 £m
UK research councils	102.3	102.4
UK government departments, local and health authorities	49.3	50.7
UK industry, commerce and public corporations	23.2	18.9
UK charities	66.4	66.5
UK other	1.4	0.9
European Commission	35.8	28.8
Other European Union and overseas	51.1	45.7
	329.5	313.9
Research income relating to the direct expenditure incurred during the year	269.1	259.2
Contributions towards overhead costs	60.4	54.7
	329.5	313.9

Total research income excludes £6.2 million (£11.0 million in 2012) deferred capital grants received in 2013 but includes £12.8 million (£9.5 million in 2012) released from deferred capital grants.

UK other research grants and contracts include restricted grant aid from the Big Lottery Fund (BLF). The total amount of funding awarded for projects ongoing in 2013 includes £14.5 million (2012: £13.1 million) to fund an interdisciplinary study of the natural environments, focusing on biodiversity and the skills, tools and training associated with the identification and recording of flora and fauna. Of this total awarded, £14.2 million (2012: £12.6 million) had been received as at 31 July from the Funder. A total of £13.5 million has been spent and recognised as income for the project to date (£4.5 million by the College, and £9 million by unrelated third party partners). Of the amounts recorded as income to date by College £0.7 million was recognised in the year to 31 July 2013 (2012: £1.0 million).

4. Other operating income	2013 £m	2012 £m
Health and hospital authorities	17.2	17.2
Consultancies and scientific services	17.6	11.4
Donations	4.8	6.1
Residences, catering and conferences	45.5	36.8
Income from exploitation of intellectual property	0.5	0.6
Rents receivable	6.0	5.8
Commissions and fees	1.9	1.9
Other departmental income	16.9	13.4
Released from deferred capital grants on land and buildings	1.7	1.7
Released from deferred capital grants on equipment	0.1	0.1
Other income	14.4	13.1
	126.6	108.1

5. Endowment and investment income	Note	2013 £m	2012 £m
Income from expendable endowment investments	20	0.6	0.4
Income from permanent endowment investments	20	1.7	1.0
Income from long-term investments		1.0	–
Income from short-term investments		8.7	6.5
Other interest receivable		0.5	0.2
		12.5	8.1

Notes to the accounts

6. Staff	Note	2013 £m	2012 £m
Staff costs			
Wages and salaries		322.9	308.4
Social security costs		28.6	27.3
Other pension costs	32	39.2	37.1
		390.7	372.8
Restructuring costs		2.2	1.1
		392.9	373.9
		2013 £000	2012 £000
Emoluments of the President & Rector			
Remuneration		309	302
Other		21	21
		330	323

The President & Rector has elected not to join the pension scheme and therefore no employer's contributions have been paid.

Aggregate payments for compensation for loss of office paid to senior members of staff earning in excess of £100,000 per annum (two in 2013, two in 2012)

	2013 £000	2012 £000
Payments in respect of loss of office	154	90

Payments in respect of loss of office comprise termination payments paid directly to individuals in respect of loss of office, plus contributions made towards legal expenses.

All compensation in respect of loss of office has been internally funded by the College.

	Full-Time Equivalent		Headcount	
	2013 Number	2012 Number	2013 Number	2012 Number
Staff numbers by major category				
Academic and Research	3,417	3,441	3,659	3,667
Professional services	2,292	2,220	2,437	2,438
Technical services	526	523	541	543
Operational services	423	424	454	629
Learning & Teaching	73	40	99	44
	6,731	6,648	7,190	7,321

The Full Time Equivalent (FTE) number is based on the headcount but adjusted to include only the pro rata element of part-time staff. The numbers include staff employed by subsidiary companies and the Imperial College Union.

Remuneration of higher paid staff (excluding the President & Rector):	Including consultancies		Excluding consultancies	
	2013 Number	2012 Number	2013 Number	2012 Number
£100,000–£109,999	74	66	70	60
£110,000–£119,999	58	51	52	46
£120,000–£129,999	29	30	26	28
£130,000–£139,999	22	35	22	32
£140,000–£149,999	30	31	30	31
£150,000–£159,999	26	17	24	22
£160,000–£169,999	14	21	14	14
£170,000–£179,999	13	15	14	16
£180,000–£189,999	13	12	10	12
£190,000–£199,999	6	11	7	11
£200,000–£209,999	4	5	4	4
£210,000–£219,999	4	3	4	3
£220,000–£229,999	–	2	1	3
£230,000–£239,999	5	2	4	1
£240,000–£249,999	1	2	–	2
£250,000–£259,999	3	1	3	1
£260,000–£269,999	2	–	2	–
£270,000–£279,999	1	–	1	–
£280,000–£289,999	–	2	–	2
£290,000–£299,999	–	–	–	1
£300,000–£309,999	4	3	4	2
£320,000–£329,999	–	1	–	–
£350,000–£359,999	1	–	–	–
£380,000–£389,999	1	1	–	–
£390,000–£399,999	1	–	–	–

Remuneration of higher paid staff excludes employer's pension and National Insurance contributions, but includes payments to staff for NHS Distinction Awards and is presented with and without private consultancy services made through subsidiaries.

7. Other operating expenses	2013 £m	2012 £m
Research grants and contracts	107.1	105.4
Consultancies and scientific services	7.7	3.7
Short courses	1.8	2.4
Expenditure in academic departments	59.9	56.5
Residences, catering and conferences	26.3	14.6
Central support services	19.8	16.2
Central fellowships, scholarships and prizes	11.4	9.1
Books, periodicals and other library expenditure	7.7	6.9
Facilities and maintenance of premises	46.3	43.5
Auditors' remuneration	0.2	0.2
Auditors' fees in respect of non-audit services	0.1	–
Other, including Imperial College Union	4.1	7.9
	292.4	266.4

Included within Residences, catering and conferences is £6.2 million of operating lease payments in respect of the Wood Land Studios student accommodation block (2012: Nil).

Imperial is committed to £6.2 million of operating lease payments in the following year. The lease commitment will expire more than five years from the reporting date.

Notes to the accounts

8. Interest and other finance costs	2013 £m	2012 £m
Bank and other loans	5.7	5.8
Finance lease interest	4.9	3.3
Other financing costs	0.6	0.6
	11.2	9.7

9. Analysis of expenditure by activity	Staff costs £m	Depreciation £m	Other operating expenses £m	Interest and other finance costs £m	2013 Total £m	2012 Total £m
Academic departments	166.2	2.0	61.7	0.2	230.1	218.5
Academic services:						
Libraries and information services	3.8	–	7.7	–	11.5	10.6
Central computer and computer networks	10.7	0.3	5.3	–	16.3	16.1
Other	4.0	–	1.2	–	5.2	4.9
Total academic services	18.5	0.3	14.2	–	33.0	31.6
Research grants and contracts	149.2	12.8	107.1	–	269.1	259.2
Residences, catering and conferences	9.3	7.0	26.3	–	42.6	28.0
Premises	13.6	36.1	46.3	–	96.0	92.4
Administration and central services:						
Central administration	20.0	0.1	9.2	–	29.3	23.5
General educational expenditure	3.1	–	13.9	–	17.0	14.6
Staff and student facilities	5.3	0.1	4.8	–	10.2	10.0
Total administration and central services	28.4	0.2	27.9	–	56.5	48.1
Other expenditure:						
Consultancies and scientific services	5.2	–	7.7	–	12.9	8.1
Other, including restructuring costs	2.5	–	1.2	11.0	14.7	16.1
Total other expenditure	7.7	–	8.9	11.0	27.6	24.2
	392.9	58.4	292.4	11.2	754.9	702.0

10. Segmental reporting	Segment Total Income £m	Surplus/(deficit) before tax, minority interest and exceptional items £m	Total assets £m	Net assets £m
Year ended 31 July 2013				
University	813.0	61.8	1,506.5	789.9
The Endowment	9.0	3.1	212.8	212.2
	822.0	64.9	1,719.3	1,002.1
Year ended 31 July 2012				
University	748.6	53.4	1,270.4	753.4
The Endowment	16.6	6.9	268.5	155.0
	765.2	60.3	1,538.9	908.4

The University segment represents the core academic activities of education and research.

The Endowment manages assets not required for the core academic mission of the College with a pure investment focus, in order to provide steady capital growth and a regular income to support the College's academic objectives.

Notes to the accounts

11. Tangible assets		Consolidated			
Cost	Land and buildings		Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
	Freehold £m	Leasehold £m			
At 1 August 2012	469.0	649.5	214.1	25.9	1,358.5
Additions	6.8	34.3	8.1	74.3	123.5
Transfers	18.1	13.0	3.8	(34.9)	–
Disposals	(11.3)	(2.5)	(7.0)	–	(20.8)
At 31 July 2013	482.6	694.3	219.0	65.3	1,461.2
Depreciation					
At 1 August 2012	117.8	158.6	153.8	–	430.2
Charge for year	13.3	24.3	20.8	–	58.4
Eliminated on disposals	(5.0)	(1.2)	(6.2)	–	(12.4)
At 31 July 2013	126.1	181.7	168.4	–	476.2
Net book value					
At 31 July 2013	356.5	512.6	50.6	65.3	985.0
At 1 August 2012	351.2	490.9	60.3	25.9	928.3
		College			
Cost	Land and buildings		Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
	Freehold £m	Leasehold £m			
At 1 August 2012	469.0	626.8	212.0	25.8	1,333.6
Additions	6.8	33.4	8.1	74.3	122.6
Transfers	18.1	13.0	3.7	(34.8)	–
Disposals	(11.3)	(2.4)	(6.9)	–	(20.6)
At 31 July 2013	482.6	670.8	216.9	65.3	1,435.6
Depreciation					
At 1 August 2012	117.8	154.9	151.9	–	424.6
Charge for year	13.3	23.8	20.6	–	57.7
Eliminated on disposals	(5.0)	(1.2)	(6.0)	–	(12.2)
At 31 July 2013	126.1	177.5	166.5	–	470.1
Net book value					
At 31 July 2013	356.5	493.3	50.4	65.3	965.5
At 1 August 2012	351.2	471.9	60.1	25.8	909.0

The transitional rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS 15.

Accordingly, the book values at implementation have been retained.

Included at cost within land and buildings for the College and Group as at 31 July 2013 is a heritage asset, being the nineteenth-century built Queen's Tower, currently insured at a value of £10.4 million (2012: £10.1 million).

Assets held under finance leases, capitalised and included in tangible fixed assets:	2013	2012
	£m	£m
Cost	95.6	76.7
Accumulated depreciation	(3.7)	(1.5)
Net book value	91.9	75.2

On 30 September 2011, the College sold its holdings in Winstanley 1 Ltd and Winstanley 2 Ltd (a company established to create 566 postgraduate student studio apartments) to Legal and General Pensions Ltd, an unrelated third party, for initial net proceeds totalling £18 million. A further £9 million of consideration was received upon completion of phase 2 of the property in August 2012.

As a corollary of the sale, the College entered into a long leasehold agreement with Legal and General Pensions Ltd, leasing the property developed by Winstanley 2 Ltd for a term of 45 years. The terms of the arrangement also provide the College with the benefit of a £1 option over the freehold at the end of the lease term. The College recognised an additional long leasehold asset and related finance lease in respect of phase 2 in its 2012-13 financial statements.

12. Investments	Note	Consolidated		College	
		2013	2012	2013	2012
		£m	£m	£m	£m
Investment in subsidiary companies at cost		–	–	9.8	4.0
Investment in other associated undertakings		52.9	56.7	6.6	6.5
Other fixed asset investments	27	105.1	42.9	107.4	45.2
		158.0	99.6	123.8	55.7

As at 31 July 2013 the College's direct equity holdings in subsidiary and principal associated undertakings were as follows:

Undertaking	Activity	Holding
		%
Subsidiaries		
IC Consultants Ltd	Consultancy and scientific services	100.0
Imperial Activities Ltd	Commercial property services	100.0
Extracalm Company Ltd	Administrative services	100.0
Private Patient Healthcare Ltd	Private patient healthcare services	100.0
Burlington Danes Construction Ltd	Construction and property services	100.0
Imperial Bioincubator Ltd	Provision of facilities to spin-out companies	100.0
Imperial (Forest House) Ltd	Commercial property services	100.0
Imperial College Company Maker Ltd	Dormant	100.0
Imperial College Ltd	Dormant	100.0
Imperial MBA Ltd	Dormant	100.0
Imperial College London Ltd	Dormant	100.0
Wye Foundation Trust	Charitable trust	100.0
Extracalm Cleaning LLP	Cleaning services partnership	partnership
Joint ventures		
Bio Nano Centre Ltd	Development of biomedical and nanotechnology-based products	50.0
Imperial West Limited	Commercial property services	50.0
Woodlands 1 LLP	Commercial property services	49.9
Imperial West Developments LLP	Dormant	49.9
Associates		
Imperial Innovations Group plc	Commercialisation of ideas and inventions	30.3
Imanova Ltd	Environmental consultancy and scientific services	25.0
GMEC Management Company Ltd	Promotion of collaborative biomedical research	16.7

All companies are registered in England.

Notes to the accounts

13. Investment in joint ventures

At 31 July 2013 the College held a 50% share in both Imperial West Limited, a UK private limited company set up to achieve planning permissions at the College's Imperial West campus and Bio Nano Centre Ltd, a UK company limited by guarantee that specialises in the development of biomedical and nanotechnology-based products.

On 29 August 2012, Woodlands 1 LLP achieved practical completion over a 606 bed postgraduate accommodation development on the Imperial West site in White City. Following this, the College reassessed this investment as a commercial joint venture rather than a pure investment asset as it was treated previously and it is now recognised as a joint venture.

These investments have been consolidated using the gross equity method.

14. Endowment asset investments

Consolidated and College

	Balance 1 Aug 2012 £m	Disposals £m	Additions £m	Net expenditure from capital £m	Transfers between investments £m	Increase/ (decrease) in market value £m	Balance 31 July 2013 £m
UK equities	6.8	(4.2)	10.7	–	7.0	1.9	22.2
International equities	30.9	(48.0)	44.6	–	5.6	7.3	40.4
Absolute return investments	0.1	–	–	–	(0.1)	–	–
Fixed stock	–	–	3.7	–	6.1	(0.2)	9.6
Hedge funds	–	–	–	–	0.4	0.2	0.6
Commodities	–	–	1.0	–	1.8	(0.4)	2.4
Associate property partnerships	10.8	(11.4)	–	–	(0.4)	1.5	0.5
Investment property	0.5	–	–	–	–	–	0.5
Investment income receivable / (payable)	0.2	–	–	–	(0.5)	–	(0.3)
Cash and income with Investment Managers	–	–	37.0	–	(27.2)	–	9.8
Short term investments / cash	29.8	(33.5)	7.3	0.1	7.3	–	11.0
Total consolidated	79.1	(97.1)	104.3	0.1	–	10.3	96.7
Fixed interest and equities at cost	72.7						93.5

15. Debtors

Consolidated

College

	2013 £m	2012 £m	2013 £m	2012 £m
Amounts falling due within one year				
Amounts due on research grants and contracts				
Debtors	29.2	27.4	29.2	27.4
Work in progress	43.2	40.0	43.2	40.0
Other debtors	70.1	42.7	67.0	39.1
Prepayments and accrued income	26.1	18.3	25.8	17.9
Amounts owed by group undertakings	–	–	13.8	17.6
Provision for bad debts	(0.2)	(0.2)	(0.2)	(0.2)
	168.4	128.2	178.8	141.8

Included within Other debtors are invoices totalling £52.3 million (£24.1 million in 2012) in respect of tuition fees for courses starting in the next financial year with the income deferred on the balance sheet until the start of the course.

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16. Creditors: amounts falling due within one year	Consolidated		College	
	2013 £m	2012 £m	2013 £m	2012 £m
Bank overdraft	2.0	–	25.7	17.4
Bank loans	5.8	5.8	5.8	5.8
Obligations under finance leases	0.6	0.5	0.6	0.5
Deferred lease premiums	0.3	0.1	0.3	0.1
Research payments received on account	206.2	182.8	206.2	182.8
Creditors	24.1	20.0	14.2	16.5
Social security and other taxation payable	9.0	9.3	8.9	9.3
Accruals and deferred income	186.1	147.0	173.3	129.8
Amounts owed to group undertakings	–	–	3.6	2.1
	434.1	365.5	438.6	364.3

17. Creditors: amounts falling due after more than one year	Consolidated		College	
	2013 £m	2012 £m	2013 £m	2012 £m
Bank loans	148.1	153.9	148.1	153.9
Obligations under finance leases	92.4	74.1	92.4	74.1
Deferred lease premiums	13.3	5.0	13.3	5.0
	253.8	233.0	253.8	233.0

The maturity profile of the carrying amount of both the Consolidated and College's liabilities, at 31 July was as follows:

	Bank loans £m	Finance leases £m	2013 £m	2012 £m
Less than one year	5.8	0.6	6.4	6.3
In more than one year but no more than two years	5.8	0.6	6.4	6.3
In more than two years but no more than five years	17.3	2.1	19.4	18.9
In more than five years	125.0	89.7	214.7	202.8
	153.9	93.0	246.9	234.3
Less than one year	(5.8)	(0.6)	(6.4)	(6.3)
	148.1	92.4	240.5	228.0

The bank loans comprise four unsecured sterling borrowing facilities.

1. A 30-year £50 million private placement arranged through Royal Bank of Scotland with a small number of institutions. It takes the form of loan notes. The facility was drawn down in a single amount in March 2003 and is not repayable until 2033. Interest at a fixed rate of 5.39% is payable annually in arrears.

2. A 15-year £23.2 million facility from the European Investment Bank. The facility was drawn in a single amount in December 2005 and repayments started in December 2009. Interest at variable rates is payable quarterly in arrears.

3. A 50-year £50 million private placement arranged through Royal Bank of Scotland with a small number of institutions. It takes the form of loan notes. The facility was drawn in a single amount in July 2006 and is not repayable until 2056. Interest at a fixed rate of 4.84% is payable annually in arrears.

4. A 15-year £50 million facility from the European Investment Bank. The facility was drawn in a single amount in May 2008 and repayments started in 2011. Interest at variable rates is payable quarterly in arrears.

18. Provisions for liabilities and charges	Restructuring provision £m	Decommissioning of engineering facility £m	Total £m
Consolidated and College			
At 1 August 2012	0.7	31.4	32.1
Provided in the year	0.3	0.1	0.4
Utilised in the year	(0.5)	(3.2)	(3.7)
Written back in the year	(0.1)	–	(0.1)
Unwinding of the discount	–	0.6	0.6
At 31 July 2013	0.4	28.9	29.3

A number of restructuring programmes are currently underway within the College with the aim of reducing costs.

19. Deferred capital grants	Note	Consolidated		College	
		HEFCE and JISC grants £m	Other grants and benefactions £m	Total £m	Total £m
At 1 August 2012					
Buildings		276.8	87.4	364.2	361.9
Equipment		24.9	15.5	40.4	40.2
Total		301.7	102.9	404.6	402.1
Cash receivable					
Buildings—specific funding (including transfers)		5.3	6.2	11.5	11.5
Equipment—specific funding		2.1	6.2	8.3	8.3
Total		7.4	12.4	19.8	19.8
Eliminated on disposals					
Buildings—specific funding		(0.1)	(1.3)	(1.4)	(1.4)
Equipment—specific funding		(0.4)	(0.3)	(0.7)	(0.7)
Total		(0.5)	(1.6)	(2.1)	(2.1)
Released to income and expenditure account					
Buildings		(14.5)	(4.9)	(19.4)	(19.2)
Equipment		(5.1)	(9.8)	(14.9)	(14.9)
Total	9	(19.6)	(14.7)	(34.3)	(34.1)
At 31 July 2013					
Buildings		267.5	87.4	354.9	352.8
Equipment		21.5	11.6	33.1	32.9
Total		289.0	99.0	388.0	385.7

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20. Endowments	Consolidated and College					
	Unrestricted permanent £m	Restricted permanent £m	Total permanent £m	Restricted expendable £m	2013 Total £m	2012 Total £m
At 1 August						
Capital	10.1	43.1	53.2	33.1	86.3	82.3
Accumulated income	(0.1)	1.0	0.9	(8.1)	(7.2)	(6.7)
	10.0	44.1	54.1	25.0	79.1	75.6
New endowments / transfers	–	4.3	4.3	2.9	7.2	1.5
Investment income	0.2	1.5	1.7	0.6	2.3	1.4
Expenditure	(0.1)	(1.4)	(1.5)	(0.7)	(2.2)	(1.9)
	0.1	0.1	0.2	(0.1)	0.1	(0.5)
Increase in market value	1.3	6.2	7.5	2.8	10.3	2.5
At 31 July	11.4	54.7	66.1	30.6	96.7	79.1
Represented by:						
Capital	11.4	53.6	65.0	38.8	103.8	86.3
Accumulated income	–	1.1	1.1	(8.2)	(7.1)	(7.2)
	11.4	54.7	66.1	30.6	96.7	79.1

Included within endowments are a number of permanent funds with a deficit of accumulated income as at 31 July 2013. Within unrestricted permanent endowments these comprise 2 funds with a combined deficit balance of £0.1 million (2012: 2 funds with a deficit totalling £0.2 million). Within restricted permanent endowments there are 49 individual funds with a total combined deficit of £1.8 million (2012: 49 funds with a total combined deficit of £1.6 million). The College monitors funds in a deficit position however, due to the nature of the underlying investments, which do not necessarily depend on generating the required income but instead target a total return, these funds are permitted to spend some of the capital growth.

21. Income and expenditure account	Consolidated £m	College £m
Balance at 1 August 2012	418.1	367.2
Surplus after tax and minority interest	86.7	88.7
Transfers between reserves	7.4	8.1
Balance at 31 July 2013	512.2	464.0

22. Statement of movements on reserves

	Balance 1 Aug 2012 £m	Surplus for the year £m	Transfer between reserves £m	Movement in year £m	Consolidated Balance 31 July 2013 £m
Specific non-discretionary reserves					
Imperial College Union funds	1.9	–	0.5	0.7	3.1
Subsidiary and associate companies' reserves	49.0	–	(2.5)	(1.4)	45.1
	50.9	–	(2.0)	(0.7)	48.2
General income and expenditure reserve	367.2	86.7	10.1	–	464.0
Total general reserves	418.1	86.7	8.1	(0.7)	512.2
Revaluation reserve	6.6	–	(8.1)	6.7	5.2
Total reserves	424.7	86.7	–	6.0	517.4

The College revaluation reserve had an opening balance of £6.5 million and a closing balance of £5.1 million as at 31 July 2013.

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23. Related party transactions

For some years the College has maintained a Register of Interests of all Governors, Academic and Academic Related staff. Policies incorporated within the College's Financial Regulations require an individual to declare an interest and withdraw from any commercial discussions should a conflict of interest potentially arise. Written assurances have been obtained from all Governors and senior officers of the College in respect of themselves and their close family that for the year to 31st July 2013 they have not unduly influenced any transaction between the College and a related party, as defined by FRS 8.

Commercial relationships with companies or other organisations that might be regarded as related parties have been reviewed. During the year, the College purchased goods and services amounting to £1.6 million and received research grants and contracts amounting to £25.9 million from such parties. Research grants include £22.0 million from the Wellcome Trust where Baroness Manningham-Buller is a Governor, Mr Stewart Newton was a member of the Investment Committee until September 2013 and Mr Nick Moakes is Head of Public Markets in the Investment Division and a member of the Investment Committee. The Wellcome Trust has detailed guidelines and controls which require that Governors withdraw from any discussion or decision making on the award of grants where there may be a conflict of interest. Research contract income also includes £1.1 million from Rolls Royce plc where Iain Conn is a Non-Executive Director.

A number of College employees also hold positions in the Imperial College Healthcare NHS Trust.

In common with many universities, senior members of the College sit on Research Councils, other NHS Trust boards and other grant awarding bodies which have their own internal procedures to avoid potential conflicts of interest.

A number of other College employees own ordinary shares in Imperial Innovations Group plc, an associate of the College.

The total shareholding owned by College employees continues to represent less than one half of one per cent of the issued share capital. In addition Stewart Newton, the Hon Robert Rayne and Jeremy Newsum all have shareholdings in Imperial Innovations Group plc.

The College has close relationships with a number of West London NHS Trusts with whom the College shares a number of sites and facilities. College staff work closely with those Trusts particularly in the clinical service areas.

The Group has an interest in a number of joint ventures and associates which are disclosed in note 12. The Hon Robert Rayne is a Director of LMS Capital in which he has a significant shareholding. LMS Capital is a significant shareholder in Voreda's property fund. Voreda Capital is the joint venture partner in the College's Imperial West Limited joint venture.

24. Reconciliation of consolidated surplus on ordinary activities to net cash inflow from operating activities

	2013 £m	2012 £m
Surplus on ordinary activities	67.1	63.2
Depreciation	58.4	52.0
Deferred capital grants released to income	(34.3)	(30.4)
Endowment and investment income	(12.5)	(8.1)
Interest payable	11.2	9.7
Increase in stocks	–	(0.1)
Decrease/(Increase) in debtors	(41.2)	5.0
Increase in creditors	60.5	30.9
(Decrease)/Increase in provisions	(3.5)	(0.6)
Net cash inflow from operating activities	105.7	121.6

	Balance 1 Aug 2012 £m	Cash flow £m	Non-cash changes £m	Balance 31 Jul 2013 £m
25. Analysis of changes in net cash				
Cash at bank and in hand	135.8	62.3	–	198.1
Endowment assets	29.8	(18.8)	–	11.0
Bank overdraft	–	(2.0)		(2.0)
	165.6	41.5	–	207.1
Short-term investments	165.0	(55.0)	–	110.0
Debt due within one year	(5.8)	5.8	(5.8)	(5.8)
Debt due after one year	(153.9)	–	5.8	(148.1)
Finance leases due within one year	(0.5)	0.5	(0.6)	(0.6)
Finance leases due after one year	(74.1)	–	(18.3)	(92.4)
	96.3	(7.2)	(18.9)	70.2

Short-term investments represent deposits with terms of up to 12 months.

	2013 £000	2012 £000
26. Access funds		
Cash at bank and in hand	–	19
Endowment assets	100	107
	100	126
Disbursements	(100)	(126)
Balance unspent at end of the year	–	–

Funding Council grants are available solely for students and the College acts only as a paying agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

Notes to the accounts

27. Fixed asset investments	Note	Balance 1 Aug 2012 £m	Movements in year £m	Balance 31 Jul 2013 £m
Subsidiary undertakings' investments		0.1	–	0.1
Other investments		42.8	62.2	105.0
Other fixed asset investments	12	42.9	62.2	105.1
Investments in associated undertakings		56.7	(3.8)	52.9
Fixed asset investments	12	99.6	58.4	158.0

Other fixed asset investments consist of:

	Consolidated and College		
	£m	£m	£m
Francis Crick Institute	12.0	13.6	25.6
Woodlands 1 LLP	–	10.0	10.0
Securities	27.0	37.8	64.8
Other	3.8	0.8	4.6
	42.8	62.2	105.0

28. Exceptional items

	Note	2013 £m	2012 £m
Exceptional income from sale of fixed assets		21.9	0.5

On 18 March 2013, the College sold the Clayponds student accommodation site in Ealing for total proceeds of £26.6 million. Based on a net book value of £6 million, and after transactional costs, the profit on disposal equated to £19.9 million.

College had occupied the Cyclotron building in Hammersmith since 1965 under a 99-year lease. On 20 May 2013 the landlord, MRC, bought College out of the remaining lease term for £2 million. This is recognised as exceptional income.

29. Capital commitments

	Consolidated and College	
	2013 £m	2012 £m
Capital commitments for major building projects contracted at 31 July	12.1	9.0

30. Contingent assets and liabilities

The College is involved in a number of legal cases and subject to a number of overage clauses. No material financial liabilities are anticipated.

31. Post balance sheet events

In September 2013, the College completed the £138 million purchase of certain land and building assets at White City from Aviva Life & Pensions UK Limited.

32. Pension schemes

The College participates in four separate, independently managed, defined benefit, occupational pension schemes, which are contracted out of the State Second Pension (S2P); each is valued by professionally qualified and independent actuaries, triennially except the NHS Scheme which is quadrennially. The USS, SAUL and NHS pension schemes are multi-employer schemes and it is not possible to identify the College's share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and hence, as required by FRS 17, contributions to the schemes are accounted for as if they were defined contribution schemes. As a result, the amounts charged to the income and expenditure account represent the contributions payable to the schemes in respect of the accounting period. Both USS and SAUL are "last man standing" schemes wherein 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 will be spread across the remaining participant employers and reflected in the next actuarial valuation.

Imperial Consultants Ltd, a subsidiary of the College, operates a defined contribution pension schemes for its employees with contributions being charged to the income and expenditure account in the period to which they relate.

USS

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

The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The latest triennial actuarial valuation of the scheme was as at 31st March 2011. The triennial valuation was carried out using the projected unit method. The financial assumptions were derived from market yields prevailing at the valuation date. At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million, indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS 17 formula as if USS was a single employer scheme, using a AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

The actuary has estimated that the funding level as at 31 March 2013 under the new scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. On the FRS 17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%.

At 31 March 2013, USS had over 148,000 active members and the College had 3,272 active members participating in the scheme.

The total pension cost for the College was £27.7 million (2012:£26.1 million). The contribution rate payable by the college was 16% of pensionable salaries.

The next formal triennial actuarial valuation is due as at 31 March 2014.

SAUL

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

The College has adopted FRS 17 for accounting for pension costs. It is not possible to identify the College's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8–12 of FRS 17. SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. As a whole, the market value of the scheme's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

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

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

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

NHS

Staff who have pension rights in the NHS Pension Scheme, on taking up a post within the College, may remain in membership of that scheme which is the nationally administered scheme for the National Health Service. The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for the College to identify its share of the underlying scheme. Therefore, the Scheme is accounted for as if it was a defined contribution scheme in accordance with FRS 17.

The Scheme is subject to a full valuation every four years. A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably

robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2013, is based on the valuation data as at 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes

were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The next formal valuation to be used for funding purposes will be carried out as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

The main features of the most recent valuations of the principal schemes, under a FRS 17 basis, are as follows:

Latest actuarial valuations

Assumptions

USS scheme

	31 Mar 2011
Valuation rate of return	6.1%
Salary scale increases per annum	4.4%
Pension increases per annum	3.4%
Life expectancy:	
Males (females) currently aged 65	23.7 yrs (25.6 yrs)
Males (females) currently aged 45	25.5 yrs (27.6 yrs)

SAUL scheme

	31 Mar 2011
Investment return on liabilities:	
Before retirement	6.8%
After retirement	4.7%
Salary scale increases per annum	3.75% till 31 March 2014, 4.5% thereafter
Pension increases per annum	2.80%

FPS defined benefit scheme

The Federated Pension Scheme 1634 (FPS) is the scheme St Mary's Hospital Medical School operated for non-academic staff prior to 1 August 1988, when it was closed to new entrants. Two thirds of the membership elected to transfer into SAUL at that time and there are now no contributing members. A full actuarial valuation was carried out as at 31 March 2010 and has been updated to 31 July 2013 by a qualified independent actuary.

The main assumptions used for the purposes of FRS 17 are (in nominal terms):

Assumptions

	2013	2012
Price inflation per annum	3.30%	2.90%
Salary inflation per annum	N/A	N/A
Rate of increase to pensions in payment at the 5% LPI rate	2.50%	2.10%
Rate used to discount scheme liabilities	4.30%	3.90%
RPI	3.30%	2.90%
Post retirement mortality assumption	PNxA00(b=yob)lc	PNxA00(b=yob)lc

	Rate of return		Market value £m	
	2013	2012	2013	2012
The assets in the scheme and the expected rates of return				
Equities	6.90%	6.30%	1.6	1.6
Gilts	3.40%	2.80%	0.9	0.9
Corporate bonds	4.20%	4.00%	3.9	3.8
Insured annuity contracts	4.30%	3.90%	0.1	0.1
Cash	0.50%	0.50%	0.1	0.1
Total fair value of assets			6.6	6.5

Notes to the accounts

Reconciliation of the present value of scheme liabilities and fair value of assets to the asset recognised in the Balance Sheet

	2013 £m	2012 £m
Fair value of assets	6.6	6.5
Value of liabilities	(4.8)	(4.8)
Funded status	1.8	1.7
Unrecognised pension asset	1.8	1.7

The amounts to be included as other finance income

	2013 £m	2012 £m
Expected return on scheme assets	0.2	0.2
Interest on scheme liabilities	(0.2)	(0.2)
Net finance return	-	-

Changes in the present value of the defined benefit obligation

	2013 £m	2012 £m
Opening defined benefit obligation	(4.8)	(4.5)
Interest cost on obligation	(0.2)	(0.2)
Actuarial gain/(loss) on obligation	(0.1)	(0.3)
Benefits paid	0.3	0.2
Closing defined benefit obligation	(4.8)	(4.8)

Changes in the present value of scheme assets

	2013 £m	2012 £m
Opening fair value of assets	6.5	6.1
Expected return	0.2	0.2
Actuarial loss	0.2	0.4
Member contributions	-	-
Benefits paid	(0.3)	(0.2)
Closing fair value of scheme assets	6.6	6.5

Total amounts recognised in the Statement of total recognised gains and losses (STRGL)	2013 £m	2013 £m	2012 £m	2012 £m	
Pension scheme asset at start of year		-		-	
Actuarial loss on assumptions	(0.1)		(0.3)		
Actuarial gain on experience	-		-		
Actuarial gain on assets	0.2		0.3		
Surplus restriction	(0.1)		(0.1)		
Effect of restriction on expected return	-		0.1		
STRGL losses		-		-	
Pension scheme asset at end of year		-		-	
Actual return on scheme assets			2013 £m	2012 £m	
Expected return on scheme assets			0.2	0.2	
Actual return on scheme assets			0.4	0.6	
Actual less expected return on scheme assets			0.2	0.4	
Amounts for the current and previous four periods	2012 £m	2011 £m	2010 £m	2009 £m	2008 £m
Fair value of scheme assets	6.6	6.5	6.1	5.8	9.5
Value of liabilities (funded obligation)	(4.8)	(4.8)	(4.5)	(4.5)	(8.4)
Surplus	1.8	1.7	1.6	1.3	1.1
Experience gain/(loss) on liabilities	-	-	0.1	-	-
Experience gain/(loss) on assets	0.2	0.4	0.2	0.4	(1.1)
The pension costs for the College and its subsidiaries under SSAP 24 were:				2013 £m	2012 £m
Contributions to USS				27.6	26.1
Contributions to SAUL				7.1	6.3
Contributions to NHS				4.4	4.6
Contributions to defined contribution pension schemes				0.1	0.1
				39.2	37.1

Notes to the accounts

33. Linked charities

The College has no linked charities with income of £100,000 and above to disclose. Aggregate figures for linked charities with income below this threshold are disclosed below.

Funds where individual income for the year was under £100,000	Opening reserves £000	Income and donations received £000	Capital growth/diminution £000	Expenditure and outgoing resources £000	Closing reserves £000
Prize Funds (2 funds)	283.1	6.5	33.3	(2.5)	320.4
Research support (2 funds)	1,652.2	38.5	220.5	(1.0)	1,910.2
Student support (1 fund)	2,629.3	65.0	307.0	(50.9)	2,950.4
Total	4,564.6	110.0	560.8	(54.4)	5,181.0

Principal photography: Imperial College London

Additional photography:

p13 Nanyang Technological University, white coat ceremony

p17 STFC/Imperial College London, Professor Tejinder Virdee FRS

p20 Graham Oliver, iKnife

p28 Voreda, Imperial West

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