

**MINUTES OF THE PROCEEDINGS**

at the

**First Meeting of the****COURT**

of the

**IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE**

The First Meeting of the Court of Imperial College was held in Lecture Theatre G.34, the Sir Alexander Fleming Building, South Kensington Campus at 2:15 p.m. on Friday, 14<sup>th</sup> March 2008, when there were present:

The Lord Kerr of Kinlochard (Chairman), Dr. A.K. Allen, Professor D.J. Andrews, Dr A. Arnold-Smith, Professor A. Atkinson, M.C. Black Esq., the Revd. G. Blacktop, Mr. P. Brown, Professor J.C. Buckingham, Professor Sir Ron Cooke, Mr. A. Cott, Mrs. P. Couttie, Air Vice Marshal D. Couzens, Professor A. Cummings, Professor J. de Belleruche, Professor J. Gibbon, Mr. B. Gidoomal CBE, Dr. G.G. Gray CBE, Ms. C. Griffiths, Professor N. Habib, Mr. P. Hamilton, Mr. M. Heath, Professor R. Himsworth, Professor S. Hirsch, Professor R. Ibbett, Professor M. Jeger, Mr. N.A. Joseph, Dr. S. Khan, Dr. M.P. Knight, Professor Sir Peter Knight, Mr. R. Knowland CBE, Mr. D.K. Kulatilleke, Mr. S. Leathes, Dr. D. Lodge, Professor V. Lund, Professor S. Macchietto, Professor Z. Makuch, Dr. M.J. McGarvey, Mr. J.H.M. Newsum, Mr. S. Newton, Mr. P. Osborne, Mr. P. O'Shea, Ms. K. Owen, Ms. K. Patterson, Professor M. Ritter, Mr. M.W.M. Rowlandson, Mr. J. Sanderson, Dr. M. Sanderson, Professor S. Smith, Mr. R. Stracey, Dr. F. Tam, Mrs. J. Venables, Professor J Wood, the Rector, the President of the Imperial College Union and the Clerk to the Court and Council.

**In Attendance:**

Professor Sir John Pendry, the Director of HR, the Director of Project Management and the Assistant Clerk to the Court and Council, together with, for the Rector's Awards for Excellence in Health and Safety only, Professor M. Buck, Mr. R. Cummins, Mr. D. Gentry, Mr. S Hoyle, Ms. E. Keller and the Safety Director.

**Apologies:**

Mrs. J. Anderson, Mr. J. Antcliffe, Dr. K Batchelor, Professor D. Begg, Mr. G. Bickerton, Mr. I. Blatchford, Professor S. Bloom, Mr. K. Budge, Professor P.Y.K. Cheung, Ms. C.L. Chothia, Professor A. Cummings, Dr. M. Dixon, Sir Peter Gershon, Professor D. Griffiths, Dr. J.D.G. Groom, Professor C. Hankin, Mr. D. Harland, Professor F. James, Dr. H Joshi, Professor C. Kennard, Dr. G. Kenney-Wallace, Professor J. Kramer, Professor A. Newlands, Cllr. M. Page, Professor G. Pasvol, Dr. V. Payne, Mr. T. Phillips, Eur. Ing. I. Pollock, Mr. K. Porter, Sir Alan Rudge CBE, Dr. M. Shears, Mr. M. Shirley, Mr. T. Sherliker, Professor R. Sinden and Mrs. M. Symons.

### **RECTOR'S AWARD FOR EXCELLENCE IN HEALTH AND SAFETY**

Before the start of the Meeting, the Rector presented the 2008 Awards for Excellence in Health and Safety. The Awards, which provide for a prize of £2,000, together with two commendation prizes of £500, are made to staff in recognition of their contributions to improving the management, development and practice of health and safety in the College.

The prize of £2,000 was awarded to Mr. David Gentry, Faculty Safety Manager in Physics. Paying tribute to Mr. Gentry's work, the Rector said that, since being appointed as the Faculty Safety Manager in 2007, Mr. Gentry had redefined his role. He was highly knowledgeable on all safety matters in a fast changing regulatory environment and he had revolutionised safety communication throughout his Department by establishing a series of structured meetings and feedback mechanisms. Much of his time had been devoted to ensuring the support of highly trained and motivated safety representatives working as a co-ordinated team within a Department in which safety had been "mainstreamed" into everyday working practices. Mr. Gentry was, the Rector continued, consistently "ahead of the game" ensuring that, thanks to his briefings, information exchange and knowledge of all new regulations, the Department was well placed to deal with new challenges.

The Commendations of £500 had been awarded to Mr. Stefan Hoyle, the Faculty Safety Manager in Life Sciences, for his work in transforming safety practices and procedures in the Department, and to the Imperial College Union Underwater Club. This latter award represented a break with tradition, in that, hitherto, all the safety awards had been made exclusively to staff but this year the adjudication panel had been pleased to recommend that recognition should be given to the members of this student club. The Panel had been particularly impressed with the way that safety was "hard wired" into all the club's operations. All the key elements of best practice from the regulatory authorities and university sports clubs together with the requirements of the insurers and ICU practice had been integrated into the Club's diving training programme. Revised and improved procedures covered the complete diving experience from beginning to end, providing Imperial's students with the confidence and security they needed to take part in what was an enjoyable but challenging sport.

The Court congratulated all the prizewinners on their achievements.

### **MINUTES**

1. The Minutes of the Tenth Meeting of the Court, held on 23<sup>rd</sup> March 2007, were taken as read, confirmed and signed.

### **MATTERS ARISING**

2. There were no matters arising.

### **REPORT BY THE CHAIRMAN**

3. The Chairman opened his Report to the Court by reminding members that this was the first meeting of the Court since the College had gained its independence and become a University in its own right. He then offered a special welcome to all the new members of the Court, whose first meeting this was, and he especially welcomed the new Clerk to the Court, Dr Rodney Eastwood.

4. The Chairman then said that the main purpose of his Report was to update the Court on the most significant items of business that the Council had undertaken in the twelve months since the Court's last Meeting. As he had reported last year, the most important decision taken for the College's Centenary year was the decision to leave the University of London and become a University. He was pleased to be able to report that the College's new Royal Charter, which had just been submitted to the Privy Council at the time of the Court's last Meeting, had received formal assent from Her Majesty The Queen in April 2007. As had been planned, the Charter became effective on 8 July, the College's hundredth birthday.
5. The Chairman went on to say that, as Imperial was now a University, it was entitled to use a Mace at ceremonial occasions. He was therefore particularly pleased to say that, thanks to a very generous donation from the Goldsmiths' Company, which had been prompted by Professor Richard Himsworth, the Goldsmiths' Company's member of the Court, a Mace would be provided. It would have its first outing at the College's Commemoration Day Degree Ceremony on 22 October this year.
6. Continuing, the Chairman said that the culmination of the College's Centenary Celebrations had taken place on 9 July 2007 when The Queen had presented the Charter to the College in person and had also presided over the Ceremony at which Imperial's first Honorary Degrees were awarded to, amongst others, the Duke of Edinburgh. This was a wonderful occasion and it was a great honour that Her Majesty and Prince Phillip had chosen to join in the celebrations of one hundred years of living science at Imperial College in this way.
7. Although the main focus of the Centenary had been the Queen's visit in July, there had been many other events throughout the Year, as well as a dedicated website celebrating the College's many achievements and the publication of a fascinating history of the College by Dr Hannah Gay. Recognising the success of all these events, the Chairman took this opportunity to offer his thanks to all of the College staff involved in organising the Centenary. This had been a huge undertaking, which had been organised and managed with great professionalism.
8. Another major development for the College this year had been the Academic Health Sciences Centre, on which the Principal of the Faculty of Medicine, Professor Stephen Smith, had given a presentation at last year's Meeting. The Chairman reminded members that the College's exciting proposal to create the first Academic Health Sciences Centre in the country had been based on the merger of the existing NHS Hospital Trusts at the St. Mary's and Hammersmith Hospitals joining with the College's Faculty of Medicine as happened in the best US universities and hospitals. The prime objective of the new Centre was to integrate the College's and the Hospitals' strategies for service, education and research and to support the translation of the College's world-leading medical research into improved patient care. This was the first time such a close relationship would have been forged between a university and a hospital in the UK, and it was a development that had been welcomed by the patients and staff in the hospitals, by the NHS and by the Government.
9. At the time of the last Court Meeting, there had still been several hurdles to overcome, not the least of which was the formal merger of the two Trusts. The Chairman was pleased to say that excellent progress had been made since then. The two Trusts had indeed now merged with the new combined Trust coming into being on 1 October 2007 under the new title of *the Imperial College Healthcare NHS Trust*. Professor Smith had been appointed as the Trust's Chief Executive Officer alongside his position as Principal of the Faculty of Medicine and he was now putting an appropriate support structure in place within the Trust. With an annual turnover of

over £750M, the Imperial College Healthcare NHS Trust was the largest NHS Trust in the Country.

10. While these were very exciting developments and would prove to be a watershed in the way in which hospitals managed and delivered services in this Country, the Chairman assured members that the Council had also been mindful of the potential impact of these developments on the College. He said that the Council had ensured that the Trust and the College were financially independent and that the College would not be liable for the Trust's finances.
11. Moving on, the Chairman said that the other major development for the Council this year had been the creation of a formal governance structure for the College Fund. He reminded the Court that the purpose of the College Fund was to manage the College's Non-Core and Investment Assets and to deliver a regular flow of unfettered funds back to the College. In July 2007, the Council had agreed to establish a College Fund Board to oversee the management of these assets in line with a set of key principles which had previously been agreed by the Council. These principles were that:
  - a. The separately constituted College Fund should manage the College's Non-Core Assets – *i.e.* those assets that could *in extremis* be sold for cash without detriment to Imperial's academic mission.
  - b. Decisions made by the College Fund Board in relation to the purchase and sale of such Non-Core Assets as an investment activity were materially different from the operational decisions facing the University.
  - c. The key issue for the Council and the University in considering the management of these Non-Core assets should be the establishment of an Investment Policy with a specific investment return target to be set for the College Fund.
  - d. The College Fund should have a Board, led by an external Non-Executive Chairman who was also a member of the Council, to which Council should delegate all of the powers it needed to deliver the Investment Objective.
  - e. The College Fund needed to be structured so as to recognise the various interests involved in procuring funds held for multiple purposes.
12. The College Fund Board had been formally established on 1 August 2007 and the Chairman was pleased to report that the College had been able to secure the services of Mr. Stewart Newton as the College Fund's Non-Executive Chairman as well as those of Mr. David Miles and the Hon. Robert Rayne as non-executive members of the Board. It was already clear that the establishment of the College Fund would be very important for the long-term financial health of the College, particularly as it looked likely that public funding sources would be squeezed over the next few years.
13. The previous year had also been an important one for the Imperial College Union, which had completed its long-running governance review. Partly in response to the new Charities Bill, which now required all students' unions to register with the Charity Commission, the Imperial College Union had proposed the adoption of a new governance structure to be centred on a Trustee Board, which would be responsible for managing the Union's affairs. Because the Imperial College Union was, uniquely for a students' union, an integral part of the College, the adoption of this new structure was far from straightforward, with a great deal of hard work required behind

the scenes by the then President, Mr. John Collins and the then Clerk, Mr. Tony Mitcheson, to check that what was proposed was legal and workable. All of these discussions had been concluded successfully and the new structure was now enshrined in the Union's Constitution, which had been approved by the Council in July 2007. The Chairman then thanked Mr. Ram Gidoomal, the Council member who had agreed to be the first Chair of the Union's Trustee Board.

14. The Chairman then informed the Court that this would be Sir Richard Sykes's last Court Meeting as Rector. He said that he could not end his Report without saying a few words about the massive contribution Sir Richard had made to the College and all that Imperial had achieved under his wise guidance. The College had, he said, taken huge strides forward in recent years. It had always been one of the best universities in the Country, but was now recognised as a truly international and world class institution. This had been very happily confirmed when Imperial was listed as the fifth best university in the World in the recently published Times Higher League Tables. Moreover, he said, the College had been just 0.1 percent behind Oxford, Cambridge and Yale, who had all been tied in second place, just behind Harvard. This was, by any measure, an outstanding achievement.
15. The Chairman recognised that there was not enough time to list everything that had been achieved during Sir Richard's seven years in charge, but he highlighted in particular:
  - a. The increase in the College's annual income from £339M in 2000 to £556M last year.
  - b. The significant improvements that had been made in the College's financial management with the introduction of a proper borrowing policy, the creation of the College Fund to manage the College's non-core assets, and the clear strategy to build up an endowment of unfettered funds which could be used by the College.
  - c. The highly successful flotation on the Stock Market of Imperial Innovations.
  - d. A huge increase in the College's capital programme with a large number of long overdue refurbishments as well as several prestigious new builds including:
    - The Sports Centre, the Southside Hall of Residence and the Eastside Hall of Residence.
    - The Burlington Danes research facility at the Hammersmith Hospital site;
    - The Faculty Building, the Business School and the College Front Entrance.
  - e. The College's independence from the University of London.
16. The continuing success of the College was, he said, a tribute to Sir Richard's wise and effective leadership; it had been a privilege to be involved with him and with the College. Sir Richard left the College in rude health for his successor, Sir Roy Anderson, and the Chairman asked the Court to join him in thanking Sir Richard for everything he had done for Imperial College.

**REPORT BY THE RECTOR**

17. For his Report, the Rector gave a presentation on recent developments in the College as well as its objectives for the coming year. A copy of his presentation is attached as Annex A to these Minutes.

**ANNUAL FINANCIAL STATEMENTS (PAPER A)**

18. The Chief Operations Officer, Dr. Knight, introduced Paper A, and gave a brief presentation on the College's financial position, a copy of which is attached at Annex B.

**ANY OTHER BUSINESS**

**Valete**

19. On behalf of the Court the Chairman thanked the following members, for whom this would be their last meeting, for the valuable contribution they had made to the work of the Court:

Mr. Garth Bickerton

Ms. Lucy Chothia

Mr. Shiv Chopra

Mr. Alistair Cott

Mr. James Fok

Professor Brian Foxwell

Mr. Chris Larvin

Mr. Jed Marrouche

Dr. Caroline Martin

Ms. Kirsty Patterson

Mr. Trevor Phillips

**PRESENTATION**

20. Following the formal business of the Meeting, the Court received a fascinating presentation by Professor Sir John Pendry FRS, Chair in Theoretical Solid State Physics, on his research into creating and developing a new class of artificial or *meta* materials, which had properties which could make light flow like water around obstacles and so form the basis of an invisibility cloak.

  
13:11:09

**Imperial College  
London**

## Rector's report to the Court 2008

Annual meeting of the Court

Sir Richard Sykes, Rector  
14 March 2008

**Imperial College  
London**

### 2007 – A momentous year

Centenary marked by becoming an independent university  
New royal charter granted by Her Majesty The Queen on 9 July 2007



*"It has been a century of great achievement, and my thanks go to all the people, the staff and the students, whose work over the decades has enabled Prince Albert's vision to flourish"* Her Majesty The Queen, 9 July 2007

## Celebrating 100 years of living science



## Celebrating success across the College

Schistosomiasis Control Initiative won the **Queen's Anniversary Prize**. In just five years it has administered over 43 million treatments for Schistosomiasis and soil-transmitted helminths in sub-Saharan Africa



**National honours** for Georgina Mace, Brian Spratt and Anna Thomas-Betts

Marc Feldman - lifetime achievement award at **European Inventor of the Year** ceremony



Physics student, Nicholas Harrigan, wins the NESTA **Famelab** competition

## Recognition of the quality of our staff

**FREng** for Neil Alford and Richard Vinter

**FRS** for Ravinder Maini, Dave Wark, Anthony Kinloch, Peter Barnes

**FMedSci** for Philippe Froguel and Neil Brockdorff



**Royal Academy of Engineering MacRobert Award** for Process Systems Enterprise Limited, Imperial spin-out company

Nigel Brandon and Chris Toumazou awarded **silver medals by RAEng** for outstanding personal contributions to British engineering



## Senior staff changes

Our gratitude to former senior colleagues:

- Leszek Borysiewicz, Deputy Rector
- Julia Higgins, Principal of Engineering
- Tidu Maini, Pro Rector Development and Corporate Affairs
- Tony Mitcheson, College Secretary and Clerk to Court and Council
- Rees Rawlings, Pro Rector Educational Quality

New Pro Rector for Education - Julia Buckingham

New Pro Rector for Commercial Affairs – Nagy Habib

Ministerial role for Professor Lord Darzi, and Professor John Beddington named Chief Scientific Adviser

Professor Sir Roy Anderson announced as the next Rector



## Imperial's standing on the world stage

The World's Top 200 Universities		Name	Country	Peer review score	Employer Review Score	Staff/student score	Citations/staff score	International staff score	International students score	Overall Score
2007 rank	2006 rank									
1	1	Harvard	US	100	100	100	96	93	91	100
2=	2	University of Cambridge	UK	100	100	99	83	98	91	97.6
2=	3	University of Oxford	UK	100	100	100	82	97	96	97.6
2=	4=	Yale University	US	100	98	100	91	84	75	97.6
5	9	Imperial College London	UK	99	99	100	81	98	100	97.5
6	10	Princeton University	US	100	94	95	97	83	75	97.2
7=	7	California Institute of Technology	US	100	55	100	100	100	91	96.5
7=	11	University of Chicago	US	100	97	100	86	71	90	96.5
	25	University College London	UK	96	97	100	82	91	98	95.3
104=		Massachusetts Institute of Technology	US	100	99	85	98	34	94	94.6
11	12	Columbia University	US	100	96	94	91	35	89	94.5
12	21	McGill University	US	100	97	99	72	73	96	93.9
13	13	Duke University	US	98	97	100	92	16	74	93.4
14	26	University of Pennsylvania	US	97	96	88	92	83	65	93.3
15	23	John Hopkins University	US	99	77	98	98	35	69	92.9

## Quality counts – the challenges we face

### Research

- Our research income is linked to excellence
- We must continue to attract the best research minds

### Educational portfolio

- We must deliver excellent courses to excellent students
- How will we attract and choose the best students in future?

### Facilities

- We must provide high quality facilities to attract the best staff and deliver world class academic results

**RAE 2008**

Submission was returned on 30 November

Reflects our high quality research

Assessment process is underway

Results – Due to be announced in December 2008

- determine UK Funding Councils (HEFCE) research funds (direct effect)
- inform funding decisions by other funders (indirect effect)

**RAE in the future – the Research Excellence Framework**

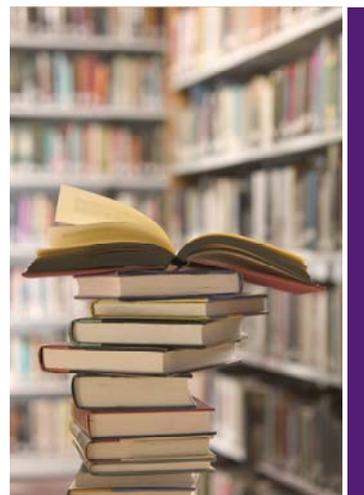
RAE2008 was the last such exercise

Recent consultation about the proposed replacement - 'the Research Excellence Framework'

- Bibliometrics for STEM
- Light touch peer review for remainder

Our response emphasised that the new system must be robust, credible and able to identify the highest quality research

We also urged HEFCE to delay implementation and adopt a common assessment system for all subjects



## Leading the agenda for science and innovation

- Harnessing interdisciplinary collaborations
- Formation of new types of partnership
- Addressing the really big challenges and being able to lead in “big science”

*e.g. Synthetic biology*

*e.g. Academic Health Sciences Centre*

*e.g. Modelling of climate change*

## New centres, institutes and collaborations

- **Hamlyn Centre for Robotic Surgery**
  - £10m from both the Helen Hamlyn Trust and Lady Hamlyn personally
  - Pushing forward the integration of robotics into medicine and patient care
- **Grantham Institute for Climate Change**
  - £12 million donation from Jeremy and Hannelore Grantham
  - Sir Brian Hoskins FRS, renowned meteorologist and climate scientist, named as the first Director
- **GSK Clinical Imaging Centre at Hammersmith**
  - GSK 10 year commitment to invest £11million a year
  - Advancing the latest technologies in magnetic resonance imaging (MRI) and positron emission tomography (PET).



## New centres, institutes and collaborations

- **Imperial and KAUST Academic Research Excellence Alliance**
  - \$50 million (US) - joint collaborations in research, curriculum development and academic recruitment
- **Design London**
  - Brings together the Royal College of Art and Imperial with £5.8 million of backing from HEFCE and NESTA.
  - Explores how design can be more effectively integrated with business and technology to create world-beating products and services
- **Rajiv Gandhi Centre**
  - Launched in December to help Indian and UK companies improve performance in innovation management
- **Structural Ceramic Centre**
  - Will develop the strongest and most durable and heat resistant materials on Earth
  - £6 million - through an EPSRC Science and Innovation Award



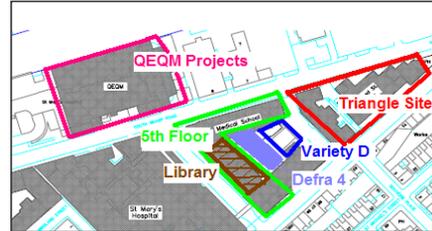
## The UK's first Academic Health Science Centre

- Imperial College Healthcare NHS Trust
    - » merger of Hammersmith Hospitals NHS Trust and St Mary's NHS Trust
    - » integration with Imperial College London
  - The UK's first and only true AHSC
  - Integrated leadership and governance
- 
- UK 2<sup>nd</sup> best in the world for quality of biomedical research
  - UK 18<sup>th</sup> best in the world for quality of its healthcare outcomes
    - » AHSC aims to begin fixing this disconnect



## What benefits has the AHSC brought for the College?

- Biomedical Research Centre status in partnership with NHS
- New world-class research facilities
  - » £110m L&J block at Hammersmith
- New PET/CT imaging capability for the college

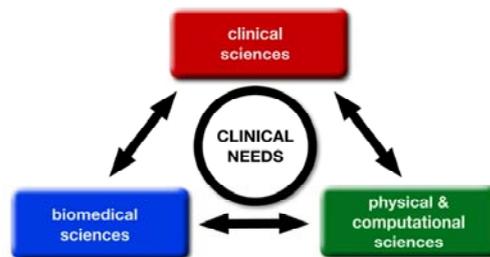


## What benefits has the AHSC brought for the College?

Forthcoming £8.9M award from British Heart Foundation on basis of Imperial's multidisciplinary capabilities

Requires partnership working between:

- » clinical cardiology
- » human biology
- » biology of model organisms
- » physical sciences
- » computational sciences



## Education: Changing student profile

Students from **123** countries

Top non-UK countries:

- China
- Malaysia
- Greece
- France
- Germany
- Singapore
- Italy
- Nigeria
- Cyprus
- India



**75%** increase in  
overseas students  
in 5 years

**46.3 %** of students are international



## Student numbers

	05/06	06/07	07/08	% CHANGE	% OF TOTAL NOS
<b>FULL TIME STUDENTS</b>	<b>11490</b>	<b>12129</b>	<b>12319</b>	<b>1.6</b>	
UNDERGRADUATES	8050	8346	8419	0.9	68.3
POSTGRADUATES	3440	3783	3900	3.1	31.7
Research	1854	2024	2196	8.5	17.8
Taught	1586	1759	1704	-3.1	13.8

*Today Imperial has over 12,000 students  
In 1907, the year of its foundation, 600 students were enrolled*



## The quality of our facilities

Recently-completed developments:

- Southside (£51M)
- Sherfield (£8.7M)
- Major parts of RSM / Bessemer (£34M to date)
- Phase 1 Lecture Theatre Refurbishments (£1.3M to date)
- Burlington Danes (£56M)
- Several floors of Commonwealth Building (£14M to date)



## Southside – South Kensington

£51M project

413 students

First students  
moved in on 29<sup>th</sup>  
September 2007

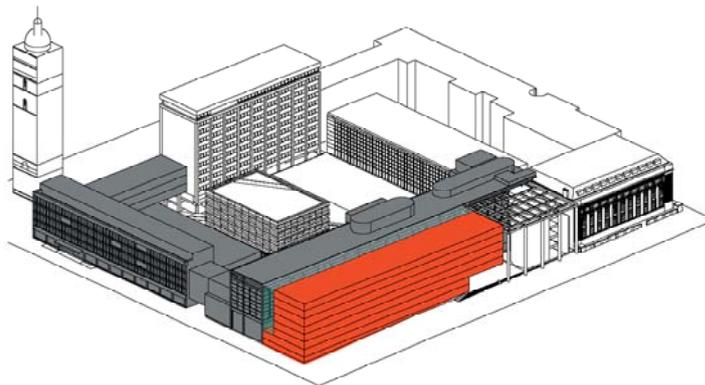


**Eastside – South Kensington**

£64M project

Ca. 465 students

Opens September  
2009

**New Engineering complex - SK****Agreed programme:**

- Enabling works within the Skempton Building
- A new lecture theatre built within the Skempton Building
- Demolition of the Mechanical Engineering Annexe & Black Tower
- Construction of a new building facing Exhibition Road
- Phased refurbishment of existing Mechanical Engineering Building

## Hammersmith: L Block

Creation of world-class  
research facility

- Cardiovascular science
- Genetics / genomics
- Immunology
- Drug discovery / first-in-man

Basic research ⇒ patient care

12,000 m<sup>2</sup>

Ca £95M



## 2006/07 Financial performance

Item	2005/2006	2006/2007	Change (%)
Turnover	£504m	£556m	10%
Research Income	£205m	£230m	12%
Net Research Contribution	£34m	£34m	0%
Academic Fees and Support Grants	£72m	£85m	18%
HEFCE Grant	£148m	£155m	5%
College Operating Surplus	£1.3m	£6.4m	
Net Surplus for year	£11.6m	£3.3m	

- Fixed asset growth continues with £98m capital programme in the year
- Cash outflow in the year £9m
- Net debt of £7m (excluding Innovations), Gross debt of £123m, Cash holding of £116m
  - Overall net interest earner

## Centenary Campaign – end of 2007

Raised to date

£143m

Funding gap

£64m

£50m

Academic direction

£75m

Campus renewal

£18m

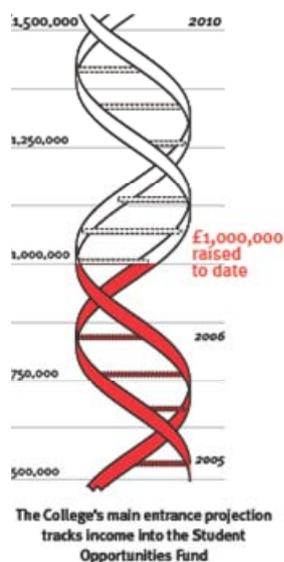
Student support



## Examples of gifts to the campaign during 2007

Donor	Project	Gift (£k)	Area
Grantham Foundation	Grantham Institute for Climate Change	12,800	Academic Direction
Edmond J Safra Foundation	Edmond J Safra Chair	1,030	
BP	Rajiv Gandhi Centre	500	
Kusuma Trust	Rajiv Gandhi Centre	250	
Winston Wong (alumnus)	Institute of Biomedical Engineering	250	
The Hunter Foundation	Lung Cancer research	100	
Wolfson Foundation	Library Redevelopment	200	Campus Renewal
Goldsmiths	EnVision (for buildings)	200	
Annual Fund donors	Library and Union Building Redevelopments	130	
The Arcadia Trust	Scholarships (PhD)	1,000	Student Support
Maria O'Donoghue	Scholarships (PhD)	625	
Annual Fund donors	Student Opportunities Fund (all courses)	235	
Vodafone	Scholarships (undergraduate & exec education)	200	
Vincent Eyre legacy (alumnus)	Student Opportunities Fund	106	
City & Guilds of London Institute	EnVision (for scholarships)	100	

## Thanks a million



Monies into the Student Opportunities Fund reach £1 million in March 2007

90 scholarships awarded in five years

## How you can support the Centenary Campaign

- Make a donation to the Campaign
  - The **Annual Fund** collectively pools gifts at any level to make a difference to the lives of our students:
    - » *Student Opportunities Fund,*
    - » *Union Building Redevelopment Fund,*
    - » *Library Redevelopment Fund;*
  - **Major gifts** can be directed towards specific projects and initiatives;
  - **Legacy bequests** help us to plan for the future and enable us to thank the bequestors in their lifetimes.
- Be a Campaign Ambassador
  - Tell your **professional and social networks** about the Centenary Campaign.
- Let us know about your contacts and networks
  - The Development Advisory Board have successfully increased our pool of high net-worth prospects and contacts but **we need more!**
- **Thank you to Goldsmiths** for generously giving the College a new mace to mark its independence



## Annual Accounts 2006-07

Dr Martin Knight  
Chief Operating Officer

### 2006/07 Financial Performance

Item	05/06 (£m)	06/07 (£m)	Change (%)
Turnover	503.6	556.2	10
Research Income	204.9	230.0	12
HEFCE Grant	148.2	155.2	5
Student Fees	72.0	85.2	18
O/S Students	47.8	56.0	17
Net Cash	20.7	12.0	(42)
College Capex	59.0	63.0	7
Surplus from Operating Activities	0.2	0.3	

## **The Structural Issues**

- Balance Sheet Management
- Funding of Innovations
- Establishment of the College Fund

## **The Challenges of the Future**

- Sources of Research Income
- The Building Programme
- The AHSC
- The need to deliver a significant, regular and growing source of freely disposable capital to the College
- Robust day-to-day financial management

## PAPER A

**ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 JULY 2007**

A Note by the Chief Operating Officer

**FINANCIAL PERFORMANCE IN 2006-07**

1. The College's Annual Report and Accounts for the year ended 31 July 2007 have been circulated with the papers for this Meeting.

2. As noted in my Report in the Financial Statements, the College's financial performance was satisfyingly robust in the College's Centenary Year. Total income rose by 10%; noteworthy was the increase in research income to £230 million, a rise of 12%, and a credit of the stature of the College's research community. Student fees also rose last year, with strong demand from overseas students in particular. However, it will come as no surprise that, just as the College's income level grew substantially in 2006-07, so the cost base rose by an almost identical amount. The elements under our control are very tightly managed, but the net effect of this was to produce the now familiar story of a very small operating surplus, £0.3M, on a turnover of £556M.

3. To maintain its position as one of the world's premier universities, the College must continue to invest substantial funds in its academic future in buildings, facilities and people. In 2006-07, capital expenditure continued to be high, at £98M, with a commensurate increase in the College's fixed assets to £576M. In this context, the most notable project carried out by the College was the £55M rebuilding of the Southside halls of residence, largely completed in the financial year and ready for occupation by students in September 2007.

4. As the recent Comprehensive Spending Review has shown, the College cannot rely on the stability of Government funding, but must diversify its sources of income for research and capital expenditure. The College has been very successful in doing so in recent years, but we are well aware that external parties prefer to support those who help themselves. That is why the College put in place its borrowing programme when the credit environment was positive, *i.e.* before the recent market turmoil; why the College has raised funds for Imperial Innovations at times when equity markets looked favourably on technology stocks; and why the College has structured the management of its non-core assets to ensure, via the newly constituted College Fund Board under the chairmanship of Mr Stewart Newton, that an investment focused approach is taken to the long-term optimisation of their value. In this way, the College can legitimately hope to obtain the academic benefits from its ability to increase the availability of freely disposable capital.

5. In summary, the financial mission of the College remains on course: to manage the day-to-day finances in a professional and robust manner, whilst simultaneously building the College's own capital resources to provide a stable platform for growing academic activity. The results for 2006-07 paint a positive picture in this regard, providing a satisfactory base from which Imperial College is able to commence its life as a university in its own right in its Centenary year.

## **AUDIT ISSUES**

6. The Audit Committee met on 8 November 2007 with the External and Internal Auditors to review the Consolidated Financial Statements of the College for the year ended 31 July 2007.

7. The External Auditors, PricewaterhouseCoopers (PwC), reported on their audit and provided a report which formed the basis of discussion at the meeting. They confirmed that the audit had been conducted very smoothly and they raised very few control points. Those that were raised were all minor and had been satisfactorily concluded. Two points are worth noting:

a. **International Financial Reporting Standards (IFRS)**. The HE sector in the UK currently reports under UK GAAP and there are currently no plans for it to move to IFRS. However, Imperial Innovations Ltd, which is a subsidiary company of the College and whose accounts have to be consolidated with the College's, does report under IFRS. Innovations' results therefore have to be converted to UK GAAP before consolidation, which is an additional, although manageable, complication in the production of the College's own Accounts. It is expected that the differences between Innovations' own IFRS-compliant accounts and its consolidated accounts under UK GAAP will grow in future years.

b. **FRS17 Retirement Benefits**. Because the College's main pension providers, USS and SAUL, do not at present disaggregate the liabilities for their contributing institutions, the College is not able to provide a detailed statement on pension liabilities under FRS17. However it is expected that there will be increasing pressure on USS and SAUL to provide individual statements in future. This would inevitably impact on the College's own accounts as and when such individual statements can be provided.

8. As well as providing its opinion on the Financial Statements, the Audit Committee's report to the Council in November 2007 also included assurances that the College's responsibilities in respect of Value for Money, Risk Management and Health and Safety were being discharged effectively.

## **OPINION**

9. The External Auditors have provided an unqualified opinion on the Consolidated Financial Statements, stating that they give a true and fair view of the state of affairs of the College and its subsidiaries as at 31 July 2007, and have been properly prepared in accordance with the relevant Statement of Recommended Practice and with the College's Statutes.

10. Given the assurances contained in the reports made to the Audit Committee during the year by the Internal and External Auditors together with those received from the College's management, the Audit Committee was able to give the Council the necessary assurances that the Council's responsibilities, set out on page 18 of the Financial Statements, had been satisfactorily discharged.

M.P.K.