



Linacre College

Annual Report and Financial Statements

Year ended 31 July 2011

LINACRE COLLEGE
Annual Report and Financial Statements
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LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2011

Governing Body, Officers and Advisers

Members of the Governing Body

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as Governors during the year or subsequently are detailed below.

		1.	2.	3.	4.	5.	6.	7.
Alexander, Prof Jocelyn								
Allen, Prof Myles	Elected 4 th April 2011							
Assender, Dr Hazel								
Awrey, Mr Dan								
Bailey, Mr Simon					•			
Bennett, Prof James								
Bhagwat, Dr Shonil		•	•					•
Brown, Dr Nick		•	•	•	•	•		•
Burlakov, Dr Victor								
Caplan, Prof Richard				•				
Castell, Prof Martin		•						
Catling, Prof Brian								
Corsi, Prof Pietro								
Dalrymple, Prof Mary								
Dudarev, Dr Sergei								
Ertl, Dr Hubert								•
Ewart, Dr Elizabeth								
Garrard, Dr Chris	Retired 30 th September 2010			•				
Gibney, Dr Matthew								
Gupta, Prof Sunetra	Resigned 30 th September 2010		•					
Hall, Prof Jim	Elected 7 th February 2011							
Heffernan, Lt Col Patrick	Retired 1 st November 2011	•		•	•	•		•
Holmes, Dr John				•		•	•	
Keene, Dr Anne		•		•		•		
Kirkland, Prof Angus		•						
La Thangue, Prof Nick								

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2011

		1.	2.	3.	4.	5.	6.	7.
McVean, Prof Gil								
O'Donoghue, Dr Heather			•					
O'Hanlon, Prof Mike								
Ozsoylev, Dr Hans								
Parkinson, Dr Stephen								
Parr, Dr Kate								
Peers, Dr Laura		•	•	•		•		•
Petraglia, Prof Michael								
Pollard, Prof Mark		•			•			
Pratt, Dr Lloyd	Elected 1 st September 2011							
Preston, Dr Gail								
Reid, Mrs Alison		•		•	•	•		•
Rival, Dr Laura								
Robb, Ms Margaret	Retired 16 th October 2010	•	•	•		•		•
Sarkar, Prof Subir			•					
Sartbaeva, Dr Asel								
Saunders, Prof Simon								
Sherratt, Prof David	Retired 30 th September 2010							
Slack, Prof Paul	Retired 30 th September 2010	•	•	•	•	•		•
Stein, Prof Alan				•				
Travis, Dr Simon				•				
Varese, Dr Federico			•					
Walter, Dr Catherine		•						•
Warren, Dr Bryan						•	•	
Watson, Prof Anne								
Whatmore, Prof Sarah								
Whiteley, Dr Jonathan			•					
Williams, Dr John Mark								
Ye, Dr Hua Cathy								
Zitzmann, Prof Nicole								

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2011

		1.	2.	3.	4.	5.	6.	7.
Common Room President: Aaron Hanlon Robert Noble	April 2010 to March 2011 April 2011 to March 2012	•	•	•		•	•	•
Junior Research Fellow: David O'Shaughnessy John Bolin	April 2010 to September 2010 October 2010 to September 2011							
Common Room Treasurer: Ruben Kubiak Gagan Tiwana	April 2010 to March 2011 April 2011 to March 2012	•	•					
Common Room Secretary: Robert Noble Roya Haghghat-Khah	April 2010 to March 2011 April 2011 to March 2012		•					
Common Room Welfare Officer: Laura van Wyngaarden Meghan Bailey	April 2010 to March 2011 April 2011 to March 2012		•					•

During the year the activities of the Governing Body were carried out through seven committees. The membership of these committees is shown above for each Fellow.

1. Finance Committee. The Finance Committee also had 4 external members, two of whom are students and one a Junior Research Fellow.
2. Academic Committee
3. Development Committee. The Development Committee also has five external members, of whom two are members of staff and two are students.
4. Remuneration Committee. The Remuneration Committee also has six external members.
5. Domestic Committee. The Domestic committee also has six external members of whom two are staff and four are students
6. Health and Safety committee. The Health and Safety committee also has nine external members of whom five are staff and four are students.
7. Equality committee. The Equality Committee also has three external members who are Members of Staff.

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Governing Body, Officers and Advisers

Year ended 31 July 2011

College Senior Staff

The senior members of staff of the College to whom day to day management was delegated during the year were as follows.

Brown, Dr. Nick	Principal from 1 October 2010
Slack, Prof. Paul	Principal until 30 September 2010
Robb, Mrs Margaret	Vice Principal until 16 th October 2010
Peers, Dr. Laura	Vice Principal from 17 th October 2010
Reid, Mrs. Alison	Finance Bursar
Heffernan, Lt Col. Patrick	Domestic Bursar
Keene, Dr. Anne	Development Director

College Advisors

Investment managers

Oxford University Endowment Management Limited, King Charles House, Park End Street, Oxford, OX1

Cazenove Capital Management, 12 Moorgate, London EC2R 6DA

Royal London Cash Management Limited, 55 Gracechurch Street, London EC3V 0RL

Auditor

Critchleys LLP, Greyfriars Court, Oxford OX1 1BE

Bankers

Barclays Bank plc, 54 Cornmarket street, Oxford OX1 3HS

The Royal Bank of Scotland plc, 32 St. Giles, Oxford OX1 3ND

Solicitors

Blake Laphorn, Seacourt Tower, West Way, Oxford OX2 0FB

Surveyors

Sidleys, 8 King Edward Street, Oxford OX1 4JL

Employment Advisors

Peninsula, 2 Cheetham Hill Road, Manchester M4 4FB

Health and Safety Consultants

Peninsula, 2 Cheetham Hill Road, Manchester M4 4FB

College address

Linacre College, St. Cross Road, Oxford OX1 3JA

Website

www.linacre.ox.ac.uk

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2011

Report of the Governing Body

The Members of the Governing Body present their Annual Report for the year ended 31 July 2011 under the Charities Act 1993 together with the audited financial statements for the year.

Reference and Administrative Information

The Principal and Fellows of Linacre College in the University of Oxford, which is known as Linacre College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was established by Oxford University in 1962 as a Society for men and women graduates reading for advanced degrees and diplomas of the University and granted a Royal Charter of Incorporation on 5 June 1986.

The College registered with the Charities Commission on 26 May 2011 (registered number 1142130).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 5.

Structure, Governance and Management

Governing documents

The College is governed by its statutes dated 5 April 1986.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the High Steward of The University of Oxford.

The Governing Body is self-appointing, with new members elected on the basis of academic distinction, their capacity to advise the College and its students on practices in the range of academic disciplines in the University and (Common Room members) their capacity to represent the interests of junior members of the College.

The Governing Body determines the on-going strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by seven committees.

Recruitment and training of Members of the Governing Body

The Principal and the President of the Common Room are *ex officio* members of the Governing Body. New Official, Professorial and Senior Research Fellows are elected by a majority decision of the official members of the Governing Body. Four members of the Common Room (including one Junior Research Fellow) are elected to the Governing Body by the members of the Common Room (excluding those who are already members of the Governing Body). New Members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, by the Principal and other senior staff members.

New members of the Governing Body receive information and guidance on the role and requirements of charity trustees prepared by the Charity Commission and are kept informed of regulatory requirements.

Organisational management

The members of the Governing Body meet nine times a year. The work of developing their policies and monitoring the implementation of these is carried out by seven committees:

- The Finance Committee provides financial oversight of the College. It is responsible for budgeting and financial planning, investments and financial reporting. It monitors the cost, efficiency and effectiveness of operations, reliability of financial reporting, and compliance with laws and regulations. It makes decisions on investments taking account of risk, financial objectives, legal and ethical requirements.
- The Academic Committee co-ordinates academic activities in the College. It makes recommendations for the election of new Fellows, academic visitors and introduced and continuing members of the Common Room. It awards scholarships to students and small academic grants to Fellows. It sets student admissions targets and reviews admissions policies.

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2011

- The Development Committee is responsible for planning and overseeing all activities to raise money and other forms of support for the College through voluntary donations and for encouraging Old Members of the College to remain actively engaged in its development.
- The Remuneration Committee determines the salaries and stipends paid to the Principal and Fellows of the College to ensure that they are set and maintained at an appropriate level.
- The Domestic and Buildings Committee oversees the operation and maintenance of the all College buildings and estate. It monitors the provision of security, catering and cleaning.
- The Health and Safety Committee is responsible for ensuring regulatory compliance with all health and safety legislation, for setting emergency procedures, for monitoring and updating risk assessments, for reviewing reports and statistics on accidents and ill health, and for health and safety training.
- The Equality Committee reviews policies and practice to ensure that they do not result in unintended discrimination, monitors the effectiveness of equal opportunity programmes in the College, ensures regulatory compliance with equality legislation and advises Governing Body on matters that may affect equal opportunities.

The day-to-day running of the College is delegated to a senior management team comprised of the Principal, the Vice-Principal, the Bursar, the Senior Tutor and the Development Director, supported by 13 administrative staff, three maintenance staff, catering and cleaning teams. The Principal and/or Vice-Principal attend all meetings of the Governing Body's Committees.

Group structure and relationships

The College also administers many special funds as detailed in Notes 14 to 16 to the financial statements.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

Risk management

The College is engaged in risk assessment on an on-going basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal. Financial and investment risks are assessed and monitored by the Finance Committee. In addition, the Bursar and domestic departmental managers meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College is exposed and have concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

Charitable Purpose, Aims and Activities

The College's purpose is the furtherance of learning and education and to be a college wherein scholars may carry out advanced study or research.

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The College's aims for the public benefit are:

- to provide academic, pastoral, administrative, and financial support for the post-graduate education, at Oxford University, of students who have the highest potential to benefit, regardless of their financial, social, religious or ethnic background;
- to facilitate and support research and teaching at Oxford University, by a community of advanced scholars in order to increase public learning and knowledge in specific areas of study that are of academic merit and value.

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Report of the Governing Body

Year ended 31 July 2011

Activities and objectives of the College

The College's principal activities in the furtherance of its purpose are:

1. Academic activity, including hosting a high profile public lecture series ("The Linacre Lectures") on a theme related to the environment and regular research seminars by members; hosting academic meetings and workshops and fostering peer support of members through subject related groupings.
2. Monitoring the academic progress of graduate students and the provision of independent advice and guidance to those who are facing problems in their study in order to help them gain maximum benefit from their studies at Oxford University;
3. Provision of affordable, comfortable, secure and well-equipped accommodation for graduate students, in close proximity to their places of study;
4. Provision of a Common Room and dining hall where students and Fellows can meet and interact in ways which support and enhance their academic study;
5. Provision of a library, quiet study spaces, high quality IT facilities and technical support in order to assist Fellows and students in their academic study;
6. Administration of the admission, induction, financial provision, accommodation, academic progression, examination and graduation of graduate students at Oxford University;
7. The provision of prizes and scholarships to those students in need of financial support who are deemed to have the highest academic potential;
8. Provision of bursaries and interest-free loans to students facing financial hardship;
9. Provision of Junior Research Fellowships to early-career academics to help them establish their professional networks and integrate them more closely into the University academic community;
10. Provision of small grants to students and Fellows for travel in pursuance of their research;
11. On-going and dedicated promotion of the College to its Old Members and Friends, and fundraising from these constituencies;
12. Representing the interests of Fellows and graduate students in the wider University and contributing to the development of University policies and practices that affect them in order to assist them in their learning, teaching and research;
13. Provision of social events and recreational facilities for students and Fellows that enhance their enjoyment of Oxford University and help them maintain an appropriate work-life balance;

Public benefit

The College remains committed to the aim of providing public benefit in accordance with its founding principles.

The College admitted 168 new students in October 2010. A break-down of student admissions statistics is given in the table below. In total the College had 398 registered students in October 2010, of which 308 were fee-paying. Ninety students were no longer liable for fees but had not yet completed their degrees.

	2010		2009	
Applications received	384		382	
Offered	265	69%	262	69%
Withdrew/Deferred	97		93	
Admitted	168	63%	169	65%
UK	56	33%	58	34%
EU	39	23%	27	16%
Overseas	73	43%	84	50%
Male	87	52%	81	48%
Female	81		88	

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Report of the Governing Body

Year ended 31 July 2011

	2010		2009	
One-year courses	103	61%	99	58%
Taught	114	68%	108	64%
Research	54	32%	61	36%

The College had 29 Official Fellows, 7 Professorial Fellows, 11 Senior Research Fellows and 17 Junior Research Fellows (of which 10 were newly appointed in 2010).

Achievements and Performance

1. Academic

147 students were awarded post-graduate degrees during the year.

Professor James Hall (Director of the Environmental Change Unit), Professor Myles Allen (Professor of Geosystem Science) and Dr Lloyd Pratt (University Lecturer in American Literature) were appointed to Fellowships.

Ten new Junior Research Fellowships were awarded to start in October 2011. The new Fellows will be conducting research in English, Earth Sciences, Neuropharmacology, Pharmacology, Computing Science (2), Theoretical Physics, Pathology (2) and Zoology.

The following scholarships were awarded in October 2010:

- Applied Materials Scholarships (2 awards totalling £11,500)
- Canadian National Scholarship (£5,000)
- Canadian Alumni Scholarship (£4,500)
- Daube Law Scholarship (£2,319)
- EPA Cephalosporin Scholarships – (3 awards totalling £6,957)
- Hitachi Chemical Environmental Scholarship (£3,319)
- Mary Blaschko Scholarships (2 awards totalling £4,638)
- Norman and Ivy Lloyd Scholarship (£10,128)
- Rausing Scholarships – (3 awards totalling £6,957)
- Ronald and Jane Olson Scholarship (£9,000)

The College hosted the 21st series of public Linacre Lectures in Hilary Term 2011. The lectures, organised in collaboration with the OU Environmental Change Institute, focussed on the idea of a "Perfect Storm" of environmental degradation. Seven lectures were given by speakers of international standing. Podcasts may be found at <http://www.eci.ox.ac.uk/news/events/linacre11/>

Eighteen research seminars were presented in College by Fellows and students during the year.

2. Advice and guidance

The Principal, Vice Principal and Senior Tutor held individual interviews with over 100 students to discuss their academic progress, review supervisors' reports and to listen to feedback on both University and College provision. The Senior Tutor and the Academic Administrator provided support in a large number of individual cases where students were facing personal or academic problems. Where problems could not be resolved locally, students were referred on to the University Counselling Service or the Senior Tutor took up their case with the Proctors or University Central Administration.

3. Prizes:

The College awarded two Thomas Linacre studentships of £300 in recognition of outstanding individual contributions to the life of the College. Three Domus Research Prizes of £500 each were awarded to students for excellent research communication.

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Report of the Governing Body

Year ended 31 July 2011

4. Grants:

Four grants of £200 were awarded from the Lucy Halsall Fund to Fellows to assist with the costs of attending conferences at which they were presenting their work.

The College awarded 39 Travel Grants to enable students to present their research at conferences. The average award was £250 and the maximum award was £300. The total amount awarded was £9,664.

The College made eight "writing-up" grants to students for whom scholarship support had expired but who needed financial support until they could submit their theses. A total of £5,267 was awarded with the average grant being £660 and the maximum grant being £1,000.

5. Hardship:

The College made five hardship grants and three interest-free hardship loans to students facing unexpected financial difficulties during the year. The average grant was £750 (maximum £1,000) and the average loan was £700 (maximum £1,100).

6. Common Room, dining, social events and recreational activities

The Common Room provided the focus for social and recreational activities during the year. The Executive Committee of the Common Room represented and promoted the interests of the Student members through regular meetings with the College senior management team and with the wider University community.

The Common Room facilitated the activities of fifteen sports clubs and eight societies. Numerous popular social events included a summer ball and orientation activities for new students. The Common Room raised several thousand pounds for charities and the College's first Green Studentship.

7. Library and IT

There was a significant increase in the number of items borrowed from the library (2387) compared with the previous year. There were 115 active borrowers (compared with 112 the previous year), with 67% of items loaned going to students on one-year courses. Seventy-two new books were purchased in 2010-11; 32 were purchased in response to requests, 35 were in support of taught courses and 5 were to maintain the collection.

IT support was provided to over 650 college members and guests during the year. IT projects have included integrating College systems with the University Single Sign On system to make access simpler and more secure, rolling out Wifi throughout more of the College, and reducing the number of physical servers and other active equipment to cut energy usage while maintaining services.

8. Accommodation

The College accommodated 171 graduate students in 155 single rooms and 16 twin rooms or flats. The rents for single rooms were between £305 - £480 depending on size and facilities. These rents include services. All rooms have network access to University computing facilities.

9. Development

Donor numbers increased, from 249 to 286, with the fundraising total for the year slightly exceeding that in 2010. Funds were received to support four new scholarships – for Law, Materials, Musicology, and one for any discipline; two are endowed, the others are multi-year. This brings the total number of scholarships awarded for 2011 – 2012 to 20. The Legacy circle membership, with substantial pledges, has grown to 50 – one small legacy gift has materialised in the year. Other gifts include a matching pledge for the Library and a gift to enhance the gym by its original donor. New Academic prize funds were given by three Old Members.

Financial Review

General income levels were maintained and slightly increased on the previous year. Voluntary Income also increased including new permanent endowment funds to provide scholarships and student support.

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2011

Expenditure was particularly high in the year due mainly to high (but planned) building maintenance costs. There is a continuing programme to improve the fabric of the college buildings - as expected 2010-2011 turned out to be a particularly costly year.

A review of procedures resulted in a reorganisation of the staffing structure after the year end. This aims to both increase efficiency and reduce costs in the longer term. The Governing Body continues to monitor costs closely. The college is particularly looking to increase income from holding more academic and related meetings in College.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

The College's free reserves at the year-end amounted to £2,378k (2010: £2,330k) representing retained unrestricted income reserves excluding an amount of £5,586k for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end include Capital Funds of £1,415k which are unrestricted funds allocated by the Trustees for the purpose of preserving the Capital and maintaining a long term income stream in support of the college's activities. Also included within Designated Reserves are funds totalling £168k for future expenditure on maintenance of buildings and equipment and refurbishment.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

In 2009 the Governing Body took the decision to move funds from Cazenove Capital Management to the Oxford Endowment Fund – the restructuring to take place over three years. The first transfer took place on 31 December 2009, the second on 31 December 2010; the final transfer is due on 31 December 2011. New Endowment moneys received are invested in the Oxford Endowment Fund at the earliest opportunity.

Since dividends on Oxford Endowment Fund holdings are based on units held at the end of December, the accounts for 2010-11 include a large accrual for 7 months for the dividend on the holding from 1 January 2011. This accrual was based on the rate of the previous dividend as the dividend rate for holdings since 1 January 2010 will not be declared until 2012.

The dividend receivable from the Oxford Endowment Fund is based on a 4% return on a rolling average of capital values over 5 years. The income return achieved in the year from the whole College portfolio was 4.17%.

The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's long term investments totalled £8,856k.

FUTURE PLANS

The core elements of the College's future plans as agreed by the Governing Body are:

- The College plans to launch the public phase of its 50th Anniversary Development Campaign in September 2012. The key targets include:
 - Increase the number of scholarships that the College offers for both post-graduate taught and research degrees. It is likely that the changes to the funding of undergraduate degrees will have a knock-on effect on those willing and able to undertake graduate study in future. A post-graduate qualification is often a critical entry qualification for many professions and the college wishes to be able to admit students on the strength of their academic potential regardless of their ability to pay.
 - Develop new graduate accommodation. At present the College is only able to offer accommodation to students in their first year. We anticipate that our stock of student accommodation will be reduced in 2020 when the leases on two large student houses expire. We would like to raise the funds to construct a new, off-site student accommodation block.

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Report of the Governing Body

Year ended 31 July 2011

- Increase the endowment in order to sustain and expand support for students and Fellows.
- Over the next year we plan to recruit a new Professorial Fellow in Forestry, new Official Fellows in Computer and Plant Sciences and we will bid for association with a post in Health Policy at the Blavatnik School of Governance.
- The College has ambitious plans for expansion and modernisation of the library. We aim to acquire copies of all core texts for those post-graduate taught courses taken by Linacre students. We have secured funding from the College Contributions Fund and a private donor to support this development.

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 30 November 2011 and signed on its behalf by:

Dr. Nick Brown
Principal

LINACRE COLLEGE

Report of the Auditor to the Members of the Governing Body of Linacre College

Auditor's Report

We have audited the financial statements of Linacre College for the year ended 31 July 2011 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 24. 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).

This report is made solely to the College's Governing Body in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2011 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

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

Critchleys LLP

Oxford

Date:

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

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2011

Statement of Accounting Policies

1. Scope of the financial statements

The financial statements present the Statement of Financial Activities (SOFA), the Balance Sheet and the Cash Flow Statement.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises, including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

4. Incoming resources from donations and legacies

Voluntary income is accounted for when received.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

7. Leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms.

8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £10,000 together with expenditure on equipment costing more than £10,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities as incurred.

9. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2011

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Furniture and Equipment	10 years
Vehicles	4 years
Computer Equipment	3 years

Freehold land is not depreciated. The cost of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

10. Investments

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as hedge funds and private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

13. Fund accounting

The total funds of the College are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. Endowment funds may be further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has restricted the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital. The College has at present no expendable Endowment Funds.

14. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 17. The College's contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable.

Linacre College
Statement of Financial Activities
For the year ended 31 July 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
INCOMING RESOURCES						
Resources from charitable activities						
Teaching and research	1	1,882	0	0	1,882	1,851
		<u>1,882</u>	<u>0</u>	<u>0</u>	<u>1,882</u>	<u>1,851</u>
Resources from generated funds						
Legacies and donations		133	109	494	736	709
Investment income	2	320	39	0	359	333
Bank and other interest	3	0	0	0	0	6
		<u>453</u>	<u>148</u>	<u>494</u>	<u>1,095</u>	<u>1,048</u>
Total Incoming Resources		<u>2,335</u>	<u>148</u>	<u>494</u>	<u>2,977</u>	<u>2,899</u>
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising	4	177	0	0	177	192
Investment management costs		19	0	0	19	17
		<u>196</u>	<u>0</u>	<u>0</u>	<u>196</u>	<u>209</u>
Charitable activities						
Teaching and research	4	2,264	97	0	2,361	2,191
		<u>2,264</u>	<u>97</u>	<u>0</u>	<u>2,361</u>	<u>2,191</u>
Governance costs	7	10	0	0	10	10
Total Resources Expended		<u>2,470</u>	<u>97</u>	<u>0</u>	<u>2,567</u>	<u>2,410</u>
Net incoming/(outgoing) resources before transfers						
Transfers between funds	14	(135)	51	494	410	489
		<u>(14)</u>	<u>1</u>	<u>13</u>	<u>0</u>	<u>0</u>
Net incoming/(outgoing) resources before other gains and losses		<u>(149)</u>	<u>52</u>	<u>507</u>	<u>410</u>	<u>489</u>
Investment gains/(losses)		91	4	337	432	675
Net movement in funds for the year		<u>(58)</u>	<u>56</u>	<u>844</u>	<u>842</u>	<u>1,164</u>
Fund balances brought forward	14	8,022	391	6,397	14,810	13,646
Funds carried forward at 31 July	14	<u>7,964</u>	<u>447</u>	<u>7,241</u>	<u>15,652</u>	<u>14,810</u>

Linacre College
Balance Sheet
As at 31 July 2011

	Notes	2011 £'000	2010 £'000
FIXED ASSETS			
Tangible assets	9	6,729	6,893
Securities and other investments	10	8,856	7,918
		<u>15,585</u>	<u>14,811</u>
CURRENT ASSETS			
Stocks		41	41
Debtors	11	228	161
Deposits and other short term investments		604	675
Cash at bank and in hand		115	276
		<u>988</u>	<u>1,153</u>
CREDITORS: falling due within one year	12	351	535
NET CURRENT ASSETS/(LIABILITIES)		<u>637</u>	<u>618</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,222	15,429
CREDITORS: falling due after more than one year	13	570	619
NET ASSETS		<u>15,652</u>	<u>14,810</u>
FUNDS OF THE COLLEGE			
	14		
Endowment funds		7,241	6,397
Restricted funds		447	391
Unrestricted funds			
Designated funds		7,921	7,846
General funds		43	176
		<u>15,652</u>	<u>14,810</u>

The financial statements were approved and authorised for issue by the Governing Body of Linacre College on:

Trustee:

Trustee:

Linacre College
Cash Flow Statement
For the year ended 31 July 2011

	Notes	2011 £'000	2010 £'000
Net cash inflow/(outflow) from operations	20	<u>(455)</u>	<u>(105)</u>
Returns on investments and servicing of finance			
Income from investments		300	255
Finance costs paid		(11)	(5)
		<u>289</u>	<u>250</u>
Capital expenditure and financial investment			
New endowment capital received		494	526
Payments for tangible fixed assets		(35)	(148)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(3,400)	(569)
Proceeds from sales of investments		2,894	0
		<u>(47)</u>	<u>(191)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		71	279
Net (purchase) / sale of current asset investments		0	0
		<u>71</u>	<u>279</u>
Financing			
New bank loans		0	0
Bank loans repaid		(19)	(19)
New lease finance		0	0
Capital element of finance lease payments		0	0
		<u>(19)</u>	<u>(19)</u>
Increase/(decrease) in cash in the year		<u>(161)</u>	<u>214</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(161)	214
Transfers to/(from) term deposits and current investments		(71)	(279)
(Increase)/decrease in loan and lease finance		19	19
Change in net funds		<u>(213)</u>	<u>(46)</u>
Net funds at 1 August		494	540
Net funds at 31 July		<u>281</u>	<u>494</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Teaching and research					
Tuition fees - UK and EU students	369	0	0	369	345
Tuition fees - Overseas students	386	0	0	386	403
Other HEFCE support	51	0	0	51	47
Other academic income	17	0	0	17	17
College residential income	1,059	0	0	1,059	1,039
	1,882	0	0	1,882	1,851

The above analysis includes £120k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £131k)

2 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Equity dividends	88	10	0	98	153
Income from fixed interest stocks	28	3	0	31	49
Interest on fixed term deposits and cash	19	2	0	21	15
Other investment income	185	24	0	209	116
	320	39	0	359	333

3 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	0	0	0	0	6
	0	0	0	0	6

4 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Fundraising	144	33	0	177	192
Investment management costs	0	2	17	19	17
Total costs of generating funds	144	35	17	196	209
Charitable expenditure					
Teaching and research	631	1,146	584	2,361	2,191
Total charitable expenditure	631	1,146	584	2,361	2,191
Governance costs	0	10	0	10	10
Total resources expended	775	1,191	601	2,567	2,410

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

5 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2011 Total £'000	2010 Total £'000
Financial and domestic admin	16	267	283	299
IT	1	107	108	129
Depreciation	0	199	199	197
Bank interest payable	0	5	5	5
Other finance charges	0	6	6	7
	<u>17</u>	<u>584</u>	<u>601</u>	<u>637</u>

Finance and administration and IT costs are attributed according to the estimated staff time spent on each activity.
 Depreciation costs are attributed according to the use made of the underlying assets.
 Interest and other finance charges are attributed according to the purpose of the related financing.

6 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	8	72	80	74
Bursaries and hardship awards	8	12	20	17
	<u>16</u>	<u>84</u>	<u>100</u>	<u>91</u>

The above costs are included within the charitable expenditure on Teaching and Research.

7 GOVERNANCE COSTS

	2011 £'000	2010 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	10	10
	<u>10</u>	<u>10</u>

No amount has been included in Governance Costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

8 STAFF COSTS

	2011 £'000	2010 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	932	933
Social security costs	55	55
Pension costs	129	122
	<u>1,116</u>	<u>1,110</u>

The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

	2011	2010
Tuition and research		
College residential	12	12
Fundraising	3	3
Support	16	17
Total	<u>31</u>	<u>32</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

8 STAFF COSTS (continued)

The average number of employed College Trustees during the year was as follows.

Teaching and research	1	1
Other	3	3
Total	<u>4</u>	<u>4</u>

The College also benefits from temporary staff and agency workers who are not on the College payroll. There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) exceeded £50,000.

9 TANGIBLE FIXED ASSETS

College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	150	8,579	0	371	9,100
Additions	0	35	0	0	35
Disposals	0	0	0	0	0
At end of year	<u>150</u>	<u>8,614</u>	<u>0</u>	<u>371</u>	<u>9,135</u>
Depreciation					
At start of year	66	1,888	0	253	2,207
Charge for the year	8	173	0	18	199
On disposals	0	0	0	0	0
At end of year	<u>74</u>	<u>2,061</u>	<u>0</u>	<u>271</u>	<u>2,406</u>
Net book value					
At end of year	<u>76</u>	<u>6,553</u>	<u>0</u>	<u>100</u>	<u>6,729</u>
At start of year	84	6,691	0	118	6,893

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 SECURITIES AND OTHER INVESTMENTS

	2011	2010
	£'000	£'000
Investments		
Valuation at start of year	7,918	6,717
New money invested	506	526
(Decrease)/increase in value of investments	432	675
Investments at end of year	<u>8,856</u>	<u>7,918</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

10 SECURITIES AND OTHER INVESTMENTS (continued)

Investments comprise:	Held outside the UK £'000	Held in the UK £'000	2011 Total £'000	2010 Total £'000
Equity investments	0	1,175	1,175	2,549
Global multi-asset funds	0	7,111	7,111	3,940
Property funds	0	215	215	445
Fixed interest stocks	0	350	350	761
Fixed term deposits and cash	0	5	5	223
Total investments	0	8,856	8,856	7,918

11 DEBTORS

	2011 £'000	2010 £'000
Amounts falling due within one year:		
Trade debtors	3	5
Amounts owed by College members	51	38
Loans repayable within one year	8	16
Prepayments and accrued income	166	102
	228	161

12 CREDITORS: falling due within one year

	2011 £'000	2010 £'000
Bank loans	18	18
Trade creditors	61	205
Amounts owed to College Members	135	75
Taxation and social security	23	21
Accruals and deferred income	47	24
Other creditors	67	192
	351	535

13 CREDITORS: falling due after more than one year

	2011 £'000	2010 £'000
Bank loans	420	439
Other creditors	150	180
	570	619

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

14 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2011 £'000
Endowment Funds - Permanent						
General Endowment	5,587	409	0	6	296	6,298
Student Scholarships and grants	464	85	0	5	20	574
Student Hardship	192	0	0	0	13	205
Fellows support	154	0	0	2	8	164
Total Endowment Funds	6,397	494	0	13	337	7,241
Restricted Funds						
Scholarship and grants Income	179	100	(75)	2	0	206
Hardship Income	68	9	(9)	1	2	71
Fellows Research Income	37	15	(4)	(2)	0	46
Facilities Income	67	12	0	1	2	82
Lectures Income	40	12	(9)	(1)	0	42
Total Restricted Funds	391	148	(97)	1	4	447
Unrestricted Funds						
General	176	2,168	(2,102)	(199)	0	43
Fixed asset designated Fund	5,692	13	(174)	55	0	5,586
Other Designated Funds	2,154	154	(194)	130	91	2,335
Total Unrestricted Funds	8,022	2,335	(2,470)	(14)	91	7,964
Total Funds	14,810	2,977	(2,567)	0	432	15,652

15 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

General Endowment	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity
Student Scholarships and grants	Capital balance of past donations where related income, but not the original capital, can be used for student scholarships and grants
Student Hardship	Capital balance of past donations where related income, but not the original capital, can be used for hardship grants for students
Fellows support	Capital balance of past donations where related income, but not the original capital, to support Fellows' research.

Restricted Funds:

Scholarship and grants Income	A consolidation of gifts and donations for student support together with accumulated income of the Scholarships Endowment Funds
Hardship Income	A consolidation of gifts and donations for student hardship together with accumulated income of the Hardship Endowment Funds
Fellows Research Income	A consolidation of gifts and donations for Fellows' support together with accumulated income of the Fellows Endowment Funds
Facilities Funds	A consolidation of gifts and donations for provision of facilities for college members
Lectures Funds	A consolidation of gifts and donations to support the Linacre Lectures

Designated Funds

Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Other Designated Funds	Unrestricted Funds allocated by the Fellows for future costs for various purposes. They include £1,415k Designated Capital funds which are Unrestricted funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	6,729	0	0	6,729
Property investments	0	0	0	0
Securities and other investments	1,550	65	7,241	8,856
Net current assets	(315)	382	0	67
	<u>7,964</u>	<u>447</u>	<u>7,241</u>	<u>15,652</u>

17 TRUSTEES' REMUNERATION

Trustee remuneration

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the University of Oxford and who are elected to become Fellows of the college and sit on governing body by virtue of their election to the college and their employment with the University.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. Where possible, these salaries are paid on external scales.

Trustees of the college fall into the following categories:

Principal, Fellows by election, Professorial Fellows, Senior Research Fellows, President of the Common Room, 4 Common Room representatives including 1 Junior Research Fellow.

There are also 4 trustees (Principal, Finance Bursar, Domestic Bursar and Development Director) who work full time on management and fundraising.

Some trustees receive additional allowances for additional work carried out as part time college officers. (e.g. Vice Principal, Senior Tutor) These amounts are included within the remuneration figures below.

The total remuneration and tax able benefits as shown below is £262k (2009-10 £271k). The total of pension contributions is £35k (2009-10 £36k).

Remuneration paid to trustees

Range	2010-2011		2009-2010	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£1-£999	0		1	1,003
£1,000-£1,999	3	4,258	1	1,072
£3,000-£3,999	1	3,749	0	
£6,000-£6,999	1	6,794	2	12,609
£14,000-£14,999	1	14,826	0	
£52,000-£52,999	1	52,589	1	52,229
£54,000-£54,999	1	54,131	0	
£57,000-£57,999	1	57,465	1	57,072
£58,000-£58,999	0		1	58,125
£68,000-£68,999	1	68,640	0	
£88,000-£88,999	0		1	88,668

50 trustees are not employees of the college and do not receive remuneration.

All trustees may eat at common table, as can all other employees who are entitled to meals while working.

As a condition of their employment with the college two Trustees were required to live in houses provided by the College.

Trustee expenses

No fellow claimed any expenses for work as a trustee.

There were no other transactions with trustees

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

18 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

In September 2005 the government introduced legislation that an employer may not withdraw from a multi-employer scheme without funding (to a specified level) its share of any pension liability in the scheme. The funding level specified is the amount required to buy-out the liabilities with an insurance company, and is commonly known as the 'buy-out debt' or 'section 75 debt'. The buy-out debt is a more onerous funding requirement than the scheme's own cautious assumptions and the sums involved can be very substantial.

The latest actuarial valuation of the USS was carried out at 31 March 2008 and published in February 2009. This valuation showed the scheme assets to represent 103% of the scheme liabilities at that date. Based on this valuation the actuary recommended an employer contribution rate of 16% with an employee contribution rate of 6.35%.

The full valuation is available on the USS website, http://www.uss.co.uk/Actuarial%20Valuation/actuarial_valuation_2008.pdf. The next actuarial valuation of the USS is due to take place at 31 March 2011 and should be published early in 2012. In addition, a national review of the future of the USS is currently underway.

The latest actuarial valuation of the OSPS was carried out at 31 March 2007 and showed that this scheme had a deficit of approximately £43m. Following this valuation a recovery plan was put in place, which required the University and the participating Colleges to increase their contribution rate from 17.5% to 21.5% to help reduce the deficit. Since the last funding valuation, the economic downturn has had a significant impact on the value of the assets held by the scheme. An estimate of OSPS's funding position as at 31 July 2009 indicated that the shortfall had risen to £166 million.

In light of the actuarial deficit, and in order to ensure that the scheme remains sustainable in the long term, the University is working with the participating Colleges and the scheme's trustees to identify what changes need to be made to OSPS.

The pension charge for the year includes contributions payable to the USS of £52k (2010 - £51k) and contributions payable to the OSPS of £77k (2010 - £70k). At 31 July 2011 £15k was accrued in respect of pension contributions (2010 - £15k).

19 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company(ies) because the directors of this/these company(ies) have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

20 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2011	2010
	£'000	£'000
Net incoming resources for the year	410	489
Elimination of non-operating cash flows:		
- Investment income	(359)	(333)
- Endowment donations	(494)	(526)
- Financing costs	11	5
Depreciation	199	197
Decrease/(increase) in debtors	(8)	(10)
(Decrease)/increase in creditors	(214)	73
Net cash inflow/(outflow) from operations	(455)	(105)

Linacre College
Notes to the financial statements
For the year ended 31 July 2011

21 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	276	(161)	115
Bank overdrafts	0	0	0
	<u>276</u>	<u>(161)</u>	<u>115</u>
Deposits and other short term investments	675	(71)	604
Bank loans due within one year	(18)	0	(18)
Bank loans due after one year	(439)	19	(420)
	<u>494</u>	<u>(213)</u>	<u>281</u>

22 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2011 £'000	2010 £'000
Land and buildings		
- expiring between two and five years	46	51
	<u>46</u>	<u>51</u>
Other		
- expiring between two and five years	6	3
	<u>6</u>	<u>3</u>

23 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £32k (2010 - £0)

24 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

There were no related party transactions other than those disclosed in the note on Trustees' Remuneration.