Lincoln College

Annual Report and Financial Statements

Year ended 31 July 2013

LINCOLN COLLEGE

Annual Report and Financial Statements, year to 31st July 2013

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LINCOLN COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2013

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. Non-professorial Fellows do not vote at Governing Body meetings during their first year in office and therefore are not trustees of the charity until they have been in post for one year (marked *).

		(1)	(2)	(3)	(4)
Prof Neil Barclay					
Dr Susan Brigden	Fellow for Alumni Relations				
Dr Rachel Buxton	Domestic Bursar	•		•	•
Dr Radu Coldea				•	
Prof Peter Cook					
Dr Roel Dullens				•	
Dr Louise Durning	Senior Tutor	•	•	•	•
Prof Nigel Emptage	Senior Dean	•	•		•
Prof. Cecile Fabre			•		
Prof Matthew Freeman	appointed 1st January 2013				
Prof Simon Gardner				•	
Dr Perry Gauci				•	
Dr Noam Gur					
Dr Alana Harris	Fellow for Schools Liaison		•		
Dr Oliver Herford					
Prof David Hills	Sub-Rector	•	•	•	•
Prof Nick Jelley				•	
Mr Tim Knowles	Bursar	•	•	•	•
Prof. Paul Langford	Rector, resigned August 31st 2012	•	•	•	•
Prof Daniel Littman	appointed 1st January 2013, resigned 30th April 2013				
Prof Peter McCullough	Steward of Common Room				
Dr Edward Nye		•			
Dr Frank Payne					
Prof Nicholas Proudfoot					
Prof Jordan Raff					

Dr Pietro Roversi	resigned 31st July 2013				
Prof Richard Schrock	appointed 1st May 2013, resigned 31st July 2013				
Prof Roland Smith	Fellow Librarian and Archivist				
Dr Maria Stamatopolou			•		
Prof Margaret Stevens					
Dr Philippe Trinh*	appointed 1st October 2012				
Dr Ioannis Vakonakis*	appointed 1st April 2013				
Prof David Vaux					
Dr Dominic Vella					
Prof Catherine de Vries*	appointed 1st September 2012				
Prof Herman Waldmann	resigned 31st December 2012				
Dr Qian Wang*	appointed 1st September 2012*				
Dr Betiel Wasihun					
Dr Mark Williams					
Prof Michael Willis			•		
Prof Henry Woudhuysen	Rector appointed 1st September 2012	•	•	•	•

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 Committee

In addition Prof Stephan Chambers, Senior Research Fellow of the College and Director of the MBA programme at the Said Business School, is a member of the Finance Committee

COLLEGE STAFF

Senior members of staff who were not trustees but who undertook important roles in the management of the College during the year were:

Ms Susan Harrison	Development Director (attended Governing Body meetings)
Mrs Fiona Piddock	Librarian
Mrs Celia Harker	Accountant
Ms Jemma Underdown	Academic Administrator
Mr Ashley Walters	Schools Liaison Officer
Dr Dianne Gull	Admissions Officer
Mr Michael White	IT Officer
Mr Stuart White	Surveyor (resigned December 31st 2012)
Mr Richard Noonan	Clerk of Works
Revd Gregory Platten	Chaplain (resigned April 30th 2013)
Ms Nina Thompson	Human Resources Manager

ALUMNI REPRESENTATIVES AND ADVISORS

An alumnus of the College attended Governing Body meetings as representative of the College's alumni and in his capacity as Chair of the College's Development Committee. In 2012-13 this person was Mr Richard Hardie.

Two alumni of the College served as members of the Finance Committee. In 2012-13 these were Mr Christopher Fitzgerald and Mr Hugh Sloane.

In 2012-13 the Chairman of the Remuneration Committee was an alumnus, being Mr Peter Clarke, formerly Fellow and Tutor in Law at Jesus College Oxford. (The other members of the Committee were Professor Keith Gull, formerly a Professorial Fellow at Lincoln College and currently Principal of St Edmund Hall, Oxford; and Ms Sheona Wood, alumna and Partner in the legal practice DW Fishburns).

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

47 alumni served as members of the Rector's Council, meeting in June 2013 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

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

The Members of the Governing Body present their Annual Report for the year ended 31 July 2013 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 13th 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 3rd 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 their field of study. College Officers appointed as 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 those College Officers who have been 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 Official Fellows, being Tutorial, Professorial or Extraordinary 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 for 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 the Senior Tutor, the Bursar and the Domestic Bursar, for some Tutorial Fellows and for all Extraordinary Fellows) the recruitment process will have been managed entirely by the Rector and Fellows of the College aided as required by expert advisers from outside the College.

New Fellows are formally elected to the 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 Commission and trustee training sessions are made available to members of the Governing Body.

Organisational management

The members of the Governing Body meet at least seven 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 : chaired by an alumnus, convened by the Development Director; remit covers alumni relations and fund-raising; membership includes a number of alumni and College officers.

Remuneration Committee : an advisory committee of 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; the current Chairman is Mr Peter Clarke, Emeritus Professor of Jesus College, Oxford and alumnus of Lincoln College.

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.

There are two charitable bodies which are constituted independently of the College and whose objects are solely for the benefit of the College and its members. These are the Lincoln College Michael Zilkha Trust (registered charity number 1095113) whose object is to support the educational and/or research activities of

the Fellows of Lincoln College; and the Lincoln 2027 Trust (registered charity number 1136816) whose object is to raise and accumulate funds to provide new and substantial support for the College.

The College has two wholly owned non-charitable subsidiaries. These are 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 (those experts with whom the College maintains a regular relationship are listed on page 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 objects.

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, both in a wide range of subject areas. 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.

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, ethnic origin, nationality, 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 2012-13 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. Sixty-seven undergraduate students received bursaries of up to £5,500 each via the Oxford Opportunity Bursary Scheme. In total Lincoln students received approximately £159,000 via this Scheme, with the College's contribution to the Scheme amounting to £91,000. Lincoln participated in the University's fee waiver programme, effectively subsidising undergraduate tuition fees to the extent of £19,000. The College made additional grants and loans from its own funds totalling £22,000 to undergraduates 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 2012-13 the total awarded was £78,000.

Scholarships and studentships awarded to post-graduates amounted to £518,000. A further £11,000 was provided by way of bursaries to post-graduates.

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, and the College co-ordinates its activities with those of the collegiate University as a whole in order to ensure an even distribution of outreach work across the United Kingdom. The Schools Liaison 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. In 2012-13 visits were undertaken to 75 schools and colleges of further education, primarily in Lincolnshire and in the Bristol/Bath area. The College participated actively in Open Days organised by the collegiate University. In 2012-13 the College's expenditure on activities associated with the admission of new students was £113,000, of which £22,000 was spent specifically on the outreach activities here described.

The College hosted a number of events for the benefit of the wider public. These included the annual Wesley lecture and the week-long programme of exhibitions and performances under the auspices of the Turl Street Arts Festival. Regular chapel services were open to members of the public; the College admitted visitors and tourists without charge; and the College continued to make its sports facilities available to the East Oxford Cricket Club for the duration of the 2013 cricket season.

ACHIEVEMENTS AND PERFORMANCE

During the year 2012-13 Lincoln College has registered significant achievements consistent with its two charitable objects.

(i) Students

The College continued in its principal work which, in relation to its student members, is the provision of education in the broadest sense. Undergraduate numbers totalled approximately three hundred spread over

three or four years of study, in line with Lincoln's long-standing policy of providing 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 of the University. Eighty-four undergraduate students in their third or fourth year of study completed the Final Honours School in 2013, with thirty-two being placed in the First Class and forty-six being awarded a 2:1 degree The College was placed 7th in the Norrington Table which compares the performance of students from Oxford's 30 undergraduate colleges in the University's Final Honours Schools. Eighty-four students in their first year of study passed the First Public Examination at Oxford University; twenty 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. Thirty-nine students were awarded the degree of D:Phil during the year; and of the sixty-one students who passed examinations for their post-graduate qualifications in the summer of 2013, twenty-one achieved special merit (Distinction or First Class).

The College continued to encourage education in its broadest sense, supporting its student members in a wide range of cultural and sporting activities. In Michaelmas Term 2012 the newly-founded Lincoln College Music Society put on a highly-acclaimed production of the opera "Amahl and the Night Visitors" in the College chapel. The Turl Street Arts Festival took place in Hilary Term 2013 and included displays of art and photography, and performances of poetry, comedy, film, drama and music. Particular highlights were the "Web Lincoln" art installation in Chapel Quad and a peripatetic jazz parade. Students participated at College, University and higher levels in a number of sports. Thirty students were awarded blues or half-blues in recognition of their representing the University's sports' teams, in sports as diverse as archery, ice hockey, netball and water polo, and including three blues for women's rowing. The College Boat Club continued its recent strong performance. Both the men's First and women's Second Torpids won blades for the second year in succession, the men securing a place in the first division for the first time in ten years; and in summer Eights each of the College's five boats either improved or maintained their position on the river. And by no means least of the College's achievements, current and former members of Lincoln combined to assist one of our post-graduate students in setting a new world record for winning games of simultaneous Scrabble, in the process raising a substantial sum of money for charitable causes.

The Oxford University Careers' Service's maintains a database of graduating students' employment destinations. For the years 2009-12 the percentage of Lincoln's students not in employment or study (or a combination of the two) six months after leaving the College was 5.4%. The average figure for all the colleges in the University was 5.7%.

(ii) Fellows and Lecturers

During the year the Governing Body elected a new Rector to succeed Professor Paul Langford who retired on August 31st 2012. Professor Henry Woudhuysen, formerly Dean of Humanities at University College London, took office as the 39th Rector on Lincoln College on September 1st 2012.

Senior members of the College combined their teaching and educational duties with research work of the highest quality in 2012-13, producing a wide range of publications. There follows a representative list of notable research achievements by Fellows and academic researchers associated with the College:

Neil Barclay (Chemical Pathology) has completed a long-term project on the protein CD200, this research being a significant contributor to ongoing studies of the immune system.

Nigel Emptage (Physiology and Pharmacology) has continued his work on memory processes and on optics, and has addressed the Royal Societies of both Scotland and England on these subjects.

Cecile Fabre (PPE – Philosophy) saw her book *Cosmopolitan War* published in September 2012 and began work on her next project, to be entitled *Cosmopolitan Peace*. This later piece of research is supported by a prestigious grant from the British Academy.

Simon Gardner (Law) has published two articles and has four others in production, on subjects including cohabitants' financial and property rights, the beneficiary principle in trusts and litigation concerning the rectification of the land register.

Perry Gauci (History) published his biography of William Beckford (1709-1770), the Jamaican Lord Mayor of London, in summer 2013.

Alana Harris (History) published two monographs and authored or co-authored six articles on various aspects of 20th century religious culture.

Nicholas Jelly (Physics) continued his research into simple solar concentrators, designing a low-cost solar cooker which could be used widely in developing countries. This research is funded by the Leverhulme Trust.

Peter McCullough (English) has continued his work editing the Oxford edition of the sermons of John Donne, and has published research articles on Lancelot Andrewes and Jacobean church music.

Edward Nye (Modern Languages) has contributed to three international collaborative projects on Italian dance libretti, European theatre direction and the French composer Rameau, while also republishing his anthology of literature on the bicycle "*A Bicyclette".*

R R R (Bert) Smith (Classical Archaeology) has published two research articles and two co-edited journals, and has seen the publication of volume six of the results of excavations at Aphrodisias in Turkey, this latest volume entitled "*The Marble Reliefs from the Julio-Claudian Sebasteion*".

Philippe Trinh (Mathematics) has collaborated with colleagues at the universities of Princeton and British Columbia, and has had articles published in the Journal of Fluid Mechanics and the SIAM Journal on Applied Mathematics.

Ioannis (John) Vakonakis (Biochemistry) has continued his Wellcome Trust/BBSRC–funded research into the functioning of molecular "machine" inside cells.

David Vaux (Medical Sciences) continued his research into nuclear cell biology, in particular focusing on the ways in which genes may suffer damage and on the genetic information carried by mitochondria.

Dominic Vella (Mathematics) has continued his research developing mathematical models of wrinkling, now funded by the Leverhulme Trust; and has published articles in *Physical Review Letters*

Betiel Wasihun (Modern Languages) has co-edited a volume of essays entitled *"Playing False: a Representation of Betrayals"* and has presented research papers in Oxford, Boston and Paris.

Michael Willis (Chemistry) continued his research into developing a new range of cascade catalytic processes for the preparation of complex molecules and published a number of primary research articles, while also lecturing in Japan.

Henry Woudhuysen (Rector) has contributed a chapter to *The Oxford Handbook to English Prose c.1500-1640*; has lectured in the UK, in Germany and in the USA; and has begun work as a contributor to a new edition of Evelyn Waugh's complete works.

(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. On the resignation of Revd Gregory Platten in April 2013 the College appointed Father Philip Corbett as Acting Chaplain for the remainder of the academic year. The College provided scholarships and music lessons to its two organ scholars and a number of choral 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, recording a CD on the theme of "remembrance" and enjoying a summer tour to Erfurt, Weimar and Leipzig. .

(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.

Following the recovery early in 2012 of the Turl Tavern from its long-standing lessee, the project to convert 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, was completed during the year under review.

The College continued its long-term programme to refurbish all the student rooms on the west side of Turl Street: by end-July 2013 27 rooms on Staircase 15 and in Lincoln House had been, redecorated and provided with en-suite facilities and central heating and it is expected that the remaining 16 rooms in Lincoln House will be similarly treated by the end of 2014.

Construction work on the Garden Building project has continued throughout the year under review. This project will see a total refurbishment of the existing Garden Building together with the construction of new facilities to provide a performance space, a student common room, a meeting room, a lecture hall and music practice facilities. The work is due for completion in the summer of 2014, and at time of writing remains broadly on schedule. This major project for the College has been made possible by generous financial support from the Edward Penley Abraham Trust (the EPA Trust) and the Berrow Foundation.

In April 2013 the College took delivery of the recently-refurbished 32a Little Clarendon Street to provide 37 en-suite rooms for post-graduate students. This property is to be named the Dame Louise Johnson Building in recognition of the support provided by the EPA Trust of which Dame Louise served as Chairman 2000-2003.

In June 2013 the College fulfilled a long-standing ambition by acquiring the freehold to 120-121 High Street, Oxford. The property is currently partly-occupied by Nat West and Coutts Banks: they will continue as lessees of the College for the foreseeable future. During 2013-14 the College will give consideration to the most appropriate uses of the remainder of the building which is accessed from King Alfred Street and from staircase 22 of the College's post-graduate accommodation bloc at Bear Lane.

(v) Development and Fund-raising

The College is nearing the end of its "Living Lincoln" Campaign and to date £25.9m has been raised. It is on track to reach the target of £27m by the end of the Campaign in late 2014. In 2012-13 just over £7m was donated or pledged to the College. Of particular note was a pledge of £2m towards the establishment of a new bursary scheme for undergraduates. The recruitment of a new Campaign Officer with a particular responsibility for fundraising in the USA saw participation in the US rise to 20% (from 13%) and a number of significant gifts were pledged. Overall, alumni participation rose slightly to 18%.

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;
- returns 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 2012-13 the total of incoming resources was £13.100million (2021: £12.313million) of which £5.061million was in the form of donations and legacies (2012: £5.167million)

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 2012-13 the total of resources expended was £8.666million (2012: £8.279million). Therefore the total of net incoming resources was £4.434million (2012: £4.034million)

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 sum derived from 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 2012-13 the College fell slightly short of its operating objective in that all expenditure was covered by regular sources of income supplemented by a drawdown from the College's investment pool equivalent to 3.15% of the value of the investments.

In 2012-13 operating income (that is, income excluding legacies and donations) was markedly higher than in 2011-12. Income from the College's financial investments and rents from properties was together £396,000 higher than in the previous year; and the College derived £345,000 of income from the sale of a property which had previously been used to accommodate a former member of College staff. Tuition fee receipts showed a small increase, with the reduction in funds received directly from HEFCE and other funding sources (following the change to the new UK higher education fees regime from autumn 2012) being more than offset by funds received directly from students and via the University-administered JRAM/CFF. 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 increasingly the Lord Crewe Trust.

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 by 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 2012-13 the major item of buildings expenditure met from the operating account was the refurbishment of undergraduate rooms on the west side of Turl Street. The College also increased its expenditure on Development activities (that is, fund-raising and alumni

relations) with the hiring of a new Development Officer for a fixed three-year period to concentrate on relations with the College's alumni in the USA. Careful control of the costs associated with the domestic management of the College (that is, accommodation, catering, gardens and the Lodge) ensured that the net proceeds derived from domestic operations rose by 3%, with revenues from conferences and other third-party business maintaining a consistent level at around £660,000 per annum.

Reserves policy

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

The level of reserves at 31 July 2013 was £713,000 (2012: £363,000). This figure represents retained unrestricted income reserves excluding an amount of £17.428 million for the book value of fixed assets and other designated funds of £657,000. The 2013 figure represents a rebuilding of reserves from the low 2012 level, consistent with the College's stated reserves policy.

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 2013 the College's long term investments, combining the securities and property investments, totalled £83.3 million (2012: £72.8 million) of which £5.8 million comprised the independently-managed Lincoln 2027 Trust and £1.3 million the Lincoln College Michael Zilkha Fund.

During the year the College drew down the remaining £5 million of the £10 million loan facility that it had negotiated with the Co-operative Bank in 2010. The Loan is unsecured but the College has specifically allocated this second tranche of £5 million to the purchase of the property at 120-121 High Street.

The total rate of return on the College's investments (that is, income plus capital gain minus management costs) was +14.2% (+13.8% after management costs). This return was comprised as follows:

	Property Investments	Securities and Other Investments	Total
Income	+ 5.4%	+ 0.8%	+ 3.2%
Capital	+ 5.6%	+ 16.9%	+ 11.0%
Total before costs	+ 11.0%	+ 17.7%	+ 14.2%
Management costs	- 0.5%	- 0.4%	- 0.4%

Valuations of Property Investments are determined by the College's Land Agent, Laws and Fiennes, who in turn takes advice from such advisors as Clutton Styles and Whitlock (for local commercial properties) and Breckon & Breckon (for local residential properties); and Savills (for agricultural and London-based properties). With the assistance of these advisers the College undertakes a full-scale market-based revaluation of the Property portfolio every three years: the next such revaluation is due in July 2015. Property values for 2013 are based on the 2012 valuations adjusted for changes in actual and estimated income yields over the previous twelve months.

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 5. The Finance Committee maintains a record of a benchmark index in order to compare the performance of the College's Securities and Other Investments with that of the wider market. In 2012-13 this benchmark index generated a return of +13.3%, which figure compares with the return from the College's portfolio of financial assets of +17.7%.

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 2012-13 the amount required to fund the College's activities, once all items of expenditure had been weighed against total non-investment income, was 3.1% of the value of the investment pool, just outside the 3% target. The record over the previous three years was 2011-12 : 3.2%; 2010-11 : 2.8%; and 2009-10 : 3.0%. 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 Plans are monitored on an ongoing basis by the Governing Body, advised by the Planning Committee, and the Plan is formally reviewed approximately every five years. In accordance with this schedule a special meeting of the Governing Body was held for the purpose of review in September 2011; work on the development of a medium-term Strategic Plan was undertaken during 2012; and the Governing Body approved the full, revised Strategic Plan in February 2013.

The College's Strategic Plans have systematically identified 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 four specific areas.

First, as has been observed in previous Governing Body Reports the College is mindful of the fact that the present reductionist trend in government funding for higher education is very unlikely to be reversed. The College believes 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 funds from which it can fund its activities, this to be achieved through a combination of fund-raising, prudent investment management and management of ongoing operations so as not to incur operating deficits. The review of investment management arrangements which resulted in 2009 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 and will continue to be important components of this programme. The College has also committed increased resources to its fund-raising efforts, concentrating on the "Living Lincoln" campaign launched in 2011 and with the recent hiring of a USA-focused additional member of staff.

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 given the constraints imposed by the College's resources.

Third, the College will ensure that sufficient provision is made for its post-graduate students. With 300 post-graduate members Lincoln has one of the largest post-graduate populations of any Oxford college, both in absolute terms and relative to the number of undergraduate members. The recently-acquired Dame Louise Johnson Building, with 37 student bedrooms, provides a significant addition to the College's provision of post-graduate accommodation; and the incorporation of a new common room for the College's post-graduate students in the Garden Building will enhance post-graduates' experience of the College. Looking further forward, the College will continue to give consideration to opportunities to expand its accommodation provision in central Oxford.

Fourth, the College will maintain its focus on the enhancement of quality of the physical resources it is able to deploy in pursuit of its charitable objects. The major redevelopment of the Garden Building and adjacent space will provide 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 the new Middle Common Room. The next focus will be on the newly-acquired property at 120-121 High Street, as the College considers how best to make use of the redundant office space to the rear of the building.

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 13th November 2013 and signed on its behalf by

Henry Woudhuysen

Rector

We have audited the financial statements of Lincoln College for the year ended 31 July 2013 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 2013 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.

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 2011 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.

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.

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 2013

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2013 Total £'000	2012 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		5,021	-	-	**5,021**	4,972
		5,021	-	-	**5,021**	4,972
Resources from generated funds						
Legacies and donations		536	2,360	2,165	**5,061**	5,167
Trading income	2	262	-	-	**262**	181
Investment income	3	1,958	259	130	**2,347**	1,951
Bank and other interest	4	64	-	-	**64**	42
		2,820	2,619	2,295	**7,734**	7,341
Other incoming resources	10	345	-	-	**345**	-
Total Incoming Resources		8,186	2,619	2,295	**13,100**	12,313
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		495	-	-	**495**	440
Trading expenditure		251	-	-	**251**	173
Investment management costs		283	4	60	**347**	327
		1,029	4	60	**1,093**	940
Charitable activities	5					
Teaching, research and residential		6,517	1,003	30	**7,550**	7,315
		6,517	1,003	30	**7,550**	7,315
Governance costs	8	22	-	1	**23**	24
Total Resources Expended		7,568	1,007	91	**8,666**	8,279
Net incoming/(outgoing) resources before transfers		618	1,612	2,204	**4,434**	4,034
Transfers between funds	17	1,153	(965)	(188)	-	-
Net incoming/(outgoing) resources before other gains and losses		1,771	647	2,016	**4,434**	4,034
Investment gains/(losses)		166	430	7,421	**8,017**	3,082
Net movement in funds for the year		1,937	1,077	9,437	**12,451**	7,116
Fund balances brought forward	17	16,861	3,289	72,644	**92,794**	**85,678**
Funds carried forward at 31 July	17	18,798	4,366	82,081	**105,245**	92,794

Lincoln College
Consolidated and College Balance Sheets
As at 31 July 2013

	Notes	2013 Group £'000	2012 Group £'000	2013 College £'000	2012 College £'000
FIXED ASSETS					
Tangible assets	10	**23,775**	16,040	**23,775**	16,040
Property investments	11	**42,576**	37,894	**42,576**	37,894
Securities and other investments	12	**40,709**	34,861	**33,607**	28,713
		107,060	88,795	**99,958**	82,647
CURRENT ASSETS					
Stocks		**137**	114	**137**	114
Debtors	14	**2,186**	952	**2,171**	1,035
Deposits and other short term investments		**-**	5,004	**-**	5,004
Cash at bank and in hand		**7,221**	4,093	**7,206**	4,077
		9,544	10,163	**9,514**	10,230
CREDITORS: falling due within one year	15	**1,215**	1,033	**1,188**	1,102
NET CURRENT ASSETS/(LIABILITIES)		**8,329**	9,130	**8,326**	9,128
TOTAL ASSETS LESS CURRENT LIABILITIES		**115,389**	97,925	**108,284**	91,775
CREDITORS: falling due after more than one year	16	**10,144**	5,131	**10,144**	5,131
NET ASSETS		**105,245**	92,794	**98,140**	86,644
FUNDS OF THE COLLEGE	17				
Endowment funds		**82,081**	72,644	**74,976**	66,494
Restricted funds		**4,366**	3,289	**4,366**	3,289
Unrestricted funds					
Designated funds		**18,085**	16,498	**18,085**	16,498
General funds		**713**	363	**713**	363
		105,245	92,794	**98,140**	86,644

The financial statements were approved and authorised for issue by the Governing Body of Lincoln College
on 13 Novermber 2013

Trustee:

Trustee:

Lincoln College
Consolidated Cash Flow Statement
For the year ended 31 July 2013

	Notes	2013 Group £'000	2012 Group £'000
Net cash(outflow) from operations	23	**(591)**	(1,042)
Returns on investments and servicing of finance			
Income from investments		**2,411**	1,993
Finance costs paid		**(141)**	(94)
		2,270	1,899
Capital expenditure and financial investment			
New endowment capital received		**2,165**	1,539
Payments for tangible fixed assets		**(8,220)**	(1,847)
Proceeds from sales of tangible fixed assets		**-**	-
Net acquisition of investments		**(3,724)**	-
Net proceeds from sales of investments		**1,211**	*24*
		(8,568)	(284)
Management of liquid resources			
Net withdrawals from / (additions to) term deposits		**5,004**	*(5,004)*
Financing			
New bank and other loans		**5,013**	5,000
Bank loans repaid		**-**	(4)
		5,013	4,996
Increasein cash in the year		**3,128**	565
Reconciliation of net cash flow to movement in net (debt)/funds			
Increase in cash in the year		**3,128**	565
Transfers (from)/to term deposits and current investments		**(5,004)**	5,004
(Increase) in loan and lease finance		**(5,013)**	(4,996)
Change in net (debt)/funds		**(6,889)**	573
Net funds at 1 August		**3,966**	3,393
Net (debt)/funds at 31 July		**(2,923)**	3,966

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2013 Total £'000**	**2012 Total £'000**
Teaching, research and residential					
Tuition fees - UK and EU students	1,360	-	-	**1,360**	1,098
Tuition fees - Overseas students	500	-	-	**500**	519
Other fees	92	-	-	**92**	69
HEFCE support	267	-	-	**267**	291
Other academic income	130	-	-	**130**	335
College residential income	2,672	-	-	**2,672**	2,660
	5,021	-	-	**5,021**	4,972

The above analysis includes £1,410k received from Oxford University under the CFF Scheme, received directly (2012 - £1,246k)

2 TRADING INCOME

	2013 £'000	**2012 £'000**
Subsidiary company trading income	**262**	181
	262	181

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2013 Total £'000**	**2012** Total £'000
Agricultural rent	117	-	-	**117**	99
Commercial rent	1,522	186	-	**1,708**	1,516
Other property income	226	-	-	**226**	121
Equity dividends	61	73	124	**258**	194
Interest on fixed term deposits and cash	32	-	6	**38**	21
	1,958	259	130	**2,347**	1,951

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	**2013 Total £'000**	**2012 Total £'000**
Bank interest	64	-	-	**64**	42
	64	-	-	**64**	42

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	**2013 Total £'000**	2012 Total £'000
Costs of generating funds					
Fundraising	295	200	-	**495**	440
Trading expenditure	108	76	67	**251**	173
Investment management costs	-	347	-	**347**	327
Total costs of generating funds	403	623	67	**1,093**	940
Charitable expenditure					
Teaching, research and residential	3,255	2,999	1,296	**7,550**	7,315
Total charitable expenditure	3,255	2,999	1,296	**7,550**	7,315
Governance costs	-	23	-	**23**	24
Total resources expended	3,658	3,645	1,363	**8,666**	8,279

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 resindential costs include College Contribution payable of £70k (2012 - £48k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching Research Residential £'000	**2013 Total £'000**	**2012 Total £'000**
Financial and domestic admin	47	547	**594**	579
Human resources	2	33	**35**	31
IT	6	102	**108**	105
Depreciation	12	473	**485**	457
Loss/(profit) on fixed assets	-	-	**-**	-
Bank interest payable	-	134	**134**	44
Other finance charges	-	7	**7**	50
	67	1,296	**1,363**	1,266

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.

7 GRANTS AND AWARDS

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:	Unrestricted Funds £'000	Restricted Funds £'000	2013 Total £'000	2012 Total £'000
Scholarships, prizes and grants	14	576	**590**	441
Bursaries and hardship awards	105	26	**131**	177
	119	602	**721**	618

The above costs are included within the charitable expenditure on Teaching, research and resindential.

8 GOVERNANCE COSTS

	2013	2012
Governance costs comprise:		
Auditor's remuneration - audit services	**23**	24
Auditor's remuneration - other services	**-**	-
Legal and other fees on constitutional matters	**-**	-
	23	24

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

The aggregate payroll costs for the year were as follows.	2013 £'000	2012 £'000
Salaries and wages	**3,471**	3,278
Social security costs	**248**	235
Pension costs	**511**	474
	4,230	3,987

The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.	2013	2012
Tuition and research	**14**	11
College residential	**61**	58
Fundraising	**5**	4
Support	**12**	11
Total	**92**	84

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

University Lecturers	**14**	13
CUF Lecturers	**5**	5
Other teaching and research	**7**	8
Other	**7**	4
Total	**33**	30

9 STAFF COSTS (continued)

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:

	2013	2012
£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

10 TANGIBLE FIXED ASSETS

Group and College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	**Total £'000**
Cost				
At start of year	-	18,704	1,072	**19,776**
Additions	4,612	3,326	282	**8,220**
Disposals	-	-	-	-
At end of year	**4,612**	**22,030**	1,354	**27,996**
Depreciation				
At start of year	-	3,031	705	**3,736**
Charge for the year	-	362	123	**485**
On disposals	-	-	-	-
At end of year	**-**	**3,393**	828	**4,221**
Net book value				
At end of year	**4,612**	**18,637**	526	**23,775**
At start of year	-	15,673	367	**16,040**

In the Statement of Financial Activities other incoming resources represents the gain on disposal of a freehold property.

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2013 Total £'000	2012 Total £'000
Valuation at start of year	8,221	21,895	7,778	**37,894**	31,916
Additions and improvements at cost	-	3,752	8	**3,760**	1,260
Disposals net proceeds	(29)	(57)	(1,125)	**(1,211)**	(133)
Revaluation gains/(losses) in the year	1,059	1,147	(73)	**2,133**	4,851
Valuation at end of year	9,251	26,737	6,588	**42,576**	37,894

Property valuations at 31 July 2013 have been provided by the College's external land agent (FRICS) from Laws & Fiennes on the basis of market value

12 SECURITIES AND OTHER INVESTMENTS

	2013 £'000	2012 £'000
College investments		
Valuation at start of year	**28,711**	29,537
New money invested	**171**	148
Amounts withdrawn	**(298)**	(124)
Reinvested income	**123**	200
Investment management fees	**(124)**	(109)
Increase/(decrease) in value of investments	**5,022**	(941)
External investments at end of year	**33,605**	28,711
Investment in subsidiaries	**2**	2
College investments at end of year	**33,607**	28,713
Group investments		
Valuation at start of year	**34,861**	36,521
New money invested	**171**	156
Amounts withdrawn	**(320)**	(138)
Reinvested income	**242**	200
Investment management fees	**(129)**	(109)
(Decrease)/increase in value of investments	**5,884**	(1,769)
Group investments at end of year	**40,709**	34,861

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2013 Total £'000	2012 Total £'000
Equity investments	2,828	13,468	**16,296**	14,921
Fixed interest stocks	-	2,527	**2,527**	2,509
Alternative and other investments	1,274	19,346	**20,620**	16,576
Fixed term deposits and cash	-	1,266	**1,266**	855
Total group investments	4,102	36,607	**40,709**	34,861

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.

	Lincoln College Trading Limited £'000	Lincoln College Entereprises Limited £'000
Turnover	262	1,143
Expenditure	(251)	(1,090)
Donation to College under gift aid	(11)	(53)
Result for the year	-	-
Total assets	46	240
Total liabilities	(45)	(239)
Net funds at the end of year	1	1

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

	2013 Group £'000	2012 Group £'000	2013 College £'000	2012 College £'000
Amounts falling due within one year:				
Trade debtors	**1,289**	344	**1,257**	290
Amounts owed by College members	**13**	11	**13**	11
Amounts owed by Group undertakings	**-**	-	**4**	137
Loans repayable within one year	**-**	2	**-**	2
Prepayments and accrued income	**233**	277	**246**	277
Amounts falling due after more than one year:				
Loans	**651**	318	**651**	318
	2,186	952	**2,171**	1,035

15 CREDITORS: falling due within one year

	2013 Group £'000	2012 Group £'000	2013 College £'000	2012 College £'000
Trade creditors	**239**	489	**229**	326
Amounts owed to Group undertakings	**2**	-	**11**	244
Taxation and social security	**35**	23	**23**	20
College contribution	**58**	54	**58**	54
Accruals and deferred income	**590**	224	**576**	215
Other creditors	**291**	243	**291**	243
	1,215	1,033	**1,188**	1,102

16 CREDITORS: falling due after more than one year

	2013 Group £'000	2012 Group £'000	2013 College £'000	2012 College £'000
Bank loans	**10,044**	5,031	**10,044**	5,031
Other loans	**100**	100	**100**	100
	10,144	5,131	**10,144**	5,131

£10,000,000 (2012 £5,000,000) of the bank loans is repayable in 2041. This loan is unsecured

17 FUNDS OF THE GROUP AND COLLEGE MOVEMENTS

	At 1 August 2012 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2013 £'000
Endowment Funds - Permanent						
General Endowment	38,357		(12)		3,470	**41,815**
Montgomery Estate	551		(1)		68	**618**
Nuffield Research Trust Fund	1,147		(2)		179	**1,324**
Paul Shuffery Bequest	6,419		(10)		45	**6,454**
Other Fellowships	7,685	906	(12)	(131)	1,258	**9,706**
Student Support	2,499	847	(3)	(57)	312	**3,598**
Others	113		-		23	**136**
Endowment Funds - Expend						
General endowment	4,733		(7)		739	**5,465**
Legacies and Bequests	4,990	412	(7)		465	**5,860**
Lincoln 2027 Trust	5,042	119	(4)		689	**5,846**
Lincoln College Michael Zilkha Fund	1,108	11	(33)		173	**1,259**
Total Endowment Funds	72,644	2,295	(91)	(188)	7,421	**82,081**
Restricted Funds						
Income, Endowment Funds	653	231	(301)	(16)	1	**568**
Scholarship and grants		485	(485)			**-**
Garden building	1,048	1,511	(2)	(1,153)	164	**1,568**
Other restricted funds	1,588	392	(219)	204	265	**2,230**
Total Restricted Funds	3,289	2,619	(1,007)	(965)	430	**4,366**
Unrestricted Funds						
General	363	8,150	(7,559)	(335)	94	**713**
Fixed asset designated	15,940			1,488		**17,428**
Other designated	558	36	(9)		72	**657**
Total Unrestricted Funds	16,861	8,186	(7,568)	1,153	166	**18,798**
Total Group Funds	**92,794**	**13,100**	**(8,666)**	**-**	**8,017**	**105,245**
less:						
Lincoln 2027 Trust	(5,042)	(119)	4	-	(689)	(5,846)
Michael Zilkha Fund	(1,108)	(11)	33	-	(173)	(1,259)
Total College Funds	**86,644**	**12,970**	**(8,629)**	**-**	**7,155**	**98,140**

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 and gifts received from alumni and other donors.
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 Shuffery 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.

During the year, £188k was transferred from endowment to restricted funds following clarification of the exact terms on which the original donations were received.

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	An independent charity (registered 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.

18 FUNDS OF THE COLLEGE DETAILS (continued)

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.

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

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	23,775	-	-	**23,775**
Property investments	3,752	-	38,824	**42,576**
Securities and other investments	1,288	2,269	37,152	**40,709**
Net current assets	127	2,097	6,105	**8,329**
Creditors: falling due after more than one year	(10,144)	-	-	**(10,144)**
	18,798	4,366	82,081	**105,245**

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 (eg Sub Rector, Dean). These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits included overleaf is £998k (2011-121 £951k). The total of pension contributions included overleaf is £149k (2011-12 £38k).

20 TRUSTEES' REMUNERATION (continued)

Remuneration paid to trustees

	2012-2013		2011-2012	
Range	Number of trustees/ fellows	Gross remuneration, taxable benefits and pension contributions	Number of trustees/ fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£0-£5,999	2	5,833	-	-
£6,000-£6,999	-	-	1	6,332
£7,000-£7,999	1	7,429	1	7,879
£8,000-£8,999	-	-	2	16,934
£10,000-£10,999	1	10,475	-	-
£11,000-£11,999	2	23,048	1	11,927
£13,000-£13,999	1	13,413	-	-
£15,000-£15,999	1	15,315	-	-
£18,000-£18,999	-	-	1	18,810
£19,000-£19,999	2	39,352	1	19,474
£20,000-£20,999	3	62,136	2	40,368
£21,000-£21,999	2	42,612	4	86,089
£23,000-£23,999	1	23,084	1	23,782
£26,000-£26,999	-	-	2	53,450
£27,000-£27,999	1	27,060	-	-
£28,000-£28,999	-	-	-	-
£29,000-£29,999	1	29,410	1	29,218
£33,000-£33,999	1	33,738	-	-
£36,000-£36,999	1	36,369	2	73,090
£37,000-£37,999	2	75,229	1	37,330
£38,000-£38,999	1	38,094	-	-
£49,000-£49,999	-	-	4	198,381
£50,000-£50,999	4	202,117	1	50,009
£51,000-£51,999	2	103,169	1	51,474
£74,000-£74,999	-	-	1	74,950
£75,000-£75,999	-	-	1	75,455
£76,000-£76,999	2	152,598	-	-
£100,000-£100,999	-	-	1	100,888
£101,000-£101,999	1	101,966	-	-
£104,000-£104,999	1	104,934	-	-
£113,000-£113,999	-	-	1	113,641
Total	33	1,147,381	30	1,089,481

8 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.

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 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.

	USS	OSPS
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
Principal assumptions:		
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
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23.7 yrs	22 yrs
Assumed life expectancy at age 65	25.6 yrs	24 yrs
Funding Ratios:		
Technical Provisions basis:	92%	79%
Statutory Pension Protection Fund basis:	93%	86%
"Buy-out" basis:	57%	52%
Estimated FRS17 basis	82%	77%
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

21 PENSION SCHEMES (continued)
Notes:

a. USS' actuarial valuation as at 31st March 2011 identified a funding deficit of £2,910m. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1st 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. 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 1st October 2009) until 31st 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 31st March 2021.

b. OSPS' actuarial valuation as at 31st 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 1st August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 30th June 2026. In addition, the University agreed to close the scheme to future final salary accrual and transferred all active members onto a Career Revalued benefits structure with effect from 1st January 2013. Further details may be seen on the Schemes' website

c. USS' actuary has assumed that pension increases will be 3.4% a year for the three years to 31st 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 1st October 2009) until 31st 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 1st 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

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:

	£'000	
Scheme	**2013**	**2012**
Universities Superannuation Scheme	**213**	198
University of Oxford Staff Pension Scheme	**293**	268
Other Schemes	**5**	8
Total	**511**	474

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

	2013 £'000	**2012** £'000
Net incoming resources for the year	**4,434**	4,034
Elimination of non-operating cash flows:		
- Investment income	**(2,411)**	(1,993)
- Endowment donations	**(2,165)**	(2,799)
- Financing costs	**141**	94
Depreciation	**485**	457
(Surplus)/loss on sale of fixed assets	**-**	-
(Increase)/decrease in stock	**(23)**	9
(Increase)/decrease in debtors	**(1,234)**	79
Increase/(decrease) in creditors	**182**	(923)
Net cash (outflow) from operations	**(591)**	(1,042)

24 ANALYSIS OF CHANGES IN NET FUNDS

	2012 £'000	**Cash flow** £'000	**2013** £'000
Cash at bank and in hand	4,093	3,128	**7,221**
Deposits and short term investments	5,004	(5,004)	**-**
	9,097	(1,876)	**7,221**
Bank and other loans due after one year	(5,131)	(5,013)	**(10,144)**
	3,966	(6,889)	**(2,923)**

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 £2.65m (2012- £4.55m).

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.

	2013 £'000	2012 £'000
Dr Radu Coldea	108	-
Dr Roel Dullens	108	108
Prof Cecile Fabre	94	99
Dr Perry Gauci	3	3
Dr Maria Stamatopolou	110	-
Dr Dominic Vella	108	-
Prof Michael Willis	100	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 e

Dr Radu Coldea	1	-
Prof Catherine de Vries	1	-
Dr Roel Dullens	3	-
Prof Cecile Fabre	2	1
Prof Simon Gardner	-	-
Dr Alana Harris	1	-
Prof David Hills	1	1
Prof Peter McCullough	1	1
Dr Edward Nye	1	-
Dr Philippe Trinh	2	-
Dr Dominic Vella	1	-
Prof Michael Willis	1	-

28 CONTINGENT LIABILITIES

There are no contingent liabilities at the balance sheet date (2012 nil)

29 POST BALANCE SHEET EVENTS

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