



# Linacre College

Annual Report and Financial Statements

Year ended 31 July 2014

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## LINACRE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2014

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#### Members of the Governing Body

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

		1	2	3	4	5	6	7
Abate, Dr Alessandro		•						
Ackermann, Dr Silke								
Alexander, Prof Jocelyn								
Allen, Prof Myles								
Assender, Dr Hazel								
Awrey, Dr Dan				•				
Bailey, Mr Simon					•			
Bhagwat, Dr Shonil	Left 20 <sup>th</sup> April 2014	•	•					•
Brand, Dr Christian								
Brown, Dr Nick		•	•	•	•	•	•	•
Burlakov, Dr Victor								
Castell, Prof Martin								
Catling, Prof Brian								
Corsi, Prof Pietro			•					
Dalrymple, Prof Mary								
Dudarev, Dr Sergei								
de Freitas, Prof Nando	From 1 <sup>st</sup> October 2013							
Ertl, Dr Hubert								
Ewart, Dr Elizabeth								
Gibney, Dr Matthew								
Hall, Prof Jim								
Hector, Prof Andrew	From 1 <sup>st</sup> August 2013							
Holmes, Dr John				•		•	•	
Ingram, Dr Jenni	From 1 <sup>st</sup> September 2013		•					
Kan, Dr Man Yee	From 1 <sup>st</sup> October 2013		•					
Keene, Dr Anne		•		•		•		
Khatiwala Prof Samar	From 1 <sup>st</sup> September 2013							
Kirkland, Prof Angus								

**LINACRE COLLEGE****Governing Body, Officers and Advisers**

Year ended 31 July 2014

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		1	2	3	4	5	6	7
Kleanthous, Prof Colin								
La Thangue, Prof Nick								
MacKay, Prof John	From 1 <sup>st</sup> October 2013							
McVean, Prof Gil								
Morton, Dr Christopher	From 1 <sup>st</sup> October 2013		•					
Mustafa, Dr Asma	From 21 <sup>st</sup> April 2014	•	•					•
O'Donoghue, Prof Heather		•						
O'Hanlon, Prof Michael								
Parkinson, Dr Stephen								
Peers, Prof Laura								
Petraglia, Prof Michael								
Pollard, Prof Mark		•			•			
Pratt, Dr Lloyd								
Preston, Dr Gail								
Reid, Mrs Alison		•		•	•	•		•
Rival, Dr Laura								
Sarkar, Prof Subir			•					
Saunders, Prof Simon	Left 30 <sup>th</sup> September 2013							
Stein, Prof Alan				•				
Travis, Dr Simon				•				
Tsai, Dr Jerry								
Walter, Dr Catherine		•	•	•		•		•
Watson, Prof Anne	Retired 30 <sup>th</sup> September 2013							
Whiteley, Dr Jonathan			•					•
Ye, Dr Hua Cathy								

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## LINACRE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2014

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		1	2	3	4	5	6	7
Common Room President: Andrew Dansie Phillipa Howarth	April 2013 to March 2014 April 2014 to March 2015	•	•	•		•	•	•
Junior Research Fellow: Katerina Douka Christiaan Heunen	November 2011 to September 2014 April 2013 to September 2013							
Common Room Treasurer: Sezgi Goksan Adam Formica	April 2013 to March 2014 April 2014 to March 2015	•	•					
Common Room Secretary: Louie Cardone-Noott Hannah Mosley	April 2013 to March 2014 April 2014 to March 2015		•					
Common Room Welfare Officer: Catherine Brinkworth Sami Jaffar Laura Godfrey	January 2013 to 30 September 2013 October 2013 to December 2013 January 2014 to December 2014							•

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

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

## LINACRE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2014

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#### College Senior Staff

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

Brown, Dr Nick	Principal
Peers, Prof Laura	Vice Principal to 30 <sup>th</sup> September 2013
Walter, Dr Catherine	Vice Principal from 1 <sup>st</sup> October 2013
Bhagwat, Dr Shonil	Senior Tutor to 20 <sup>th</sup> April 2014
Mustafa, Dr Asma	Senior Tutor from 21 <sup>st</sup> April 2014
Reid, Mrs Alison	Bursar
Keene, Dr Anne	Development Director

#### College Advisors

##### Investment managers

Oxford University Endowment Management, King Charles House, Park End Street, Oxford OX1 1JD

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

Ethical Investors, Montpellier House, 47 Rodney Road, Cheltenham GL50 1HX

##### Auditor

Critchleys LLP, Greyfriars Court, Oxford OX1 1BE

##### Bankers

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

##### Solicitors

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

##### Surveyors

Ridge and Partners LLP, The Cowyards, Blenheim Park, Oxford Road, Woodstock OX20 1QR

##### Employment Advisors

Peninsula, 2 Cheetham Hill Road, Manchester M4 4FB

##### Health and Safety Consultants

Peninsula, 2 Cheetham Hill Road, Manchester M4 4FB

#### College address

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

#### Website

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

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## **LINACRE COLLEGE**

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

**Year ended 31 July 2014**

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

The Members of the Governing Body present their Annual Report for the year ended 31 July 2014 under the Charities Act 2011 together with the audited financial statements for the year.

### **Reference and Administrative Information**

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

The College is registered with the Charities Commission (registered number 1142130).

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

### **Structure, Governance and Management**

#### **Governing documents**

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

#### **Governing Body**

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

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

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

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

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

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

#### **Organisational management**

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

- The Finance Committee provides financial oversight of the College. It is responsible for budgeting and financial planning, investments and financial reporting. It monitors the cost, efficiency and effectiveness of operations, reliability of financial reporting, and compliance with laws and regulations. It makes decisions on investments taking account of risk, financial objectives, legal and ethical requirements.
- The Academic Committee co-ordinates academic activities in the College. It makes recommendations for the election of new Fellows, academic visitors and introduced and continuing members of the Common Room. It awards scholarships to students and small academic grants to Fellows. It sets student admissions targets and reviews admissions policies.
- The Development Committee is responsible for planning and overseeing all activities to raise money and other forms of support for the College through voluntary donations and for encouraging Old Members of the College to remain actively engaged in its development.

## **LINACRE COLLEGE**

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

**Year ended 31 July 2014**

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

The day-to-day running of the College is delegated to a senior management team comprised of the Principal, the Vice-Principal, the Bursar, the Senior Tutor and the Development Director, supported by 14 administrative staff, three maintenance staff and catering and cleaning teams. The Principal and/or Vice-Principal attend all meetings of the Governing Body's Committees.

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

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

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

#### **Risk management**

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

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

#### **Charitable Purpose, Aims and Activities**

The College's purpose is to benefit society by the advancement of knowledge and understanding through excellence in education and research as a College of the University of Oxford.

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

#### **Activities and objectives of the College**

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



## LINACRE COLLEGE

### Report of the Governing Body

Year ended 31 July 2014

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

### Public benefit

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

The College admitted 176 new students in October 2013. A break-down of student admissions statistics is given in the table below. In total the College had 458 registered students in October 2013, of which 319 were fee-paying. 139 students were no longer liable for fees but had not yet completed their degrees.

	2013		2012	
<b>Applications received</b>	339		336	
<b>Offered</b>	296	87%	293	87%
<b>Withdrew/Deferred</b>	120		116	
<b>Admitted</b>	176	59%	177	60%
<b>UK</b>	45	26%	63	35%
<b>EU</b>	28	16%	26	15%
<b>Overseas</b>	103	58%	88	50%
<b>Male</b>	93	53%	86	49%
<b>Female</b>	83		91	

# LINACRE COLLEGE

## Report of the Governing Body

Year ended 31 July 2014

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	2013		2012	
Taught	114	65%	108	61%
Research	62	35%	69	39%

In July 2014 the College had 32 Official Fellows, 11 Professorial Fellows, 9 Senior Research Fellows and 13 Junior Research Fellows (of which 8 were newly appointed in October 2013).

### Achievements and Performance

#### 1. Academic

154 students had their post-graduate degrees conferred on them during the year.

Dr Nando de Freitas (University Lecturer in Computer Science), Prof Andrew Hector (University Lecturer in Plant Sciences), Dr Jenni Ingram (University Lecturer in Education), Dr Samar Khatiwala (University Lecturer in Climate Sciences), Prof John MacKay (Wood Professor of Forest Science), Dr Jerri Tsai (University Lecturer in Financial Economics and Dr Man Yee Kan (University Lecturer in Sociology) were appointed to Fellowships.

Eight new Junior Research Fellowships were awarded to start in October 2013. The new Fellows are conducting research in Psychiatry, Pharmacology, Experimental Psychology, Clinical Medicine, Physics, Education and Mathematics (2)

The following scholarships were awarded in October 2013:

- Canadian National Scholarship (£5,000)
- Canadian Alumni Scholarship (£6,000)
- Canon Collins African Studies Scholarship (£6,000)
- Carolyn & Franco Gianturco Scholarship (£2,659)
- Daube Law Scholarship (£2,659)
- Eldred Scholarship (£7,900)
- EPA Cephalosporin Scholarships – (4 awards totalling £10,636)
- Hitachi Chemical Environmental Scholarship (£3,659)
- JEOL Scholarship (£6,000)
- Mary Blaschko Scholarships (2 awards totalling £5,318)
- Norman and Ivy Lloyd Scholarship (£12,900)
- Rausing Scholarships – (2 awards totalling £5,318)
- Raymond & Vera Asquith Scholarship (£2,659)
- Ronald and Jane Olson Scholarship (£5,909)
- Ruth & Nevill Mott Scholarship (£2,659)

The College hosted two major public lectures.

The 2014 Linacre Lecture on the Environment was delivered by Professor Michael Oppenheimer, Professor of Geosciences and International Affairs at Princeton University and a lead author of the IPCC's Fourth and Fifth Assessment Reports. Professor Oppenheimer lectured on "Migration, Interconnection, Conflict: Emergent Issues and Indirect Impacts in IPCC's Fifth Assessment".

The 2014 Tanner Lecture on Human Values, was given by Ms Shami Chakrabarti, Director of Liberty. Ms Chakrabarti lecture on "Human Rights as Human Values". A podcast of the lecture is available on the College website: <http://podcasts.ox.ac.uk/human-rights-human-values>

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

#### 2. Advice and guidance

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## LINACRE COLLEGE

### Report of the Governing Body

Year ended 31 July 2014

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The Principal, Vice Principal and Senior Tutor held individual interviews with over 240 students to discuss their academic progress, review supervisors' reports and to listen to feedback on both University and College provision. The Senior Tutor and the Academic Administrator provided support in a large number of individual cases where students were facing personal or academic problems. Where problems could not be resolved locally, students were referred on to the University Counselling Service or the Senior Tutor took up their case with the Proctors or University Central Administration.

3. Prizes:

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

4. Grants:

The College awarded 32 Travel Grants to enable students to present their research at conferences. The average award was £247 and the maximum award was £300. The total amount awarded was £7,894.

The College made three "writing-up" grants totalling £2,750 to students for whom scholarship support had expired but who needed financial support until they could submit their theses.

5. Hardship:

The College made nine hardship grants (in addition to "writing-up" grants) totalling £6,747 and eight interest-free hardship loans totalling £5,543 to students facing unexpected financial difficulties during the year.

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

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

The Common Room facilitated the activities of nine sports clubs and nine societies. Numerous popular social events included a successful summer Garden Party. The Common Room raised several thousand pounds through its social events towards various charitable causes.

7. Library and IT:

The Library has continued to be a popular resource for study space, and increasingly for borrowing books to support students' coursework. 2013-14 was the final year for the income from the College Contributions Fund grant, and the matching funding from a friend of the college. £1,500 from this grant was spent on buying books to support taught courses, and has been much appreciated. Communication with the students has been excellent, with the majority of books purchased coming from student suggestions. The Librarian's hours have increased, over the course of the year to 20 hours per week. This has enabled the provision of a much more responsive and proactive library service.

Over the summer the college embarked on a project to completely redesign and replace its website. In partnership with a local Co-Operative; Agile Collective, this proved to be very successful. The number of visitors to the site has increased significantly, and feedback has been very positive. Additional network cabling has been installed in the Abraham building to move wireless access points out of student rooms; there are plans to repeat this on the rest of the main site over the next year. Also replacement of the CCTV system has been completed, as well as a significant expansion of the door access control system throughout the main site.

8. Accommodation:

The College accommodated 185 graduate students in 167 single rooms and 18 twin rooms or flats. The rents for single rooms were between £340 - £545 per month depending on size and facilities. These rents include services. All rooms have network access to University computing facilities. Two properties underwent significant renovations work during the year including kitchen and shower room

## LINACRE COLLEGE

### Report of the Governing Body

Year ended 31 July 2014

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refurbishments. A programme of lighting improvements across all properties using the best low energy movement controlled systems was started.

#### 9. Development:

Voluntary income (excluding the College Contributions Fund grants) totalled £1.16m from 298 donors; further pledges totalled £114k. 62% of the gifts were for Student scholarships and support, 57% endowed which will provide support in perpetuity. Of this, £300k was received from two donors to set up the Oxford Linacre Africa Scholarship. Together with matching funding from the Rhodes Trust and the University this will provide a full scholarship enabling a student from the poorest African countries to study in Oxford. A further donation of £135k into the Carolyn & Franco Gianturco Scholarship will provide more endowed scholarships for the study on Musicology and Theoretical Chemistry. Thanks to philanthropic donations the number of scholarships offered by Linacre has risen to 30 and the number of Junior Research Fellowships to 23. Three new large legacy pledges were made, of £200k and £45k both for academic purposes, and one of artwork, value unknown. Stewardship events included many receptions and networking dinners in the UK US and Rome, as well as a 'Murder Mystery' evening and talks from alumni and music and drama from students.

### Financial Review

Teaching and research income increased due to the higher student numbers. Extra rental income from Neil Fraser Bell House and from The Beeches (newly renovated and improved in the summer of 2013) also boosted income. Voluntary Income was again high and included large sums endowing new scholarships and Junior Research Fellowships.

Expenditure was higher mainly due to building maintenance costs. A large part of the added cost was the renovation of The Beeches which was made possible partly by the College Contributions Fund grant. Upgrade of fire alarm systems and fire doors on the main site, electrical works as well as updating of bathrooms and kitchens in student houses was partly funded by the increased rental income.

#### Reserves policy

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

The College's free reserves at the year-end amounted to £3,454k (2013 £2,953k ) representing retained unrestricted income reserves excluding an amount of £7,751k for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end include Capital Funds of £1,910k which are unrestricted funds allocated by the Trustees for the purpose of preserving the Capital and maintaining a long term income stream in support of the college's activities. Also included within Designated Reserves are funds totalling £420k for future expenditure on maintenance of buildings and equipment and refurbishment.

#### Investment policy, objectives and performance

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

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

Most of the college's endowment funds are managed by Oxford University Endowment Management in the Oxford Endowment Fund.

Since dividends on Oxford Endowment Fund holdings are based on units held at the end of December, the accounts for 2013-14 include a large accrual for 7 months for the dividend on the holding from 1 January 2014. The dividend has been estimated using the best available information. The dividend for the 7 months to 31 July 2014 will be declared in spring 2015.

The dividend receivable from the Oxford Endowment Fund is based on a 4.25% return on a rolling average of capital values over 5 years.

## **LINACRE COLLEGE**

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

**Year ended 31 July 2014**

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The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's long term investments totalled £12,502k.

#### **Future Plans**

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

- The College will aim to recruit 180 new graduate students in 2014-15. We hope to maintain a balance between taught and research students and to keep the overall size of the (fee-paying) student body constant at around 318 students.
- Eleven new JRFs will join the College in October 2014. Linacre College proposes to make elections (in Hilary Term 2015) to a further eleven Junior Research Fellowships tenable for two years tenable from 1 October 2015.
- The College will elect a small number of Official, Senior Research and Adjunct Fellows in order to replace those retiring and to strengthen the academic community in strategic areas or to support a significant student subject group.
- The College will host two major public lectures – the Linacre Lecture on the Environment and the Tanner Lecture on Human Values.
- The College will seek to reach its target figure for the 50<sup>th</sup> Anniversary Campaign of £7.5 million and use these resources for, among other things, the expansion of our portfolio of student scholarships and support for early-career academics. The focus in the forthcoming academic year will be to endow scholarships for women in science and for the study of Anthropology.

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

#### **Statement of Accounting and Reporting Responsibilities**

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

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

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

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

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 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 3 December 2014 and signed on its behalf by:

Dr Nick Brown  
Principal

## **LINACRE COLLEGE**

### **Independent Auditor's Report to the Members of the Governing Body of Linacre College**

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#### **Auditor's Report**

We have audited the financial statements of Linacre College for the year ended 31 July 2014 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the College Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 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 2014 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 December 2014

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

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## **Statement of Accounting Policies**

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

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

### **2. Basis of accounting**

The financial statements have been prepared under the Charities Act 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 received.

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

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

### **5. Investment income**

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

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

### **6. Expenditure**

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

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

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

### **7. Leases**

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

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

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

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

### **9. Depreciation**

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

**LINACRE COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2014**

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

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

**10. Investments**

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

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

**11. Stocks**

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

**12. Foreign currencies**

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

**13. Fund accounting**

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

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

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

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

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

**14. Pension costs**

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



**Linacre College**  
**Statement of Financial Activities**  
**For the year ended 31 July 2014**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>						
Teaching and research	1	2,273	31	0	2,304	2,046
		<u>2,273</u>	<u>31</u>	<u>0</u>	<u>2,304</u>	<u>2,046</u>
<b>Resources from generated funds</b>						
Legacies and donations		199	145	953	1,297	2,421
Investment income	2	393	70	0	463	407
Bank and other interest	3	0	0	0	0	0
		<u>592</u>	<u>215</u>	<u>953</u>	<u>1,760</u>	<u>2,828</u>
<b>Total Incoming Resources</b>		<u>2,865</u>	<u>246</u>	<u>953</u>	<u>4,064</u>	<u>4,874</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>						
Fundraising	4	177	0	0	177	190
Investment management costs		20	0	0	20	24
		<u>197</u>	<u>0</u>	<u>0</u>	<u>197</u>	<u>214</u>
<b>Charitable activities</b>						
Teaching and research	4	2,400	118	0	2,518	2,321
		<u>2,400</u>	<u>118</u>	<u>0</u>	<u>2,518</u>	<u>2,321</u>
<b>Governance costs</b>	7	11	0	0	11	11
<b>Total Resources Expended</b>		<u>2,608</u>	<u>118</u>	<u>0</u>	<u>2,726</u>	<u>2,546</u>
<b>Net incoming/(outgoing) resources before transfers</b>		257	128	953	1,338	2,328
Transfers between funds	14	46	(73)	27	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>303</u>	<u>55</u>	<u>980</u>	<u>1,338</u>	<u>2,328</u>
Investment gains/(losses)		55	(4)	210	261	1,126
<b>Net movement in funds for the year</b>		<u>358</u>	<u>51</u>	<u>1,190</u>	<u>1,599</u>	<u>3,454</u>
Fund balances brought forward	14	10,847	610	9,242	20,699	17,245
<b>Funds carried forward at 31 July</b>	14	<u>11,205</u>	<u>661</u>	<u>10,432</u>	<u>22,298</u>	<u>20,699</u>

**Linacre College**  
**Balance Sheet**  
**As at 31 July 2014**

	Notes	2014 College £'000	2013 College £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	9,099	9,265
Securities and other investments	10	12,502	11,169
		<u>21,601</u>	<u>20,434</u>
<b>CURRENT ASSETS</b>			
Stocks		48	38
Debtors	11	311	308
Deposits and other short term investments		1,200	895
Cash at bank and in hand		89	87
		<u>1,648</u>	<u>1,328</u>
<b>CREDITORS: falling due within one year</b>	12	528	591
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>1,120</u>	<u>737</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		22,721	21,171
<b>CREDITORS: falling due after more than one year</b>	13	423	472
<b>NET ASSETS</b>		<u>22,298</u>	<u>20,699</u>
<b>FUNDS OF THE COLLEGE</b>			
	14		
<b>Endowment funds</b>		10,432	9,242
<b>Restricted funds</b>		661	610
<b>Unrestricted funds</b>			
Designated funds		10,679	10,572
General funds		526	275
		<u>22,298</u>	<u>20,699</u>

*The financial statements were approved and authorised for issue by the Governing Body of Linacre College on 3rd December 2014*

Trustee:

Trustee:

**Linacre College**  
**Cash Flow Statement**  
**For the year ended 31 July 2014**

	Notes	2014 College £'000	2013 College £'000
<b>Net cash inflow/(outflow) from operations</b>	20	<b>128</b>	<b>167</b>
<b>Returns on investments and servicing of finance</b>			
Income from investments		440	387
Finance costs paid		(9)	(9)
		<b>431</b>	<b>378</b>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		953	661
Payments for tangible fixed assets		(114)	(267)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(1,072)	(698)
Proceeds from sales of investments		0	(35)
		<b>(233)</b>	<b>(339)</b>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		(305)	(226)
Net (purchase) / sale of current asset investments		0	0
		<b>(305)</b>	<b>(226)</b>
<b>Financing</b>			
New bank loans		0	0
Bank loans repaid		(19)	(19)
New lease finance		0	0
Capital element of finance lease payments		0	0
		<b>(19)</b>	<b>(19)</b>
<b>Increase/(decrease) in cash in the year</b>		<b>2</b>	<b>(39)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		2	(39)
Transfers to/(from) term deposits and current investments		305	226
(Increase)/decrease in loan and lease finance		19	19
<b>Change in net funds</b>		<b>326</b>	<b>206</b>
<b>Net funds at 1 August</b>		<b>582</b>	<b>376</b>
<b>Net funds at 31 July</b>		<b>908</b>	<b>582</b>

**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
<b>Teaching and research</b>					
Tuition fees - UK and EU students	350	0	0	<b>350</b>	375
Tuition fees - Overseas students	573	0	0	<b>573</b>	426
Other HEFCE support	79	0	0	<b>79</b>	57
Other academic income	9	31	0	<b>40</b>	44
College residential income	1,262	0	0	<b>1,262</b>	1,144
	<b>2,273</b>	<b>31</b>	<b>0</b>	<b>2,304</b>	<b>2,046</b>

The above analysis includes £173k received from Oxford University under the CFF Scheme, net of College fees received directly (2013 - £124k)

**2 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
Equity dividends	0	0	0	<b>0</b>	0
Income from fixed interest stocks	0	0	0	<b>0</b>	0
Interest on fixed term deposits and cash	9	1	0	<b>10</b>	10
Other investment income	384	69	0	<b>453</b>	397
	<b>393</b>	<b>70</b>	<b>0</b>	<b>463</b>	<b>407</b>

**3 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
Bank interest	0	0	0	<b>0</b>	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**4 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	<b>2014 Total £'000</b>	2013 Total £'000
<b>Costs of generating funds</b>					
Fundraising	143	34	0	<b>177</b>	190
Investment management costs	0	3	17	<b>20</b>	24
<b>Total costs of generating funds</b>	<b>143</b>	<b>37</b>	<b>17</b>	<b>197</b>	<b>214</b>
<b>Charitable expenditure</b>					
Teaching and research	689	1,161	668	<b>2,518</b>	2,321
<b>Total charitable expenditure</b>	<b>689</b>	<b>1,161</b>	<b>668</b>	<b>2,518</b>	<b>2,321</b>
<b>Governance costs</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>11</b>	<b>11</b>
<b>Total resources expended</b>	<b>832</b>	<b>1,209</b>	<b>685</b>	<b>2,726</b>	<b>2,546</b>

**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

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 and research costs include College Contribution payable of £0 (2013 - £0).

**5 SUPPORT COSTS**

	Generating Funds £'000	Teaching and Research £'000	<b>2014 Total £'000</b>	2013 Total £'000
Financial and domestic admin	16	262	<b>278</b>	284
IT	1	117	<b>118</b>	118
Depreciation	0	280	<b>280</b>	263
Bank interest payable	0	4	<b>4</b>	4
Other finance charges	0	5	<b>5</b>	5
	<u>17</u>	<u>668</u>	<u><b>685</b></u>	<u>674</u>

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

**6 GRANTS AND AWARDS**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2014 Total £'000</b>	2013 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	7	89	<b>96</b>	77
Bursaries and hardship awards	2	14	<b>16</b>	15
	<u>9</u>	<u>103</u>	<u><b>112</b></u>	<u>92</u>

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

**7 GOVERNANCE COSTS**

	<b>2014 £'000</b>	2013 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	<b>11</b>	11
	<u><b>11</b></u>	<u>11</u>

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

**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**8 STAFF COSTS**

The aggregate payroll costs for the year were as follows.	<b>2014</b>	2013
	<b>£'000</b>	£'000
Salaries and wages	<b>975</b>	938
Social security costs	<b>53</b>	51
Pension costs	<b>144</b>	142
	<b>1,172</b>	1,131

The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.	<b>2014</b>	2013
Tuition and research		
College residential	<b>14</b>	12
Fundraising	<b>3</b>	3
Support	<b>16</b>	16
Total	<b>33</b>	31

The average number of employed College Trustees during the year was as follows.		
Teaching and research	<b>1</b>	1
Other	<b>2</b>	2
Total	<b>3</b>	3

The College also benefits from temporary staff and agency workers who are not on the College payroll. There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) exceeded £60,000.

**9 TANGIBLE FIXED ASSETS**

<b>College</b>	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	<b>Total £'000</b>
<b>Cost</b>					
At start of year	150	11,507	0	454	<b>12,111</b>
Additions	0	8	0	106	<b>114</b>
Disposals	0	0	0	(10)	<b>(10)</b>
<b>At end of year</b>	<b>150</b>	<b>11,515</b>	<b>0</b>	<b>550</b>	<b>12,215</b>
<b>Depreciation</b>					
At start of year	90	2,464	0	292	<b>2,846</b>
Charge for the year	9	231	0	40	<b>280</b>
On disposals	0	0	0	(10)	<b>(10)</b>
<b>At end of year</b>	<b>99</b>	<b>2,695</b>	<b>0</b>	<b>322</b>	<b>3,116</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>51</b>	<b>8,820</b>	<b>0</b>	<b>228</b>	<b>9,099</b>
At start of year	60	9,043	0	162	<b>9,265</b>

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

**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**10 SECURITIES AND OTHER INVESTMENTS**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Investments</b>		
Valuation at start of year	<b>11,169</b>	9,310
New money invested	<b>1,072</b>	733
(Decrease)/increase in value of investments	<b>261</b>	1,126
<b>Group investments at end of year</b>	<b>12,502</b>	11,169
Investment in subsidiaries	<b>0</b>	
<b>Investments at end of year</b>	<b>12,502</b>	11,169

**Investments comprise:**

	Held outside the UK £'000	Held in the UK £'000	<b>2014</b> <b>Total</b> <b>£'000</b>	2013 Total £'000
Equity investments	0	163	<b>163</b>	155
Global multi-asset funds	0	12,208	<b>12,208</b>	10,909
Property funds	0	0	<b>0</b>	0
Fixed interest stocks	0	0	<b>0</b>	
Fixed term deposits and cash	0	131	<b>131</b>	105
<b>Total investments</b>	<b>0</b>	<b>12,502</b>	<b>12,502</b>	11,169

**11 DEBTORS**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>		
Trade debtors	<b>2</b>	9
Amounts owed by College members	<b>7</b>	27
Loans repayable within one year	<b>9</b>	7
Prepayments and accrued income	<b>289</b>	264
Other Debtors	<b>4</b>	
<b>Amounts falling due after more than one year:</b>		
Loans	<b>0</b>	1
	<b>311</b>	308

**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**12 CREDITORS: falling due within one year**

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Bank loans	<b>18</b>	18
Trade creditors	<b>170</b>	175
Amounts owed to College Members	<b>184</b>	117
Taxation and social security	<b>21</b>	22
Accruals and deferred income	<b>31</b>	50
Other creditors	<b>104</b>	209
	<b>528</b>	591

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

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Bank loans	<b>363</b>	382
Other creditors	<b>60</b>	90
	<b>423</b>	472

**14 FUNDS OF THE COLLEGE MOVEMENTS**

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
<b>Endowment Funds - Permanent</b>						
General Endowment	7,859	306	0	12	200	<b>8,377</b>
Student Scholarships and grants	841	630	0	15	0	<b>1,486</b>
Student Hardship	227	0	0	0	7	<b>234</b>
Fellows support	315	17	0	0	3	<b>335</b>
<b>Total Endowment Funds</b>	<b>9,242</b>	<b>953</b>	<b>0</b>	<b>27</b>	<b>210</b>	<b>10,432</b>
<b>Restricted Funds</b>						
Scholarship and grants Income	286	118	(93)	(6)	1	<b>306</b>
Hardship Income	79	10	(10)	2	1	<b>82</b>
Fellows Research Income	69	23	(3)	(1)	0	<b>88</b>
Facilities Income	109	62	0	(61)	1	<b>111</b>
Lectures Income	67	33	(12)	(7)	(7)	<b>74</b>
<b>Total Restricted Funds</b>	<b>610</b>	<b>246</b>	<b>(118)</b>	<b>(73)</b>	<b>(4)</b>	<b>661</b>
<b>Unrestricted Funds</b>						
General	275	2,714	(2,245)	(218)	0	<b>526</b>
Fixed asset designated Fund	7,894	0	(237)	94	0	<b>7,751</b>
Other Designated Funds	2,678	151	(126)	170	55	<b>2,928</b>
<b>Total Unrestricted Funds</b>	<b>10,847</b>	<b>2,865</b>	<b>(2,608)</b>	<b>46</b>	<b>55</b>	<b>11,205</b>
<b>Total Funds</b>	<b>20,699</b>	<b>4,064</b>	<b>(2,726)</b>	<b>0</b>	<b>261</b>	<b>22,298</b>



**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2014**

**15 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

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

**Restricted Funds:**

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

**Designated Funds**

Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Other Designated Funds	Unrestricted Funds allocated by the Fellows for future costs for various purposes. They include £1,910k Designated Capital funds which are Unrestricted funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities

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

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	9,099	0	0	<b>9,099</b>
Securities and other investments	1,845	225	10,432	<b>12,502</b>
Net current assets and creditors falling due after one year	261	436	0	<b>697</b>
	<b>11,205</b>	<b>661</b>	<b>10,432</b>	<b>22,298</b>

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**17 TRUSTEES' REMUNERATION**

**Trustee remuneration**

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

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

Trustees of the college fall into the following categories:

Principal, Fellows by election, Professorial Fellows, Senior Research Fellows, President of the Common Room, 5 Common Room representatives including 1 Junior Research Fellow.

There are also 3 trustees (Principal, Bursar and Development Director) who work full time on management and fundraising.

Some trustees receive additional allowances for additional work carried out as part time college officers. (e.g. Vice Principal, Senior Tutor) These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £219k (2012-13 £215k). The total of pension contributions is £30k (2012-13 £29k).

**Remuneration paid to trustees**

Range	2013-14		2012-13	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£1-£999	1	834	0	
£1,000-£1,999	1	1,104	1	1,093
£2,000-£2,999	2	4,611	1	2,259
£3,000-£3,999	1	3,767	0	
£4,000-£4,999	0		1	4,674
£6,000-£6,999	1	6,286	0	
£8,000-£8,999	0		1	8,179
£53,000-£53,999	1	53,846	1	53,291
£63,000-£63,999	0		1	63,290
£65,000-£65,999	1	65,854	0	
£81,000-£81,999	0		1	81,946
£82,000-£82,999	1	82,309	0	

51 trustees were not employees of the college and did not receive remuneration.

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

**Trustee expenses**

No Fellow claimed any expenses for work as a trustee.

**There were no other transactions with trustees**

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**18 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.

**Actuarial valuations**

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

		<b>USS</b>	<b>OSPS</b>
Date of valuation:		31/03/2011	31/03/2013
Date valuation results published:		15/06/2012	23/06/2014
Value of liabilities:		£35,344m	£597m
Value of assets:		£32,434m	£424m
Funding Surplus/(Deficit):		(£2,910m) <small>a and b</small>	(£173m) <sup>c</sup>
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)	-	4.4%
	Rate of interest (periods after retirement)	-	4.4%
	Rate of increase in salaries	4.4% pa	4.5%
	Rate of increase in pensions	3.4% pa <sup>d</sup>	4.4%
Mortality assumptions:			
	Assumed life expectancy at age 65 (males)	23.7 yrs	22.5 yrs
	Assumed life expectancy at age 65 (females)	25.6 yrs	25.2 yrs
Funding Ratios:			
	Technical Provisions basis:	92%	71%
	Statutory Pension Protection Fund basis:	93%	69%
	"Buy-out" basis:	57%	44%
	Estimated FRS17 basis	82%	75%
			21.5%
		16% <sup>e</sup>	increasing to 23.5% <sup>f</sup>
Recommended Employer's contribution rate (as % of pensionable salaries)			
Effective date of next valuation:		31/03/2014	31/03/2016

**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. Further details about the changes may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). After allowing for those changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries for the 2011/12 year, reducing over time. USS agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers

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**18 PENSION SCHEMES (continued)**

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. As the work on the 2014 valuation for USS is not yet complete the trustee cannot provide the final figure for funding as at 31 March 2014. However, an estimate has been provided using the assumption to deliver the 2011 actuarial valuation. On that basis the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.
- c. OSPS' actuarial valuation as at 31st March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries, and a funding deficit of £173m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the next three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30th June 2026.
- d. USS' actuary has assumed that pensions increases will be 3.4% a year for the three years to 31st March 2014, then 2.6% a year thereafter.
- e. 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.
- f. As noted above (note c.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that the employers contribution rate increase by 0.5% each year to 1 August 2017 to 23.5%.

**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 £63m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £2.0bn	increase / decrease by £41m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £1.2bn	increase / decrease by £13m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.8bn	increase by £20m

The pension charge for the year includes contributions payable to the USS of £50k( 2013 - £53k) and contributions payable to the OSPS of £94k (2013 - £89k). At 31 July 2014 £18k was accrued in respect of pension contributions (2013 - £16k).

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**19 TAXATION**

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

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

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Net incoming resources for the year</b>	<b>1,338</b>	2,328
Elimination of non-operating cash flows:		
- Donation of property		(1,500)
- Investment income	<b>(463)</b>	(407)
- Endowment donations	<b>(953)</b>	(661)
- Financing costs	<b>9</b>	9
Depreciation	<b>280</b>	263
Decrease/(Increase) in stock	<b>(10)</b>	(1)
Decrease/(Increase) in debtors	<b>20</b>	1
(Decrease)/Increase in creditors	<b>(93)</b>	135
<b>Net cash inflow/(outflow) from operations</b>	<b>128</b>	167

**21 ANALYSIS OF CHANGES IN NET FUNDS**

	2013	Cash flow	2014
	£'000	£'000	£'000
Cash at bank and in hand	87	2	<b>89</b>
	<u>87</u>	<u>2</u>	<u><b>89</b></u>
Deposits and other short term investments	895	305	<b>1,200</b>
Bank loans due within one year	(18)	0	<b>(18)</b>
Bank loans due after one year	(382)	19	<b>(363)</b>
	<u>582</u>	<u>326</u>	<u><b>908</b></u>

**22 FINANCIAL COMMITMENTS**

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

	<b>2014</b>	2013
	<b>£'000</b>	£'000
<b>Land and buildings</b>		
- expiring within one year	<b>0</b>	0
- expiring between two and five years	<b>0</b>	0
- expiring in over five years	<b>51</b>	51
	<u><b>51</b></u>	<u>51</u>
<b>Other</b>		
- expiring within one year	<b>0</b>	0
- expiring between two and five years	<b>4</b>	5
- expiring in over five years	<b>0</b>	0
	<u><b>4</b></u>	<u>5</u>

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**23 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July of £15k for future projects. (2013 £142k)

**24 RELATED PARTY TRANSACTIONS**

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

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

There were no other related party transactions.