

# Lincoln College

Annual Report and Financial Statements

Year ended 31 July 2012



**LINCOLN COLLEGE**  
**Annual Report and Financial Statements**  
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# LINCOLN COLLEGE

## Governing Body, Officers and Advisers

Year ended 31 July 2012

### MEMBERS OF THE GOVERNING BODY

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

		(1)	(2)	(3)	(4)
Dr Susan Brigden	Fellow for Alumni Relations	•	•	•	•
Dr Rachel Buxton	Domestic Bursar	•		•	•
Dr Sirichai Chongchitnan	resigned April 30 <sup>th</sup> 2012				
Dr Radu Coldea					
Prof Peter Cook					
Dr Roel Dullens					
Dr Anne-Marie Drummond	resigned July 31 <sup>st</sup> 2012				
Dr Louise Durning	Senior Tutor	•	•	•	•
Prof Nigel Emptage	Senior Dean	•	•		•
Prof Cecile Fabre			•		
Prof Simon Gardner				•	
Dr Perry Gauci	Fellow Librarian & Archivist			•	
Mr Naom Gur					
Dr Alana Harris			•		
Dr Oliver Herford					
Prof David Hills	Sub-Rector	•	•	•	
Dr Sara Hobolt	resigned December 31 <sup>st</sup> 2011				
Prof Nick Jelley				•	
Mr Tim Knowles	Bursar	•	•	•	•
Prof Paul Langford	Rector	•	•	•	•
Prof Christopher McCrudden	resigned September 30 <sup>th</sup> 2011				
Prof Peter McCullough					
Dr Edward Nye		•			
Dr Frank Payne					
Prof Nicholas Proudfoot					
Prof Jordan Raff					
Dr Pietro Roversi					

# **LINCOLN COLLEGE**

## **Governing Body, Officers and Advisers**

**Year ended 31 July 2012**

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Dr Winfried Rudolf	resigned September 30 <sup>th</sup> 2011				
Prof Roland Smith					
Dr Maria Stamatopolou			•		
Prof Margaret Stevens	from March 2012				
Prof Alexis Vasseur	resigned July 31 <sup>st</sup> 2011				
Prof David Vaux					
Dr Dominic Vella					
Prof Herman Waldmann					
Dr Betiel Wasihun					
Dr Mark Williams	appointed October 1 <sup>st</sup> 2011				
Dr Michael Willis			•		

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

- (1) Finance Committee
- (2) Senior Tutor's Committee
- (3) Planning Committee
- (4) Junior Relations & Welfare Committee

## **LINCOLN COLLEGE**

### **Governing Body, Officers and Advisers**

**Year ended 31 July 2012**

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#### **COLLEGE STAFF**

Senior members of staff who are not trustees but who undertake important roles in the management of the College are:

Ms Susan Harrison	Development Director (attends Governing Body meetings)
Mrs Celia Harker	Accountant
Mr Michael White	IT Officer
Mr Stuart White	Surveyor
Mr Richard Noonan	Clerk of Works
Revd Gregory Platten	Chaplain
Ms Nina Thompson	Human Resources Manager
Ms Jemma Underdown	Academic Administrator
Mrs Fiona Piddock	Librarian

#### **ALUMNI REPRESENTATIVES AND ADVISORS**

An alumnus of the College attends Governing Body meetings as representative of the College's alumni and in his capacity as Chair of the College's Development Committee. In 2011-12 this person was Mr Richard Hardie.

Two alumni of the College serve as members of the Finance Committee. In 2011-12 these were Mr Christopher FitzGerald and Mr Hugh Sloane.

In 2011-12 the Chairman of the Remuneration Committee was an alumnus, being Mr Mark Seligman. (The other members of the Committee were a retired tutor from another Oxford College; and the head of an Oxford College, formerly a Professorial Fellow of Lincoln).

11 alumni served as members of the Development Committee, meeting three times during the year.

46 alumni served as members of the Rector's Council, meeting in June 2012 to receive reports from College officers and to offer strategic advice to the Rector.

#### **PROFESSIONAL ADVISERS**

##### **Investment managers**

Cerno LLP, 34 Sackville Street, London W1S 3ED

Lord North Street Limited, 6 Duke Street St. James, London SW1Y 6BN

##### **Investment property managers**

Laws and Fiennes, Warren Lodge, Banbury, Oxfordshire, OX15 5EF

##### **Auditor**

Critchleys LLP, Greyfriars Court, Paradise Square, Oxford OX1 1BE

##### **Bankers**

Lloyds TSB, Carfax Oxford, 1-5 High Street, Carfax, Oxford, OX1 4AA

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## **LINCOLN COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2012**

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### **Solicitors**

Darbys, 52 New Inn Hall Street, Oxford, OX1 2QD

### **College address**

Lincoln College, Turl Street, Oxford, OX1 3DR

### **Website**

[www.lincoln.ox.ac.uk](http://www.lincoln.ox.ac.uk)

## **LINCOLN COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2012**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2012 under the Charities Act 2011 together with the audited financial statements for the year.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Lincoln College ("the College") is an eleemosynary chartered charitable corporation. The full corporate designation of the College is "The Warden or Rector and Scholars of the College of the Blessed Mary and All Saints, Lincoln, in the University of Oxford, commonly called Lincoln College". The College was founded by Richard Fleming, Bishop of Lincoln, under a Royal Charter of King Henry VI dated 13<sup>th</sup> October 1427 and a Deed of Foundation of 1429. The corporation comprises the Rector and Fellows.

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.

The College registered with the Charities Commission on 3<sup>rd</sup> December 2010. Its registered number is 1139261.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing documents**

The College is governed by its Statutes, dating from 1478 and most recently updated in 2003.

##### **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, the Bishop of Lincoln. The Governing Body is a self-appointing corporate body. Membership is subject to review and renewal every seven years, and lapses with retirement from office. New members of the Governing Body are elected when they are appointed to Tutorial, Professorial or Official Fellowships with the College. Tutorial and Professorial Fellows are elected on the basis of their experience of and contribution to education and research in the College and the University. Official Fellows are elected for the professional and/or administrative skills and qualifications which will enable them to contribute to the Governing Body's management of the College. Some Tutorial Fellows and all Professorial Fellows hold their College posts in conjunction with posts held at Oxford University. Other Tutorial Fellows and College Officers appointed to specific administrative or managerial roles in the College are College-only appointees.

The Governing Body determines the ongoing 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 Rector and is advised by its various committees.

##### **Recruitment and training of Members of the Governing Body**

New Members of the Governing Body are recruited when they join the College as Tutorial, Professorial or Official Fellows. Recruitment to these posts may be in one of two ways. If the post is one that is jointly appointed by the College and by Oxford University (as is the case for some Tutorial Fellows and all Professorial Fellows) the recruitment exercise will have been conducted jointly by the College and the relevant department of the University, with representatives of both entities serving on the selection panel. If the post is one whose appointment is solely at the discretion of the College (as is the case for some Tutorial Fellows and Official Fellows such as the Senior Tutor, the Bursar and the Domestic Bursar) the recruitment process will have been managed entirely by the Rector and Fellows of the College, aided by expert advisers from outside the College.

New Fellows are formally elected to Governing Body as soon as is practicable after appointment to their Fellowship and they take the College oath at the first available meeting of the Governing Body. Induction into the workings of the College, including Governing Body policy and procedures, is by means of meetings with senior colleagues and by receipt of "Notes for New Fellows" which document serves as a manual for senior members of the College. The College Statutes stipulate that new Fellows do not vote at Governing Body meetings during their first year in office: they therefore do not become trustees of the charity until they have been in post for one year. New Trustees are provided with guidance documents issued by the Charity



## **LINCOLN COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2012**

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Commission and members of the Governing Body attend trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

#### **Organisational management**

The members of the Governing Body meet at least 7 times each year. The work of developing the Governing Body's policies and monitoring their implementation is carried out by a number of Committees, of which some are Committees of the Governing Body and others are committees overseeing particular functions of the College. The principal Committees of the Governing Body are:

*Finance Committee* : an advisory Committee of the Governing Body whose remit covers matters relating to finance, accounting, investments, estates, premises and risk management; chaired by the Rector and convened by the Bursar; membership includes two alumni representatives with especial experience of investments and of financial management; student representatives attend for Unreserved Business; meets at least six times per annum.

*Senior Tutor's Committee* : an advisory Committee of the Governing Body whose remit covers matters relating to the academic work of the College (both education and research); chaired by the Rector and convened by the Senior Tutor; student representatives attend for Unreserved Business; meets at least six times per annum.

*Planning Committee* : an advisory Committee of the Governing Body whose remit covers College strategy; chaired and convened by the Rector; student representatives attend for Unreserved Business; meets at least three times per annum.

*Junior Relations Committee* : chaired by the Rector, convened by the Senior Dean; members include representatives of the student common rooms, the Chaplain and the College's Doctor and Nurse together with other College officers; meets at least three times per annum.

*Welfare Committee* : chaired by the Rector, convened by the Senior Dean; members include representatives of the student common rooms, the Chaplain and the College's Doctor and Nurse together with some College officers; meets at least three times per annum.

Other committees with specific functions within the College are:

*Health and Safety Committee* : chaired by the Bursar, convened by the Domestic Bursar; membership includes members of staff and student representatives.

*Equality Committee* : chaired by the Bursar, convened by the HR Manager; membership includes members of staff and student representatives.

*Sustainability Committee* : chaired by a Fellow, convened by the Domestic Bursar; membership includes members of staff and student representatives.

*Development Committee* : the remit of which covers alumni relations and fund-raising; chaired by an alumnus; membership includes a number of alumni and College officers; convened by the Development Director.

*Remuneration Committee* : an advisory committee to the Governing Body, whose remit extends to making recommendations in respect of the remuneration and benefits of members of the Governing Body and nominated College officers; the chairman and all members are external to the College (that is, none is a trustee or an employee of the College); meets once per annum or more frequently if so required.

Implementation of the Governing Body's policies and decisions is undertaken by College Officers, chief among whom are the Senior Tutor, the Senior Dean, the Bursar and the Domestic Bursar. The Officers are assisted by members of the College's staff.

#### **Group structure and relationships**

The College administers many special trusts, as detailed in Notes 17 and 18 to the financial statements.

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## **LINCOLN COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2012**

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The College has two wholly owned non-charitable subsidiaries: Lincoln College Enterprises Limited, which undertakes major building and refurbishment works relating to the College's premises; and Lincoln College Trading Limited, which undertakes the College's conference business and catering / accommodation services provided to non-College members. Annual profits of the subsidiaries are donated to the College under the Gift Aid Scheme.

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 ongoing basis. The Governing Body annually reviews a detailed analysis of potential and actual risks prepared by the Finance Committee. 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 (some of these are listed on pages 4 and 5). Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Rector or the Bursar. Financial and investment risks are assessed by the Finance Committee. The Domestic Bursar and domestic staff department heads meet regularly to review risks related to health and safety issues. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has given consideration to the major risks to which the College and its subsidiaries are exposed and has 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.

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable Objects and Aims**

The College's Objects are

- i the advancement of education, study, and research in particular through the provision, support and maintenance of a college in Oxford;
- ii the advancement of religion including the provision and support of a chapel in accordance with the principles of the Church of England.

The aims set for the College's subsidiaries are to help to finance the achievement of the College's aims as above.

##### **Activities and Objectives of the College**

The principal focus of the College's activities is on its academic work: that is, high-quality research and the education of new generations of students in a range of subject areas. In this context the College maintains and develops the experience of a residential community whose senior and student members are engaged in the pursuit of academic excellence. To this end the College provides not only facilities for study, in the form of teaching and seminar rooms, lecture theatres, computer facilities, a Library and co-operative access to the laboratory and other facilities provided by Oxford University; but also a sufficient number of study bedrooms to accommodate many tutors and the majority of its students, and facilities consistent with the provision of an all-round education (a sports ground, a boathouse and spaces for music, art and drama).

##### **Commitment to Public Benefit**

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. 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.

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### **Report of the Governing Body**

**Year ended 31 July 2012**

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The College's aims for the public benefit are

- to admit students solely on the basis of academic merit and potential without regard to sex, gender, ethnic origin, religion, disability, previous educational experience or financial circumstances;
- to provide sufficient financial support, both from its own resources and in conjunction with the wider collegiate University, such that no undergraduate student will be deterred from studying at Lincoln College on financial grounds;
- to honour the College's commitment to participation in bursary schemes organised in the name of Oxford University (eg the Oxford Opportunity Bursary);
- to commit resources to programmes of outreach and access, initiated both by the College and by the University, consistent with achievement of the University's intentions as stated to the Office of Fair Access;
- to welcome members of the public as visitors to the College and its events and facilities.

In 2011-12 the College maintained an extensive programme of financial support for undergraduate and post-graduate students, in the form both of bursaries (to assist with living costs) and scholarships (awarded in recognition of particular academic merit). (This support from the College was in addition to any support students may have derived from government-sponsored sources such as the Student Loans Company.) 72 undergraduate students received bursaries of up to £4,100 per student under the Oxford Opportunity Bursary scheme; in total Lincoln students received approximately £152,000 via this scheme. In addition the College made grants and loans from its own funds totalling £25,000 to students who experienced varying degrees of financial hardship. Scholarships, prizes and academic grants were awarded to undergraduate students to reward academic excellence and to encourage academic endeavour: in 2011-12 the total awarded was £57,000.

The College provided financial support for its post-graduate students to the extent that 40 students received scholarships or studentships totalling £348,000; and a further £36,000 was provided by way of smaller grants and scholarships

The College maintained its commitment to programmes of outreach designed to improve access to Oxford University. Lincoln employs a Schools Liaison Officer jointly with Exeter College. This Officer together with Fellows and tutors of the College undertook a programme of events including visits to schools and residential and day visits by school parties to the College. The College participated actively in Open Days organised by the collegiate University. Total expenditure on outreach and access activities in 2011-12 was £25,600.

In addition to regular Chapel services a number of events were held for the benefit of the wider public. These included the annual Wesley lecture and lecture by the Montgomery Visiting Fellow in Sculpture, and the week-long programme of exhibitions and performances under the auspices of the Turl Street Arts Festival. The College continued to make its sports facilities available to the East Oxford Cricket Club for the duration of the 2012 cricket season.

### **ACHIEVEMENTS AND PERFORMANCE**

During the year 2011-12 Lincoln College has registered significant achievements consistent with its two charitable objects.

#### **(i) Students**

The College continued in its principal work of preparing students for examination in a range of subjects and at various levels at Oxford University. Undergraduate numbers totalled approximately 300 spread over four years of study, in line with Lincoln's long-standing policy dictated by the College's ability to provide full tutorial provision, pastoral care and residential accommodation for this number of students. Much of the education provided to undergraduate students is via the tutorial system, by which students meet with their tutors individually or in small groups on a weekly basis during Term for in-depth discussion of pieces of prepared work. In addition to tutorials the College also provides classes and seminars in conjunction with departments

## LINCOLN COLLEGE

### Report of the Governing Body

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of the University. Eighty-five undergraduate students in their third or fourth year of study completed the Final Honours School in 2012, with thirty being placed in the First Class and fifty being awarded a 2:1 degree. The College was placed 5<sup>th</sup> in the Norrington Table which compares the performance of students from Oxford's 30 colleges in the University's Final Honours Schools. Eighty-three students in their first year of study passed the First Public Examination at Oxford University at the first attempt, out of eighty-five taking the examination; fourteen were awarded special merit (a Distinction in Prelims or a First Class in Moderations).

Post-graduate students also numbered approximately three hundred throughout the year, with students evenly divided between those undertaking lengthy programmes of research (leading, for example, to doctorate-level degrees) and those undertaking shorter, structured courses of tuition leading to examination. Each post-graduate student is assigned a College advisor who provides academic advice and pastoral support; and the College-appointed Tutor for Graduates maintains overall oversight of post-graduates' welfare and academic progress. Twenty students were awarded the degree of D:Phil during the year; and of the seventy-four students who passed examinations for their post-graduate qualifications in the summer of 2012, twenty-six achieved special merit (Distinction or First Class).

The Oxford University Careers' Service's survey of graduating students' employment for the years 2008-11 showed that 5.6% of Lincoln's students were unemployed six months after leaving the College. This record is somewhat better than the average figure for all the colleges of Oxford University.

The College continued to encourage education in its broadest sense, supporting its student members in a wide range of cultural and sporting activities. The Turl Street Arts Festival took place in March 2012 and included a number of dramatic and musical performances and art exhibitions, the highlight being a much-praised performance of *West Side Story*. Students participated at College, University and higher levels in a number of sports, with hockey, football and rowing particularly prominent. 30 students were awarded blues or half-blues in recognition of their representing the University's sports' teams. The College football team could not match their cup-winning exploits of 2011 but still reached the semi-final of cuppers. The Boat Club went from strength to strength both in terms of participation (seven College crews qualified for summer Eights) and of success (Lincoln recorded the highest number of bumps of any college in both Torpids and Eights and the Women's First VIII has registered 15 bumps from 16 races over the past two years).

#### (ii) Fellows and Lecturers

Senior members of the College combined their teaching and educational duties with research work of the highest quality, producing a wide range of publications. A number received recognition both in the form of financial grants from external bodies in furtherance of their research, and four were awarded the title of professor in the University's annual distinction exercise. Notable achievements by Fellows and academic researchers associated with the College included:

Neil Barclay (Chemical Pathology) has published two papers on his research using mass spectrometry to investigate the cells of the immune system.

Martin Booth (Engineering) was awarded the prestigious Young Researcher Award of the Erlangen Graduate School in Advanced Optical Technology (SAOT) in the University of Erlangen-Nürnberg for his pioneering contributions in adaptive optics for microscopy and photonics engineering.

Susan Brigden (History) has completed her book *Thomas Wyatt - The Heart's Forest* for publication in September 2012 and gave a lecture as part of the celebrations for the Diamond Jubilee on *Tudor Gothic*.

Roel Dullens (Chemistry) presented prize-winning work at Photon 12 in Durham, and published papers in the *Journal of Chemical Physics*, the *Journal of Physical Chemistry*, and *Physical Review Letters*. This year his laboratory work attracted funding totalling over £2.5m from the EPSRC and the Rubicon and Marie Curie Fellowships.

Nigel Emptage (Physiology and Pharmacology) was awarded the title of Professor in the University's distinction exercise. He and his research group published a number of papers in the field of neuroscience and received a grant from the BBSRC for research into memory.

Cecile Fabre (PPE – Philosophy) finished her book *Cosmopolitan War* for publication in September 2012.

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### Report of the Governing Body

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Simon Gardner (Law) was awarded the title of Professor in the University's distinction exercise. In collaboration with Emily MacKenzie he produced a new edition of his *Introduction to Land Law*, published in July 2012. He delivered a keynote address to the biennial Modern Studies in Property Law conference, held last spring in Southampton, on *Advanced Electronic Conveyancing*; and wrote an essay for the conference book, *Persistent Rights Appraised*.

Perry Gauci (History) saw his research into Alderman William Beckford (1709-1770) nearing completion ahead of publication scheduled for spring 2013.

Stephen Gill (Supernumerary Fellow, English) published *Wordsworth's Revisitings*: the American journal *Choice* described it as the 'best book on Wordsworth published in this century'.

Ryan Goss (Law) was appointed to the Legal Research Panel of INTERIGHTS, a London NGO specialising in human rights litigation.

Noam Gur (Law) has published three papers on a number of philosophically contested questions focusing on the question of law's normative force and its interaction with reason.

Alana Harris (History) produced articles on modern religious culture in London's East End for publication in the journals *Material Religion*, *Women's History Review* and *Gender and Religion*. She also produced three new entries in the update of the 'Religion' category in the *Oxford Dictionary of National Biography*, and an article on 'British Catholics and Devotion to St Thérèse of Lisieux' in an edited collection from Toronto University Press. Her monograph, *Faith in the Family: A Lived Religious History of English Catholicism before and after Vatican II* is in press, as is a further work co-authored with Jane Garnett entitled *Re-scripting Religion: Migration, Modernity and Religious Identity in the Modern Metropolis*.

Oliver Herford (English) organised a conference to mark the centenary of Henry James's honorary Oxford DLitt; entitled *A Stray Savage in Oxford*, the event being held at St Anne's College in June 2012. He completed his monograph on James's late personal writings and submitted it to be assessed for publication.

Jonathan Hicks (Music) continued his research into the 'musiciens ambulants' of late-nineteenth and early-twentieth-century Paris, and organised a conference on music and landscape at the Faculty of Music.

Nicholas Jelley (Physics) has just completed with his co-author John Andrews the revisions for the second edition of the textbook *Energy Science*, which will be published by OUP in spring 2013. In May 2012 he gave a lecture on *Renewable Energy and Society* in the 2012 *Science and Society* series of lectures organised by the University of Liverpool. His research into simple solar concentrators is funded by the Leverhulme Trust

Peter McCullough (English) was awarded the title of Professor in the University's distinction exercise. He has been much involved with events to commemorate the 400<sup>th</sup> anniversary of the Authorized ('King James') Bible, giving a special lecture in Hull's Holy Trinity Church and a talk with dramatic readings about the life and contribution of translator Lancelot Andrewes in Southwark Cathedral. With his co-editors Emma Rhatigan and Hugh Adlington he published *The Oxford Handbook of the Early Modern Sermon*. He also gave a number of conference papers on his work on John Donne, Andrewes, the 1662 Book of Common Prayer and St Paul's Cathedral.

Edward Nye (Modern Languages) finished a long research project last year and began an intellectual biography of the most famous of mime artists, the Franco-Bohemian Gaspard Debureau, who performed in Paris in the first half of the nineteenth century.

Georgi Parpulov (Research Fellow, History) organised the 2012 Lincoln College International Summer School in Greek Palaeography and contributed a chapter to the mediaeval volume of *The New Cambridge History of the Bible*.

Frank Payne (Engineering) started a major EPSRC funded research project valued at £1.3 million in fibre optic communications in collaboration with colleagues at Cambridge, Southampton and UCL.

Pietro Roversi (Biochemistry) was awarded a 1-year Visiting Fellowship by the Basque Foundation of Science, to learn confocal and electron microscopy at Bilbao July 2012-June 2013.

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### Report of the Governing Body

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R R R (Bert) Smith (Classical Archaeology) gave talks, lectures, and papers in Abingdon, Cambridge, Corum, Hamburg, Istanbul, London, New York, and Swindon, and organised a research seminar (HT 2012) with Maria Stamatopoulou on *Anatolia: New Research*. He has also directed another season of research and excavation at Aphrodisias in SW Turkey.

David Vaux (Medical Sciences) continued his research into nuclear cell biology, in particular focusing on the spreading of breast cancer cells. He was awarded the title of Professor in the University's distinction exercise.

Betiel Wasihun (Modern Languages) presented three research papers at the Modern Languages Symposium in Dublin, at Princeton, and at Oxford and presented a paper on Kleist and Philip Roth at the German Research Seminar at Queen's College. She also gave a seminar on the Literature of the Weimar Republic at Wadham College and two lecture series on German Late Romanticism (Eichendorff and Hoffmann) and Kafka.

Mark Williams (English) continued his research into the gods of Irish mythology.

Michael Willis (Chemistry) continued his research into new catalytic transformations and applying these new methods to synthesis, producing nine publications from this work. His research group has successfully commercialised a reagent developed as a convenient and safe surrogate for sulfur dioxide gas.

Nigel Wilson (Supernumerary Fellow, Classics) completed two research projects: a catalogue of the 37 Greek manuscripts in the collection of Corpus Christi College; and analysis of *The Archimedes Palimpsest*, one of the most important manuscripts of classical texts.

During the year the Governing Body elected a new Rector to succeed Professor Paul Langford who planned to retire on August 31<sup>st</sup> 2012. Professor Henry Woudhuysen, Dean of Humanities at University College London, will take office as the 39<sup>th</sup> Rector on Lincoln College on September 1<sup>st</sup> 2012.

#### (iii) The Chapel

The College continued to maintain a Chapel in accordance with the principles of the Anglican Church. Services are held daily and many are open to members of the public. The College employed a Chaplain in conjunction with the Church of St Michael at the Northgate, Oxford. The College provided scholarships and music lessons to its two organ scholars and singing lessons to the Chapel choir. The latter maintained the tradition of being arguably the finest mixed-voice choir of any Oxford College and augmented its Lincoln-based activities with tours to Andalucia.

#### (iv) Premises

The College has paid considerable attention to the maintenance and enhancement of its physical resources so as to contribute to the achievement of its charitable objects. In 2012 the College recovered the Turl Tavern from its long-standing lessee and converted this area into an attractive courtyard with teaching rooms and student leisure facilities, while at the same time installing lift access to student bedrooms on the upper floors of the Mitre Rooms. In addition the College completed the first phase of the refurbishment of student rooms on the west side of Turl Street, with 16 rooms redecorated and provided with en-suite facilities and central heating on Staircase 15. Similar improvements to rooms in Lincoln House are in hand. The College also commenced construction work on the long-planned Garden Building project which will see a total refurbishment of that building and provision of a new performance space, student common room, meeting room, lecture hall and music practice facilities. Finally the College has acquired a long lease on a property at 32a Little Clarendon Street which will provide 37 en-suite rooms for post-graduate students.

#### (v) Development and Fund-raising

In late 2011 the College launched a new fund-raising campaign entitled "Living Lincoln". To date £21.5million has been raised through this campaign, with £6.7million being either donated or pledged during the year 2011-12. Of the sum raised during the campaign £5.8million has been allocated by the donors to the Garden Building project. The College has participated in Oxford University's Teaching Fund initiative to the extent that the College has fully funded its share of the jointly-appointed Fellowship in History (designated the Langford Fellowship) and is well advanced in securing full funding of the Fellowships in Economics and in Classical Archaeology & Ancient History. The percentage of alumni who made donations to the College in 2011-12 was 17%, which figure has been consistent for the past several years.

## **LINCOLN COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2012**

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#### **FINANCIAL REVIEW**

The College derives income to support its regular operations in pursuit of its objectives from three principal sources:

- income in respect of tuition, being fees paid by students (or their sponsors, or government) and money received from external sources to fund Fellowships and studentships;
- revenue from the College's domestic (accommodation and catering) activities, as provided both to College members and to non-members of College;
- return generated by the College's pool of investments.

The College also receives a number of donations and legacies each year which for the most part are not used to fund regular operations but which are used to increase endowment funds and to fund major items of capital expenditure.

In 2011-12 the total of incoming resources was £12.313million (2011: £9.417million) of which £5.167million was in the form of legacies and donations (2011: £2.323million)

The College spends money on five areas of activity:

- academic activities (education, study and research including personnel costs and expenditure on supporting infrastructure);
- support for students (in the form of scholarships, bursaries and expenditure on facilities and activities for students' benefit);
- provision of accommodation and catering services to members and non-members of College;
- buildings' repair and maintenance
- management (including the costs of fund-raising, investment management and governance)

In 2011-12 the total of resources expended was £8.279million (2011: £7.619million) so the total of net incoming resources was £4.034million (2011: £1.798million)

The College's annual Financial Plan is structured such that all operating expenditure should be met from the three sources of operating income with the proviso that the return generated by the College's pool of investments should be no more than a fixed percentage of the value of the College's pool of investments, (based on the average end-year value of the endowment over the past three years). The Governing Body has decided that, for the time being, that percentage be fixed at 3%. In 2011-12 the College fell slightly short of its operating objective in that all expenditure was covered by the first two sources of income supplemented by a sum equal to 3.46% of the value of the College's investment pool.

In 2011-12 operating income (that is, income excluding legacies and donations) was similar to 2010-11, registering an increase of just 0.7%. Income from tuition fees was lower than in previous years, with a noticeable reduction in funds received from HEFCE. However, the College continued to benefit from privately-sourced funds in support of student scholarship with substantial and generous donations from the Sloane Robinson Foundation, the Keith Murray Award Fund, the Polonsky Foundation, the Berrow Foundation and the Lord Crewe Trust. Income from domestic operations rose by 2.9% in gross terms and by 2.2% net, with gross income from conferences and other third-party business maintaining the improved level achieved in 2010-11 (£656k). The first full year of the improved food and drink offering in the College bar, Deep Hall, proved a great success with a 43% increase in gross income, albeit at the expense of a small reduction in income from other forms of catering.

On the expenditure side a number of areas registered increases relative to the previous year. Expenditure on buildings' repairs and maintenance continued to be a major item for the College as the College lays great store on the need to maintain its physical stock in good order both to enhance the residential experience and to reduce the likelihood of unforeseen future costs. In 2011-12 the major items of expenditure met from the operating account were the completion of the Library refurbishment and improvements to undergraduate

# LINCOLN COLLEGE

## Report of the Governing Body

Year ended 31 July 2012

rooms on Turl Street. The College also spent more on the management of its operations, with one-off costs associated with the election of a new Rector and with the negotiation of the loan facility from the Co-operative Bank.

### 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.

With the costs of refurbishment of the Turl Tavern being met from the College's free reserves, the level of reserves at 31 July 2012 had fallen to £363,000 (2011: £1.268million). This figure represents retained unrestricted income reserves excluding an amount of £15.940m for the book value of fixed assets and other designated funds of £558k. Given the college's stated policy for reserves this figure is considered to be on the low side and measures will be put in place gradually to rebuild the level of reserves.

### Investment policy, objectives and performance

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

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

To meet these objectives the College's investments as a whole are managed with an eye on total return (that is, income and capital taken together), maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment strategy, policy and performance is monitored by the Finance Committee. Individual members of the Finance Committee, particularly the Bursar and the two alumni members, bring to the Committee significant investment expertise. At end-July 2012 the College's long term investments, combining the securities and property investments, totalled £72.8 million (2011: £68.4m) of which £5.0 million comprised the independently-managed Lincoln 2027 Trust. The total rate of return on the College's investments (that is, income plus capital gain minus management costs) was +6.9%, or +8.8% when the Lincoln 2027 Trust is excluded from the calculation. This return of 8.8% was comprised as follows:

	Property Investments	Securities and Other Investments	Total
Income	+ 5.4%	+0.7%	+3.1%
Capital	+15.2%	- 3.2%	+6.2%
Total before costs	+ 20.6%	- 2.5%	+9.3%
Management costs	- 0.7%	-0.3%	-0.5%

Day-to-day management of the Securities and Other Investments is delegated to a number of external investment managers of which the two principal organisations are listed on page 4. The Finance Committee maintains a record of a benchmark index in order to compare the performance of the Securities and Other Investments with that of the wider market. In 2011-12 this benchmark index generated a return of -1.2% which figure compares with the return from the College's portfolio of financial assets of -2.8%.

The College's Accounts are not presented on a total return accounting basis. However the College organises its financial affairs such that the Governing Body's annual Financial Plan is based on the extraction as income of 3% of the value of the relevant investments. To smooth and moderate the amounts withdrawn this 3% is calculated on the average of the year-end values in each of the last three years. In 2011-12 the amount



## **LINCOLN COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2012**

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required to fund the College's activities, once all items of expenditure had been weighed against total non-investment income, was 3.46% of the value of the investment pool, just outside the 3% target. The Governing Body will keep the level of income withdrawn under review in order to balance the needs and interests of current beneficiaries of the College's activities with those of future beneficiaries.

### **FUTURE PLANS**

The College's future plans towards the achievement of its Objects and the maintenance of its commitment to Public Benefit are set out in the College's Strategic Plan as periodically agreed by the Governing Body. Achievements in respect of the Strategic Plan are monitored on an ongoing basis by the Governing Body and the Plan is formally reviewed approximately every five years. A special meeting of the Governing Body was held for the purpose of review on September 29<sup>th</sup> 2011, but definition of future strategy was deferred pending the arrival of the new Rector scheduled for September 1<sup>st</sup> 2012.

The Strategic Plan prior to 2011 identifies the following as aims conducive to the achievement of the College's charitable objects:

1. To provide an exceptional residential education in Oxford for high-ability undergraduates selected solely on academic grounds from a diversity of backgrounds;
2. To maintain the most rigorous standards of tutorial-based undergraduate education provided by the College's Fellows;
3. To promote and support to the highest levels of excellence postgraduate study and research;
4. Through its Fellows to engage in advanced and innovative research of international quality;
5. To provide facilities of the highest quality to support study and research;
6. To collaborate effectively with the other Colleges and with the University in furtherance of our joint educational mission.

The College has given considerable thought to the adequate resourcing of these planned activities and in the immediate future is concentrating on three specific areas.

First, as was observed in the Governing Body's Report of 2011 the College is mindful of the fact that government funding for higher education is likely to continue on its present reductionist trend. The College is of the view that its pursuit of academic excellence and in particular the maintenance of the intensive undergraduate teaching style represented by the tutorial system will best be safeguarded by the College becoming more reliant on its own resources and less on funding from official channels. To this end the College has put in place and will continue to pursue measures designed to increase the size of the investment pool from which it can fund its activities, this to be achieved through a combination of fund-raising, prudent investment management and careful management of ongoing operations. The review of investment management arrangements between 2007 and 2009 which resulted in the current disposition of funds between Lord North Street and Cerno and the establishment in 2009 of the Lincoln 2027 Trust as a separate capital-accumulation investment vehicle, were important components of this programme. In addition in late 2011 the College launched its "Living Lincoln" fund-raising campaign, and will continue to devote resources to the success of this venture.

Second, the College will maintain its practice of careful scrutiny and monitoring of the costs of providing undergraduate teaching. Lincoln already provides tuition in a smaller number of subjects than any other traditional Oxford college, this being a function of its having a relatively small fellowship combined with its policy of having at least two Fellows for each major honours school. The College intends to continue this concentrated provision of undergraduate teaching so as to provide the highest quality of undergraduate experience within the limits of the College's resources.

Third, the College will look to enhance the extent and quality of its physical resources. The major redevelopment of the Garden Building and adjacent Lower Lecture Room is in hand with a view to providing a much-improved space for lectures and performances on the site of the Oakeshott Room; a new dining-/board-room; a new seminar room; facilities for music practice; and a new common room for the College's post-graduate students. Plans to provide additional accommodation will focus on provision for post-graduate students. Early in 2013 the College will take delivery of a 37-room post-graduate accommodation block at 32a

## **LINCOLN COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2012**

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Little Clarendon Street; and the College will continue to seek other opportunities to expand its accommodation provision in central Oxford.

Specific development plans are agreed from time-to-time for the separate departments within the College to ensure that the College continues to enhance its ability to meet its objectives.

### **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 2011. 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 7th November 2012 and signed on its behalf by

Henry Woudhuysen

Rector

## **LINCOLN COLLEGE**

### **Report of the Auditor to the Members of the Governing Body of Lincoln College**

We have audited the financial statements of Lincoln College for the year ended 31 July 2012 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 29.

This report is made solely to the College's Governing Body in accordance with section 154 of the Charities Act 2011. 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 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 group's and the charity's affairs as at 31 July 2012 and of the group's 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 2011.

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

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

- the information given in the 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 parent 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**  
Statutory Auditor  
Oxford  
Date:

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

# **LINCOLN COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2012**

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### **1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiaries College Enterprises Limited and College Trading Limited. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiaries that are included in the consolidated income, expenditure and results of the College are disclosed in note 13.

### **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 the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

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.

Income from investment properties is accounted for in the period to which the rental income relates.

### **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.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure.

# **LINCOLN COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2012**

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### **7. Leases**

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

The cost of the assets held under finance leases is included within fixed assets and depreciation is charged in accordance with the accounting policy for each class of asset concerned. The corresponding capital obligations under these leases are shown as liabilities. The finance charge element of rentals is charged to the Statement of Financial Activities and classified within finance costs as incurred.

### **8. Tangible fixed assets**

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

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:

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	20 - 50 years
Equipment	3 - 15 years

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

### **10. Investments**

Investment properties are valued as individual investments at their market values as at the balance sheet date. Purchases and sales of investment properties are recognised on exchange of contracts.

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.

## LINCOLN COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2012

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#### 13. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. Endowment funds are 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 placed 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.

#### 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.

**Lincoln College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2012**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching, research and residential		4,972	0	0	4,972	4,978
		<u>4,972</u>	<u>0</u>	<u>0</u>	<u>4,972</u>	<u>4,978</u>
<b>Resources from generated funds</b>						
Legacies and donations		274	2,094	2,799	5,167	2,323
Trading income	2	181	0	0	181	191
Investment income	3	1,668	259	24	1,951	1,921
Bank and other interest	4	42	0	0	42	4
		<u>2,165</u>	<u>2,353</u>	<u>2,823</u>	<u>7,341</u>	<u>4,439</u>
<b>Total Incoming Resources</b>		<u>7,137</u>	<u>2,353</u>	<u>2,823</u>	<u>12,313</u>	<u>9,417</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		440	0	0	440	390
Trading expenditure		173	0	0	173	183
Investment management costs		217	1	109	327	309
		<u>830</u>	<u>1</u>	<u>109</u>	<u>940</u>	<u>882</u>
<b>Charitable activities</b>	5					
Teaching, research and residential		6,267	1,023	25	7,315	6,716
		<u>6,267</u>	<u>1,023</u>	<u>25</u>	<u>7,315</u>	<u>6,716</u>
<b>Governance costs</b>	8	23	0	1	24	21
<b>Total Resources Expended</b>		<u>7,120</u>	<u>1,024</u>	<u>135</u>	<u>8,279</u>	<u>7,619</u>
<b>Net incoming/(outgoing) resources before transfers</b>		17	1,329	2,688	4,034	1,798
Transfers between funds	17	402	(402)	0	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>419</u>	<u>927</u>	<u>2,688</u>	<u>4,034</u>	<u>1,798</u>
Investment gains/(losses)		(29)	(35)	3,146	3,082	3,726
<b>Net movement in funds for the year</b>		<u>390</u>	<u>892</u>	<u>5,834</u>	<u>7,116</u>	<u>5,524</u>
Fund balances brought forward	17	16,471	2,397	66,810	85,678	80,154
<b>Funds carried forward at 31 July</b>	17	<u>16,861</u>	<u>3,289</u>	<u>72,644</u>	<u>92,794</u>	<u>85,678</u>

**Lincoln College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2012**

	Notes	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	16,040	14,650	16,040	14,650
Property investments	11	37,894	31,916	37,894	31,916
Securities and other investments	12	34,861	36,521	28,713	29,539
		<b>88,795</b>	<b>83,087</b>	<b>82,647</b>	<b>76,105</b>
<b>CURRENT ASSETS</b>					
Stocks		114	123	114	123
Debtors	14	952	1,031	1,035	1,268
Deposits and other short term investments		5,004	0	5,004	0
Cash at bank and in hand		4,093	3,528	4,077	3,296
		<b>10,163</b>	<b>4,682</b>	<b>10,230</b>	<b>4,687</b>
<b>CREDITORS: falling due within one year</b>	15	<b>1,033</b>	<b>1,956</b>	<b>1,102</b>	<b>1,963</b>
<b>NET CURRENT ASSETS</b>		<b>9,130</b>	<b>2,726</b>	<b>9,128</b>	<b>2,724</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>97,925</b>	<b>85,813</b>	<b>91,775</b>	<b>78,829</b>
<b>CREDITORS: falling due after more than one year</b>	16	<b>5,131</b>	<b>135</b>	<b>5,131</b>	<b>135</b>
<b>NET ASSETS</b>		<b>92,794</b>	<b>85,678</b>	<b>86,644</b>	<b>78,694</b>
<b>FUNDS OF THE COLLEGE</b>					
	17				
<b>Endowment funds</b>		<b>72,644</b>	<b>66,810</b>	<b>66,494</b>	<b>59,826</b>
<b>Restricted funds</b>		<b>3,289</b>	<b>2,397</b>	<b>3,289</b>	<b>2,397</b>
<b>Unrestricted funds</b>					
Designated funds		16,498	15,203	16,498	15,203
General funds		363	1,268	363	1,268
		<b>92,794</b>	<b>85,678</b>	<b>86,644</b>	<b>78,694</b>

*The financial statements were approved and authorised for issue by the Governing Body of Lincoln College on 7 November 2012.*

Trustee:

Trustee:



**Lincoln College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2012**

	Notes	2012 Group £'000	2011 Group £'000
<b>Net cash (outflow) from operations</b>	23	<b>(1,042)</b>	<b>(359)</b>
<b>Returns on investments and servicing of finance</b>			
Income from investments		1,993	1,925
Finance costs paid		(94)	(10)
		<b>1,899</b>	<b>1,915</b>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		1,539	1,332
Payments for tangible fixed assets		(1,847)	(747)
Proceeds from sales of tangible fixed assets		0	0
Net acquisition of investments		0	99
Net proceeds from sales of investments		24	0
		<b>(284)</b>	<b>684</b>
<b>Management of liquid resources</b>			
Net (additions to) term deposits		(5,004)	0
<b>Financing</b>			
New bank and other loans		5,000	135
Bank loans repaid		(4)	0
		<b>4,996</b>	<b>135</b>
<b>Increase in cash in the year</b>		<b>565</b>	<b>2,375</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the year		565	2,375
Transfers to term deposits and current investments		5,004	0
(Increase) in loan and lease finance		(4,996)	(135)
<b>Change in net funds</b>		<b>573</b>	<b>2,240</b>
<b>Net funds at 1 August</b>		<b>3,393</b>	<b>1,153</b>
<b>Net funds at 31 July</b>		<b>3,966</b>	<b>3,393</b>

**Lincoln College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
<b>Teaching, research and residential</b>					
Tuition fees - UK and EU students	1,099	0	0	1,099	1,189
Tuition fees - Overseas students	588	0	0	588	577
HEFCE support	291	0	0	291	320
Other academic income	335	0	0	335	227
College residential income	2,659	0	0	2,659	2,665
	<u>4,972</u>	<u>0</u>	<u>0</u>	<u>4,972</u>	<u>4,978</u>

The above analysis includes £1,246k received from Oxford University under the CFF Scheme, net of College fees received directly (2011 - £1,321k)

**2 TRADING INCOME**

	2012 £'000	2011 £'000
Subsidiary company trading income	181	191
	<u>181</u>	<u>191</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	99	0	0	99	109
Commercial rent	1,330	186	0	1,516	1,509
Other property income	121	0	0	121	125
Equity dividends	108	73	13	194	160
Interest on fixed term deposits and cash	10	0	11	21	18
	<u>1,668</u>	<u>259</u>	<u>24</u>	<u>1,951</u>	<u>1,921</u>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	42	0	0	42	4
	<u>42</u>	<u>0</u>	<u>0</u>	<u>42</u>	<u>4</u>

**Lincoln College**  
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**5 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	<b>2012 Total £'000</b>	2011 Total £'000
<b>Costs of generating funds</b>					
Fundraising	220	219	1	<b>440</b>	390
Trading expenditure	77	37	59	<b>173</b>	183
Investment management costs	0	327	0	<b>327</b>	309
<b>Total costs of generating funds</b>	<b>297</b>	<b>583</b>	<b>60</b>	<b>940</b>	<b>882</b>
<b>Charitable expenditure</b>					
Teaching, research and residential	3,148	2,961	1,206	<b>7,315</b>	6,716
<b>Total charitable expenditure</b>	<b>3,148</b>	<b>2,961</b>	<b>1,206</b>	<b>7,315</b>	<b>6,716</b>
<b>Governance costs</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>24</b>	<b>21</b>
<b>Total resources expended</b>	<b>3,445</b>	<b>3,568</b>	<b>1,266</b>	<b>8,279</b>	<b>7,619</b>

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council.

The teaching, research and residential costs include College Contribution payable of £48k (2011 - £62k).

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching Research Residential £'000	<b>2012 Total £'000</b>	2011 Total £'000
Financial and domestic admin	42	537	<b>579</b>	550
Human resources	1	30	<b>31</b>	29
IT	6	99	<b>105</b>	97
Depreciation	11	446	<b>457</b>	419
Loss/(profit) on fixed assets	0	0	<b>0</b>	0
Bank interest payable	0	44	<b>44</b>	8
Other finance charges	0	50	<b>50</b>	2
	<b>60</b>	<b>1,206</b>	<b>1,266</b>	<b>1,105</b>

Finance and administration and human resources 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.

IT costs are attributed according to the estimated staff time spent on each activity.

Interest and other finance charges are attributed according to the purpose of the related financing.

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**7 GRANTS AND AWARDS**

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 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	25	416	441	422
Bursaries and hardship awards	152	25	177	144
	<u>177</u>	<u>441</u>	<u>618</u>	<u>566</u>

The above costs are included within the charitable expenditure on teaching, research and residential.

**8 GOVERNANCE COSTS**

	2012	2011
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	24	21
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	0	0
	<u>24</u>	<u>21</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.

**9 STAFF COSTS**

	2012 £'000	2011 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,278	3,168
Social security costs	235	232
Pension costs	474	437
	<u>3,987</u>	<u>3,837</u>

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

	2012	2011
Tuition and research	11	12
College residential	58	57
Fundraising	4	4
Support	11	9
Total	<u>84</u>	<u>82</u>

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**9 STAFF COSTS (continued)**

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

University Lecturers	13	12
CUF Lecturers	5	6
Other teaching and research	8	7
Other	4	4
<b>Total</b>	<b>30</b>	<b>29</b>

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	2012	2011
£60,001-£70,000	1	1

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	1	1
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**10 TANGIBLE FIXED ASSETS**

**Group and College**

	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>			
At start of year	16,866	1,063	17,929
Additions	1,838	9	1,847
Disposals	0	0	0
<b>At end of year</b>	<b>18,704</b>	<b>1,072</b>	<b>19,776</b>
<b>Depreciation</b>			
At start of year	2,705	574	3,279
Charge for the year	326	131	457
On disposals	0	0	0
<b>At end of year</b>	<b>3,031</b>	<b>705</b>	<b>3,736</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>15,673</b>	<b>367</b>	<b>16,040</b>
At start of year	14,161	489	14,650

**Lincoln College**  
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**11 PROPERTY INVESTMENTS**

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2012 Total £'000	2011 Total £'000
Valuation at start of year	7,641	19,765	4,510	31,916	30,596
Additions and improvements at cost	0	1,260	0	1,260	141
Disposals net proceeds	0	(133)	0	(133)	(314)
Revaluation gains/(losses) in the year	580	2,264	2,007	4,851	1,493
<b>Valuation at end of year</b>	<b>8,221</b>	<b>23,156</b>	<b>6,517</b>	<b>37,894</b>	<b>31,916</b>

Property valuations at 31 July 2012 have been provided by Cluttons, Styles & Whitlock, Breckon & Breckon, or the College's external land agent (FRICS) from Laws & Fiennes on the basis of market value

**12 SECURITIES AND OTHER INVESTMENTS**

	2012 £'000	2011 £'000		
<b>College investments</b>				
Valuation at start of year	29,537	27,219		
New money invested	148	169		
Amounts withdrawn	(124)	(220)		
Reinvested income	200	177		
Investment management fees	(109)	(100)		
(Decrease)/increase in value of investments	(941)	2,292		
<b>External investments at end of year</b>	<b>28,711</b>	<b>29,537</b>		
Investment in subsidiaries	2	2		
<b>College investments at end of year</b>	<b>28,713</b>	<b>29,539</b>		
<b>Group investments</b>				
Valuation at start of year	36,521	34,214		
New money invested	156	229		
Amounts withdrawn	(138)	(230)		
Reinvested income	200	177		
Investment management fees	(109)	(102)		
(Decrease)/increase in value of investments	(1,769)	2,233		
<b>Group investments at end of year</b>	<b>34,861</b>	<b>36,521</b>		
<b>Group investments comprise:</b>				
	Held outside the UK £'000	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments	0	14,921	14,921	18,773
Fixed interest stocks	0	2,509	2,509	841
Alternative and other investments	1,179	15,397	16,576	12,676
Fixed term deposits and cash	0	855	855	4,231
<b>Total group investments</b>	<b>1,179</b>	<b>33,682</b>	<b>34,861</b>	<b>36,521</b>

**Lincoln College**  
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**13 SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Lincoln College Trading Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Lincoln College Enterprises Limited, a company providing design and build construction services to the College.

The results of the subsidiaries and their assets and liabilities at the year end were as follows.

	<b>Lincoln College Trading Limited £'000</b>	<b>Lincoln College Enterprises Limited £'000</b>
Turnover	181	1,496
Expenditure	(179)	(1,426)
Donation to College under gift aid	(2)	(70)
Result for the year	<u>0</u>	<u>0</u>
Total assets	148	340
Total liabilities	(147)	(339)
Net funds at the end of year	<u>1</u>	<u>1</u>

In addition the consolidated accounts include Lincoln 2027 Trust and Lincoln College Michael Zilkha Fund which are separate registered charities. Please see note 17 for the funds held by these charities (which are all represented by investments) and the movements in the year.

**14 DEBTORS**

	<b>2012 Group £'000</b>	<b>2011 Group £'000</b>	<b>2012 College £'000</b>	<b>2011 College £'000</b>
<b>Amounts falling due within one year:</b>				
Trade debtors	344	444	290	375
Amounts owed by College members	11	85	11	85
Amounts owed by Group undertakings	0	0	137	298
Loans repayable within one year	2	0	2	0
Prepayments and accrued income	277	64	277	72
<b>Amounts falling due after more than one year:</b>				
Loans	318	438	318	438
	<u>952</u>	<u>1,031</u>	<u>1,035</u>	<u>1,268</u>

**Lincoln College**  
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**15 CREDITORS: falling due within one year**

	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Group</b>	<b>Group</b>	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade creditors	489	418	326	383
Amounts owed to Group undertakings	0	0	244	99
Taxation and social security	23	24	20	27
College contribution	54	60	54	60
Accruals and deferred income	224	337	215	277
Other creditors	243	1,117	243	1,117
	<b>1,033</b>	<b>1,956</b>	<b>1,102</b>	<b>1,963</b>

**16 CREDITORS: falling due after more than one year**

	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	<b>Group</b>	<b>Group</b>	<b>College</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans	5,031	35	5,031	35
Other loans	100	100	100	100
	<b>5,131</b>	<b>135</b>	<b>5,131</b>	<b>135</b>

£5,000,000 of the bank loans is repayable in 2041. This loan is unsecured



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**17 FUNDS OF THE GROUP MOVEMENTS**

	At 1 August 2011 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2012 £'000
<b>Endowment Funds - Permanent</b>						
General Endowment	35,784		(68)		2,641	38,357
Montgomery Estate	562		(1)		(10)	551
Nuffield Research Trust Fund	1,180		(2)		(31)	1,147
Paul Shuffrey Bequest	4,420		(7)		2,006	6,419
Other Fellowships	6,592	1,313	(11)	(38)	(171)	7,685
Student Support	2,586	126	(3)	38	(248)	2,499
Others	112	5	0		(4)	113
<b>Endowment Funds - Expendable</b>						
General endowment	4,858		(7)		(118)	4,733
Legacies and Bequests	3,732	1,355	(6)		(91)	4,990
Lincoln 2027 Trust	5,834	11	(3)		(800)	5,042
Lincoln College Michael Zilkha Fund	1,150	13	(27)		(28)	1,108
<b>Total Endowment Funds</b>	<b>66,810</b>	<b>2,823</b>	<b>(135)</b>	<b>0</b>	<b>3,146</b>	<b>72,644</b>
<b>Restricted Funds</b>						
Income, Endowment Funds	842	246	(435)			653
Scholarship and grants		406	(406)			0
Garden building		1,450		(402)		1,048
Other restricted funds	1,555	251	(183)		(35)	1,588
<b>Total Restricted Funds</b>	<b>2,397</b>	<b>2,353</b>	<b>(1,024)</b>	<b>(402)</b>	<b>(35)</b>	<b>3,289</b>
<b>Unrestricted Funds</b>						
General	1,268	7,113	(7,112)	(888)	(18)	363
Fixed asset designated	14,650			1,290		15,940
Other designated	553	24	(8)		(11)	558
<b>Total Unrestricted Funds</b>	<b>16,471</b>	<b>7,137</b>	<b>(7,120)</b>	<b>402</b>	<b>(29)</b>	<b>16,861</b>
<b>Total Group Funds</b>	<b>85,678</b>	<b>12,313</b>	<b>(8,279)</b>	<b>0</b>	<b>3,082</b>	<b>92,794</b>
<b>less:</b>						
Lincoln 2027 Trust	(5,834)	(11)	3	0	800	(5,042)
Michael Zilkha Fund	(1,150)	(13)	27	0	28	(1,108)
<b>Total College Funds</b>	<b>78,694</b>	<b>12,289</b>	<b>(8,249)</b>	<b>0</b>	<b>3,910</b>	<b>86,644</b>

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**18 FUNDS OF THE COLLEGE DETAILS**

The following is a summary of the origins and purposes of each of the main 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 College; includes the foundation capital of the College.
Montgomery Estate	A fund established by Mrs Gertrude Montgomery in 1977 where income, but not capital, can be used to fund the teaching of Classics and/or German.
Nuffield Research Trust Fund	A fund established by Viscount Nuffield in 1948 where income, but not capital, can be used to support medical research, specifically to fund the emoluments payable to the College's nominated medical research Fellow(s).
Paul Shuffrey Bequest	A fund established by Paul Shuffrey in 1955 where income, but not capital, can be used to fund the study of Architecture, Classics, History of Art or similar areas of study at the discretion of the Rector of the College.
Other Fellowships	A consolidation of gifts and donations where income, but not capital, can be used to support a number of named Fellowships dedicated to research and teaching at Lincoln College.
Student Support	A consolidation of gifts and donations where income, but not capital, can be used to fund scholarships, exhibitions, prizes and other forms of support for students at Lincoln College.

**Endowment Funds - Expendable:**

General Endowment	A consolidation of gifts and donations where either income or income and capital can be used for the general purposes of the College.
Legacies and Bequests	A consolidation of legacies and bequests made over to Lincoln College, of which either income or income and capital can be used for the general purposes of the College.
Lincoln 2027 Trust	An independent charity (registered no.1136816) established by Trust Deed dated 18th December 2009 with the object of raising, investing and accumulating funds to provide new and substantial support to Lincoln College.
Lincoln College Michael Zilkha Fund	Independent charity (reg. no. 1095113) established by Trust Deed in 2002 whose object is to support the educational and/or research activities of the Fellows of Lincoln College.

**Restricted Funds:**

Income, Endowment funds	Income generated by endowment funds which can be used for the specific purposes for which the endowment funds were established.
Garden Building	Funds received for the new Garden Building. Amounts are transferred to the fixed asset designated fund once they have been expended on the new building.
Scholarships and grants	Funds received for scholarships and other forms of support for students that have been expended during the year.

**Designated Funds**

Fixed asset designated	Unrestricted funds which are represented by the fixed assets of the College and which are therefore not available for expenditure on the College's general purposes.
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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

**Lincoln College**  
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**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	16,040	0	0	16,040
Property investments	0	0	37,894	37,894
Securities and other investments	882	1,180	32,799	34,861
Net current assets	5,070	2,109	1,951	9,130
Creditors: falling due after more than one year	(5,131)	0	0	(5,131)
	<u>16,861</u>	<u>3,289</u>	<u>72,644</u>	<u>92,794</u>

**20 TRUSTEES' REMUNERATION**

The trustees of the College comprise the Governing Body, primarily Fellows who are teaching and research employees of the college and who sit on Governing Body by virtue of their employment.

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 in accordance with external scales. Many are joint arrangements with the University of Oxford.

The College has a Remuneration Committee which is an advisory committee of the Governing Body. The Remuneration Committee makes recommendations to the Governing Body in respect of those parts of the remuneration in which some discretion or judgement is required, such as the setting of specific allowances.

Trustees of the college fall into the following categories:

- Professorial Fellows
- Tutorial Fellows
- Trustees who do not have education or research responsibilities but who work full-time as managers of the College, namely the Rector, Bursar, Senior Tutor and Domestic Bursar

Some trustees, particularly tutorial fellows, are eligible for College housing schemes. Some trustees live in properties owned by the College and have a deduction from salary as rent. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Some trustees are in receipt of a loan from the College to facilitate house-purchase within the Oxford area. These are disclosed in note 27.

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

The total remuneration and taxable benefits included overleaf is £951k (2010-11 £965k). The total of pension contributions included overleaf is £138k (2010-11 £143k).

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**20 TRUSTEES' REMUNERATION (continued)**

**Remuneration paid to trustees**

Range	2011-2012		2010-2011	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£6,000-£6,999	1	6,332	0	0
£7,000-£7,999	1	7,879	0	0
£8,000-£8,999	2	16,934	0	0
£9,000-£9,999	0	0	1	9,399
£11,000-£11,999	1	11,927	1	11,524
£16,000-£16,999	0	0	1	16,675
£18,000-£18,999	1	18,810	3	54,968
£19,000-£19,999	1	19,474	2	38,900
£20,000-£20,999	2	40,368	3	60,956
£21,000-£21,999	4	86,089	1	21,130
£23,000-£23,999	1	23,782	1	23,220
£26,000-£26,999	2	53,450	1	26,472
£29,000-£29,999	1	29,218	0	0
£34,000-£34,999	0	0	1	34,631
£35,000-£35,999	0	0	1	35,936
£36,000-£36,999	2	73,090	1	36,136
£37,000-£37,999	1	37,330	0	0
£38,000-£38,999	0	0	1	38,288
£40,000-£40,999	0	0	1	40,912
£49,000-£49,999	4	198,381	4	198,716
£50,000-£50,999	1	50,009	1	50,460
£51,000-£51,999	1	51,474	1	51,247
£71,000-£71,999	0	0	1	71,206
£74,000-£74,999	1	74,950	0	0
£75,000-£75,999	1	75,455	1	75,230
£98,000-£98,999	0	0	1	98,542
£100,000-£100,999	1	100,888	0	0
£113,000-£113,999	1	113,641	1	113,463
Total	30	1,089,481	29	1,108,011

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

All trustees, together with other senior employees, are eligible for private health insurance as part of their package of remuneration.

**Trustee expenses**

No fellow claimed any expenses for work as a trustee.

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**21 PENSION SCHEMES**

**1. The pension schemes**

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). 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, in accordance with 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 income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College also has a small number of staff in other pension schemes.

**2. Actuarial valuations**

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are shown in the following table.

	<b>USS</b>	<b>OSPS</b>
Date of valuation:	31/03/2011	31/03/2010
Date valuation results published:	15/06/2012	30/06/2011
Value of liabilities:	£35,344m	£394m
Value of assets:	32,434m	£312m
Funding Surplus/(Deficit):	(£2,910m)a	(£82m)b
<i>Principal assumptions:</i>		
Rate of interest (past service liabilities)	6.1% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	7.0% pa
Rate of interest (periods after retirement)	-	5.0% pa
Rate of increase in salaries	4.4% pa	4.7% pa
Rate of increase in pensions	3.4% pac	3.7% pa
<i>Mortality assumptions:</i>		
Assumed life expectancy at age 65 (males)	23.7 yrs	22 yrs
Assumed life expectancy at age 65	25.6 yrs	24 yrs
<i>Funding Ratios:</i>		
Technical Provisions basis:	1	1
Statutory Pension Protection Fund basis:	1	1
"Buy-out" basis:	1	1
Estimated FRS17 basis	1	1
Recommended Employer's contribution rate (as % of pensionable salaries):	16%d	21.5%e
Effective date of next valuation:	31/03/2014	31/03/2013

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**21 PENSION SCHEMES (continued)**

Notes:

- a. USS' actuarial valuation as at 31<sup>st</sup> March 2011 identified a funding deficit of £2,910m. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1<sup>st</sup> October 2011, a package of changes, including the admission of new members into a Career Revalued Benefits section. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on USS' website [www.uss.co.uk](http://www.uss.co.uk). After allowing for those changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries for the 2011/12 year, reducing over time. USS agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1<sup>st</sup> October 2009) until 31<sup>st</sup> March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals. The actuary has certified that the additional contribution should eliminate the deficit by 31<sup>st</sup> March 2021.
- b. OSPS' actuarial valuation as at 31<sup>st</sup> March 2010 identified a required long-term employer contribution rate of 18.2% of total pensionable salaries, but also a funding deficit of £82.4m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employer since 1<sup>st</sup> August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31<sup>st</sup> March 2027. In addition, the University has agreed to close the scheme to future final salary accrual, transferring all members onto a Career Revalued benefits structure with effect from 1<sup>st</sup> January 2013. Further details may be seen on the Schemes' website [www.admin.ox.ac.uk/finance/pensions/osps/](http://www.admin.ox.ac.uk/finance/pensions/osps/)
- c. USS' actuary has assumed that pension increases will be 3.4% a year for the three years to 31<sup>st</sup> March 2014, then 2.6% a year thereafter.
- d. As noted above (note a.), the USS employer contribution rate required for future service benefits alone at the date of the valuation was 12.6% of total pensionable salaries. It was agreed that employers should continue to contribute at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1<sup>st</sup> October 2009) until 31<sup>st</sup> March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals.
- e. As noted above (note b.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 18.2% of total pensionable salaries. It was agreed that employers should continue to contribute at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employers since 1<sup>st</sup> August 2008).

**3. Sensitivity of actuarial valuation assumptions**

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £3.2bn	decrease / increase by £35m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £2.0bn	increase / decrease by £25m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £1.2bn	increase / decrease by £5m
Rate of mortality	more prudent assumption (mortality at last valuation, rated down by a further year)	increase by £0.8bn	increase by £10m

**Lincoln College**  
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**21 PENSION SCHEMES (continued)**

**4. Pension charge for the year**

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows:

	<b>£'000</b>	
<i>Scheme</i>	<b>2012</b>	<b>2011</b>
Universities Superannuation Scheme	<b>198</b>	189
University of Oxford Staff Pension Scheme	<b>268</b>	240
Other Schemes	<b>8</b>	8
<b>Total</b>	<b>474</b>	<b>437</b>

**22 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.

**23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS**

	<b>2012 £'000</b>	<b>2011 £'000</b>
<b>Net incoming resources for the year</b>	<b>4,034</b>	1,798
Elimination of non-operating cash flows:		
- Investment income	<b>(1,993)</b>	(1,925)
- Endowment donations	<b>(2,799)</b>	(1,332)
- Financing costs	<b>94</b>	10
Depreciation	<b>457</b>	419
Decrease in stock	<b>9</b>	7
(Increase) in debtors	<b>79</b>	(449)
Increase in creditors	<b>(923)</b>	1,113
<b>Net cash (outflow) from operations</b>	<b>(1,042)</b>	<b>(359)</b>

**24 ANALYSIS OF CHANGES IN NET FUNDS**

	<b>2011 £'000</b>	<b>Cash flow £'000</b>	<b>2012 £'000</b>
Cash at bank and in hand	3,528	565	<b>4,093</b>
Deposits and short term investments	0	5,004	<b>5,004</b>
	<b>3,528</b>	<b>5,569</b>	<b>9,097</b>
Bank and other loans due after one year	(135)	(4,996)	<b>(5,131)</b>
	<b>3,393</b>	<b>573</b>	<b>3,966</b>

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**25 FINANCIAL COMMITMENTS**

At 31 July the College had no annual commitments under non-cancellable operating leases

**26 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £4.55m (2011 - £1.1m). This will be funded by the £5m loan that has been drawn down in the year (see note 16)

**27 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.

The following trustees had loans outstanding from the College at the start and/or end of the year;

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Dr Roel Dullens	<b>108</b>	108
Prof. Cecile Fabre	<b>99</b>	105
Dr Perry Gauci	<b>3</b>	6
Dr Sara Hobolt	<b>0</b>	108
Dr Michael Willis	<b>100</b>	100

Interest is charged on the above loans.

In addition the following trustees had interest free capital expenditure loans outstanding from the College at the start and/or end of the year:

Prof. David Hills	<b>1</b>	0
Prof. Peter McCullough	<b>1</b>	0
Prof. Cecile Fabre	<b>1</b>	0

**28 CONTINGENT LIABILITIES**

There are no contingent liabilities at the balance sheet date (2011 nil)

**29 POST BALANCE SHEET EVENTS**

There have been no material post balance sheet events which require disclosure.