



Linacre College

Annual Report and Financial Statements

Year ended 31 July 2015

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LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2015

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					•			
Brand, Dr Christian								
Brown, Dr Nick		•	•	•	•	•	•	•
Burlakov, Dr Victor								
Castell, Prof Martin								
Catling, Prof Brian								
Corsi, Prof Pietro			•					
Dalrymple, Prof Mary								
de Freitas, Prof Nando								
Dudarev, Dr Sergei								
Ertl, Dr Hubert								
Ewart, Dr Elizabeth								
Gibney, Dr Matthew								
Hall, Prof Jim								
Heather, Dr Lisa		•						
Hector, Prof Andrew								
Holmes, Dr John				•		•	•	
Ingram, Dr Jenni			•					
Kan, Dr Man Yee			•					
Keene, Dr Anne		•		•		•		
Khatiwala Prof Samar								
Kirkland, Prof Angus								

LINACRE COLLEGE**Governing Body, Officers and Advisers**Year ended 31 July 2015

		1	2	3	4	5	6	7
Kleanthous, Prof Colin								
La Thangue, Prof Nick								
MacKay, Prof John								
McVean, Prof Gil								
Morton, Dr Christopher			•					
Mustafa, Dr Asma		•	•					•
O'Donoghue, Prof Heather		•						
O'Hanlon, Prof Michael								
Peers, Prof Laura								
Petraglia, Prof Michael								
Pollard, Prof Mark		•			•			
Pratt, Dr Lloyd								
Preston, Dr Gail								
Reid, Mrs Alison		•		•	•	•		•
Sarkar, Prof Subir			•					
Stein, Prof Alan				•				
Travis, Prof Simon				•				
Tsai, Dr Jerry								
Walter, Dr Catherine		•	•	•		•		•
Whiteley, Dr Jonathan			•					•
Ye, Dr Hua Cathy								

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2015

		1	2	3	4	5	6	7
Common Room President: Phillipa Howarth Kiron Neale	April 2014 to February 2015 March 2015 to December 2015	•	•	•		•	•	•
Junior Research Fellow: Katerina Douka Christopher Cooper	November 2011 to September 2014 October 2014 to September 2015							
Common Room Treasurer: Adam Formica Taryn McKenzie-Mohr	April 2014 to March 2015 April 2015 to March 2016	•	•					
Common Room Secretary: Hannah Mosley Symon Foren	April 2014 to March 2015 April 2014 to March 2015		•					
Common Room Welfare Officer: Laura Godfrey	January 2014 to December 2014							•
Newsletter & Fellows Engagement Officer: Natasja Shermis	January 2015 to September 2015		•					

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 five external members, two of whom are students.
2. Academic Committee. There are no external members on the Academic Committee.
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 five are staff and four are students.
7. Equality committee. The Equality Committee also has four external members of whom three are members of Staff and one a student.

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Governing Body, Officers and Advisers

Year ended 31 July 2015

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
Walter, Dr Catherine	Vice Principal
Mustafa, Dr Asma	Senior Tutor
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 Business Services, The Peninsula, Victoria Place, Manchester M4 4FB

Health and Safety Consultants

Peninsula Business Services, The Peninsula, Victoria Place, Manchester M4 4FB

College address

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

Website

www.linacre.ox.ac.uk

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2015

Report of the Governing Body

The Members of the Governing Body present their Annual Report for the year ended 31 July 2015 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.

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Report of the Governing Body

Year ended 31 July 2015

- 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:

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Report of the Governing Body

Year ended 31 July 2015

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 179 new students in October 2014. A break-down of student admissions statistics is given in the table below. In total the College had 465 registered students in October 2014, of which 331 were fee-paying. 134 students were no longer liable for fees but had not yet completed their degrees.

	2014		2013	
Applications received	350		339	
Offered	304	87%	296	87%
Withdrew/Deferred	125		120	
Admitted	179	59%	176	59%
UK	53	30%	45	26%
EU	34	19%	28	16%
Overseas	92	51%	103	58%
Male	94	53%	93	53%
Female	85		83	

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Report of the Governing Body

Year ended 31 July 2015

	2014		2013	
Taught	111	65%	114	61%
Research	68	38%	62	39%

In July 2015 the College had 32 Official Fellows, 11 Professorial Fellows, 9 Senior Research Fellows and 20 Junior Research Fellows (of which 10 were newly appointed in October 2014).

Achievements and Performance

1. Academic

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

Ten new Junior Research Fellowships were awarded to start in October 2014. The new Fellows are conducting research in Archaeology, Earth Sciences, Geography, Music, Physics, Population Health and Medical Sciences (4).

The following scholarships were awarded in October 2014:

- Sir Bryan Cartledge Scholarship in Humanities (£2,765)
- Canadian National Scholarship (£5,000)
- Canadian Alumni Scholarship (£6,000)
- Carolyn & Franco Gianturco Scholarship (2 awards totalling £7,765)
- David Daube Law Scholarship (£2,765)
- EPA Cephalosporin Scholarships (4 awards totalling £10,139)
- Hitachi Chemical Environmental Scholarship (£3,765)
- JEOL Scholarship (£6,000)
- Mary Blaschko Scholarships (2 awards totalling £5,530)
- Norman and Ivy Lloyd Scholarship (£13,287)
- Oxford-EPA Cephalosporin Graduate Scholarships (£12,374)
- Oxford-Linacre African Graduate Scholarship (£10,296)
- Professor Paul Slack Scholarship in Humanities (£2,765)
- Rausing Scholarships (£2,765)
- Raymond & Vera Asquith Scholarship (£2,765)
- Ronald and Jane Olson Scholarship (£5,265)
- Ruth & Nevill Mott Scholarship (£2,765)
- Ryle Scholarship (£2,765)
- Waverley African Studies Scholarship (£8,000)

The college hosted the 2015 Tanner Lecture on Human Values, which was given by Professor Peter Singer, Ira W DeCamp Professor of Bioethics at Princeton University, on Tuesday 9th June 2015. The lecture, with the title "From Moral Neutrality to Effective Altruism: The Changing Scope and Significance of Moral Philosophy" can be viewed on <https://podcasts.ox.ac.uk/series/tanner-lectures>.

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

2. Advice and guidance

The Principal, Vice Principal and Senior Tutor held individual interviews with over 208 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.

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Report of the Governing Body

Year ended 31 July 2015

Where problems could not be resolved locally, students were referred on to the University Counselling Service or the Senior Tutor took up their case with the Proctors or University Central Administration.

3. Prizes:

The College awarded two Thomas Linacre studentships of £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 40 Travel Grants to enable students to present their research at conferences. The average award was £237 and the maximum award was £300. The total amount awarded was £9,489.

The College made 10 "writing-up" grants totalling £9,500 to students for whom scholarship support had expired but who needed financial support until they could submit their theses.

5. Hardship:

The College made eleven hardship grants (in addition to "writing-up" grants) totalling £6,979 and six interest-free hardship loans totalling £6,127 to students facing unexpected financial difficulties during the year.

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

The Common Room was once again an active physical and social space for the members of the College and the Executive Committee represented the interests of the students at regular meetings with senior staff. The Common Room remained committed to promoting the academic, social and recreational elements of Linacre life and it has also continued its support for charities and ethical investments.

The Common Room benefited from regular features on the term cards including cheese and wine nights, brunches, LGBTQ pizza nights, and exchange dinners. There were specific sporting successes with the Linacre Football Club placed 1st in their Division and the Linacre Rowing Teams earned blades. The College also hosted the Linacre Summer Ball with a 'Casablanca' theme which proved to be a night to remember. Other noteworthy events included the Chinese New Year Dinner and The Grand Summer BBQ.

7. Library and IT:

The Library has continued to concentrate its resources on student support, especially for students on taught courses. The collection is becoming very good in certain subject areas, especially in popular subject areas like computing, mathematics and statistics, environmental studies and refugee studies. Research students are also making greater use of the college library service than in the past, sending in many book requests which are satisfied by purchase (if appropriate) or inter-library loan (if not). The free (up to a limit) inter-library loan service is also becoming more and more popular, with 38 loans or documents delivered in 2014-15 as opposed to 19 the previous year. The library budget has been helped out by three generous donations of £500 each from alumni under the Gift Collections scheme, and we hope to continue to attract funds in this way in coming years.

Linacre has employed the services of Network Consultant to aid in improving the security and performance of the network, as well as preparing for further demands such as voice over IP (VOIP). All of the College's virtual servers have been migrated onto a newer, more resilient platform, taking advantage of the University's favourable licensing agreement with Microsoft. Printing charges to students have been significantly reduced by passing on the significant savings made by improving the printing setup, and using recycled toner cartridges. Further improvements have been made to the Wi-Fi network, by installing additional cabling, and by using a more powerful system to cope with ever growing demand.

8. Accommodation:

The College accommodated 186 graduate students in 168 single rooms and 18 twin rooms or flats. The rents for single rooms were between £345 - £565 per month depending on size and facilities. These rents include services. All rooms have network access to University computing facilities.

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Report of the Governing Body

Year ended 31 July 2015

Following major works in the OC Tanner Building to rectify old electrical and pipework issues, the building was completely redecorated and re carpeted. With updated bathrooms and new signage throughout, this building, including the student accommodation areas, has been brought up to a very high standard.

9. Development:

Voluntary income (excluding the College Contributions Fund grants) totalled £865k from 279 donors; further firm pledges totalled £171k. Major gifts or pledges included: £322k from Tanner Charitable Trust; £120k from Agnese Nelms Haury Trust; £100k from E P Abraham Cephalosporin Fund; £93k from Allan & Nesta Ferguson Charitable Trust; £70k from Mrs Jean Cockayne; £39k from Professors Carolyn & Franco Gianturco. The number of scholarships offered by Linacre has risen to 33, and Junior Research Fellowships to 24. One new legacy pledge of £10k was received, and a gift in kind worth £5k. Total funds received during our 50th Anniversary Campaign, ending in December 2015, are £7 million with £600k pledged and a bequest from an alumnus who died in December 2013 is expected soon, of approximately £400k. Stewardship and Old Member events during the year were many and varied, in Austria, Canada, Italy and the UK, some focussing on national groups and others on professional networks.

Financial Review

Total Incoming resources (excluding voluntary income) increased by 6.7% to £2,954k. This reflects increased residential income from a higher occupancy rate and increased investment income from new Endowments.

Resources expended totalled £3,025k which represents an increase of 11% on 2014. This is mainly as a result of high maintenance expenditure on student accommodation and central facilities.

The value of the investment portfolio increased to £14,427k. This included new money invested of £697k and investment gains of £1,228k.

Reserves policy

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

The College's free reserves at the year-end amounted to £2,234k (2014 £3,454k) representing retained unrestricted income reserves excluding an amount of £7,606k for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end include Capital Funds of £475k 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 £518k 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 2014-15 include a large accrual for 7 months for the dividend on the holding from 1 January 2015. The dividend has been estimated using the best available information. The dividend for the 7 months to 31 July 2015 will be declared in spring 2016.

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.

The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's long term investments totalled £14,427k.

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Report of the Governing Body

Year ended 31 July 2015

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 fulltime graduate students in 2015-16 and up to 30 part-time and distance learning students. We hope to maintain a balance between taught and research students. The College intends to develop its capacity to support part-time and distance learning students in response to a significant increase in the number of post-graduate students using this mode of study at Oxford University
- Eleven new JRFs will join the College in October 2015. Linacre College proposes to make elections (in Hilary Term 2016) to a further twelve Junior Research Fellowships tenable for two years tenable from 1 October 2016.
- 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.
- Dr Sara McLean, Research Fellow at the Australian Centre for Child Protection at the University of South Australia, will join the College as the 2016 Association of Commonwealth Universities Linacre Visiting Fellow.
- The College will host two major public lectures – the Linacre Lecture on the Environment and the Tanner Lecture on Human Values.
- The College will agree a development strategy for the period 2016-2020 which will set a fund-raising target and identify the key strategic needs.
- The College will carry out a major refurbishment of the kitchen and dining hall in order to enhance its capacity to provide a congenial and efficient meals service.

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 2 December 2015 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

Auditor's Report

We have audited the financial statements of Linacre College for the year ended 31 July 2015 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 2015 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 2015

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

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 2015

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 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
INCOMING RESOURCES						
Resources from charitable activities						
Teaching and research	1	2,384	33	0	2,417	2,304
		<u>2,384</u>	<u>33</u>	<u>0</u>	<u>2,417</u>	<u>2,304</u>
Resources from generated funds						
Legacies and donations		99	277	546	922	1,297
Investment income	2	415	122	0	537	463
Bank and other interest	3	0	0	0	0	0
		<u>514</u>	<u>399</u>	<u>546</u>	<u>1,459</u>	<u>1,760</u>
Total Incoming Resources		<u>2,898</u>	<u>432</u>	<u>546</u>	<u>3,876</u>	<u>4,064</u>
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising	4	183	0	0	183	177
Investment management costs		22	0	0	22	20
		<u>205</u>	<u>0</u>	<u>0</u>	<u>205</u>	<u>197</u>
Charitable activities						
Teaching and research	4	2,643	164	0	2,807	2,518
		<u>2,643</u>	<u>164</u>	<u>0</u>	<u>2,807</u>	<u>2,518</u>
Governance costs	7	13	0	0	13	11
Total Resources Expended		<u>2,861</u>	<u>164</u>	<u>0</u>	<u>3,025</u>	<u>2,726</u>
Net incoming/(outgoing) resources before transfers						
Transfers between funds	15	37	268	546	851	1,338
		(1,444)	(148)	1,592	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>(1,407)</u>	<u>120</u>	<u>2,138</u>	<u>851</u>	<u>1,338</u>
Investment gains/(losses)		42	18	1,168	1,228	261
Net movement in funds for the year		<u>(1,365)</u>	<u>138</u>	<u>3,306</u>	<u>2,079</u>	<u>1,599</u>
Fund balances brought forward	14	11,205	661	10,432	22,298	20,699
Funds carried forward at 31 July	14	<u>9,840</u>	<u>799</u>	<u>13,738</u>	<u>24,377</u>	<u>22,298</u>

Linacre College
Balance Sheet
As at 31 July 2015

	Notes	2015 College £'000	2014 College £'000
FIXED ASSETS			
Tangible assets	9	8,820	9,099
Securities and other investments	10	14,427	12,502
		<u>23,247</u>	<u>21,601</u>
CURRENT ASSETS			
Stocks		46	48
Debtors	11	365	311
Deposits and other short term investments		1,471	1,200
Cash at bank and in hand		251	89
		<u>2,133</u>	<u>1,648</u>
CREDITORS: falling due within one year	12	629	528
NET CURRENT ASSETS/(LIABILITIES)		<u>1,504</u>	<u>1,120</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,751	22,721
CREDITORS: falling due after more than one year	13	374	423
NET ASSETS		<u>24,377</u>	<u>22,298</u>
FUNDS OF THE COLLEGE			
	14		
Endowment funds		13,738	10,432
Restricted funds		799	661
Unrestricted funds			
Designated funds		9,224	10,679
General funds		616	526
		<u>24,377</u>	<u>22,298</u>

*The financial statements were approved and authorised for issue by the Governing Body of
Linacre College
on 2nd December 2015*

Trustee:

Trustee:

Linacre College
Cash Flow Statement
For the year ended 31 July 2015

	Notes	2015 College £'000	2014 College £'000
Net cash inflow/(outflow) from operations	21	127	128
Returns on investments and servicing of finance			
Income from investments		501	440
Finance costs paid		(10)	(9)
		491	431
Capital expenditure and financial investment			
New endowment capital received		546	953
Payments for tangible fixed assets		(15)	(114)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(697)	(1,072)
Proceeds from sales of investments		0	0
		(166)	(233)
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		(271)	(305)
Net (purchase) / sale of current asset investments		0	0
		(271)	(305)
Financing			
New bank loans		0	0
Bank loans repaid		(19)	(19)
New lease finance		0	0
Capital element of finance lease payments		0	0
		(19)	(19)
Increase/(decrease) in cash in the year		162	2
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		162	2
Transfers to/(from) term deposits and current investments		271	305
(Increase)/decrease in loan and lease finance		19	19
Change in net funds		452	326
Net funds at 1 August		908	582
Net funds at 31 July		1,360	908

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Teaching and research					
Tuition fees - UK and EU students	382	0	0	382	350
Tuition fees - Overseas students	558	0	0	558	573
Other HEFCE support	87	0	0	87	79
Other academic income	8	33	0	41	40
College residential income	1,349	0	0	1,349	1,262
	2,384	33	0	2,417	2,304

The above analysis includes £163k received from Oxford University under the CFF Scheme, net of College fees received directly (2014 - £173k)

2 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Equity dividends	0	0	0	0	0
Income from fixed interest stocks	0	0	0	0	0
Interest on fixed term deposits and cash	11	3	0	14	10
Other investment income	404	119	0	523	453
	415	122	0	537	463

3 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Bank interest	0	0	0	0	0
	0	0	0	0	0

4 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2015 Total £'000	2014 Total £'000
Costs of generating funds					
Fundraising	150	33	0	183	177
Investment management costs	0	4	18	22	20
Total costs of generating funds	150	37	18	205	197
Charitable expenditure					
Teaching and research	729	1,351	727	2,807	2,518
Total charitable expenditure	729	1,351	727	2,807	2,518
Governance costs	0	13	0	13	11
Total resources expended	879	1,401	745	3,025	2,726

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

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 (2014 - £0).

5 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000	2014 Total £'000
Financial and domestic admin	17	283	300	278
IT	1	140	141	118
Depreciation	0	294	294	280
Bank interest payable	0	3	3	4
Other finance charges	0	7	7	5
	18	727	745	685

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	2015 Total £'000	2014 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	4	131	135	96
Bursaries and hardship awards	3	15	18	16
	7	146	153	112

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

7 GOVERNANCE COSTS

	2015 £'000	2014 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	13	11
	13	11

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 2015

8 STAFF COSTS

The aggregate payroll costs for the year were as follows.	2015	2014
	£'000	£'000
Salaries and wages	1,028	975
Social security costs	57	53
Pension costs	159	144
	<u>1,244</u>	<u>1,172</u>

The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.	2015	2014
Tuition and research		
College residential	14	14
Fundraising	3	3
Support	17	16
Total	<u>34</u>	<u>33</u>

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

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

9 TANGIBLE FIXED ASSETS

College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	150	11,515	0	550	12,215
Additions	0	0	0	15	15
Disposals	0	0	0	0	0
At end of year	<u>150</u>	<u>11,515</u>	<u>0</u>	<u>565</u>	<u>12,230</u>
Depreciation					
At start of year	99	2,695	0	322	3,116
Charge for the year	9	231	0	54	294
On disposals	0	0	0	0	0
At end of year	<u>108</u>	<u>2,926</u>	<u>0</u>	<u>376</u>	<u>3,410</u>
Net book value					
At end of year	<u>42</u>	<u>8,589</u>	<u>0</u>	<u>189</u>	<u>8,820</u>
At start of year	51	8,820	0	228	9,099

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 2015

10 SECURITIES AND OTHER INVESTMENTS

	2015	2014
	£'000	£'000
Investments		
Valuation at start of year	12,502	11,169
New money invested	697	1,072
(Decrease)/increase in value of investments	1,228	261
Group investments at end of year	14,427	12,502
Investment in subsidiaries	0	0
Investments at end of year	14,427	12,502

Investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000	2014 Total £'000
Equity investments	0	181	181	163
Global multi-asset funds	0	14,217	14,217	12,208
Property funds	0	0	0	0
Fixed interest stocks	0	0	0	
Fixed term deposits and cash	0	29	29	131
Total investments	0	14,427	14,427	12,502

11 DEBTORS

	2015	2014
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	5	2
Amounts owed by College members	23	7
Loans repayable within one year	9	9
Prepayments and accrued income	325	289
Other Debtors	3	4
Amounts falling due after more than one year:		
Loans	0	0
	365	311

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

12 CREDITORS: falling due within one year

	2015	2014
	£'000	£'000
Bank loans	18	18
Trade creditors	188	170
Amounts owed to College Members	261	184
Taxation and social security	20	21
Accruals and deferred income	43	31
Other creditors	99	104
	629	528

13 CREDITORS: falling due after more than one year

	2015	2014
	£'000	£'000
Bank loans	344	363
Other creditors	30	60
	374	423

14 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2014 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2015 £'000
Endowment Funds - Permanent						
General Endowment	8,377	332	0	1,105	921	10,735
Student Scholarships and grants	1,486	91	0	280	166	2,023
Student Hardship	234	0	0	94	30	358
Fellows support	335	123	0	113	51	622
Total Endowment Funds	10,432	546	0	1,592	1,168	13,738
Restricted Funds						
Scholarship and grants Income	306	313	(136)	(37)	5	451
Hardship Income	82	14	(9)	(53)	0	34
Fellows Research Income	88	34	(4)	(43)	0	75
Facilities Income	111	35	(1)	(21)	7	131
Lectures Income	74	36	(14)	6	6	108
Total Restricted Funds	661	432	(164)	(148)	18	799
Unrestricted Funds						
General	526	2,783	(2,511)	(182)	0	616
Fixed asset designated Fund	7,751	0	(234)	89	0	7,606
Other Designated Funds	2,928	115	(116)	(1,351)	42	1,618
Total Unrestricted Funds	11,205	2,898	(2,861)	(1,444)	42	9,840
Total Funds	22,298	3,876	(3,025)	0	1,228	24,377

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

15 TRANSFERS BETWEEN FUNDS

	Transfers due to reorganisation of the Investment Pool	Other Transfers	Total
	£'000	£'000	£'000
Endowment Funds - Permanent			
General Endowment	1,105	0	1,105
Student Scholarships and grants	238	42	280
Student Hardship	33	61	94
Fellows support	78	35	113
Total Endowment Funds	<u>1,454</u>	<u>138</u>	<u>1,592</u>
Restricted Funds			
Scholarship and grants Income	12	(49)	(37)
Hardship Income	8	(61)	(53)
Fellows Research Income		(43)	(43)
Facilities Income	11	(32)	(21)
Lectures Income	13	(7)	6
Total Restricted Funds	<u>44</u>	<u>(192)</u>	<u>(148)</u>
Unrestricted Funds			
General		(182)	(182)
Fixed asset designated Fund		89	89
Other Designated Funds	(1,498)	147	(1,351)
Total Unrestricted Funds	<u>(1,498)</u>	<u>54</u>	<u>(1,444)</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>

The college operates an Investment Pool in which capital funds are invested. Historically this Pool has included a small Ethical portfolio, internal (functional) property as well as the large holding in Oxford Endowment Fund which made up c 86% of the Pool. Each investor in the Pool shares equally in all investments and the income and capital returns of all assets. At 1st August 2014 the Investment Pool was restructured - effectively splitting the Pool in two and hiving off the internal functional property and the small ethical portfolio. The purpose in doing this was to protect the Restricted funds from future decisions about the property and ethical investments. The Income yield on the internal property has been higher than the yield on the Oxford Endowment Fund portfolio. To compensate for the loss of income the restricted funds were allocated additional shares in the new Investment Pool. Following the restructuring the property and ethical portfolio are now held exclusively by the unrestricted capital fund shown within Other Designated Funds.

16 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.

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

16 FUNDS OF THE COLLEGE DETAILS (continued)

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

17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	8,820	0	0	8,820
Securities and other investments	379	310	13,738	14,427
Net current assets and creditors falling due after one year	641	489	0	1,130
	9,840	799	13,738	24,377

18 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 £228k (2013-14 £219k). The total of pension contributions is £31k (2013-14 £30k).

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

18 TRUSTEES' REMUNERATION (continued)

Remuneration paid to trustees

Range	2014-15		2013-14	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions
		£		£
£1-£999	0		1	834
£1,000-£1,999	1	1,126	1	1,104
£2,000-£2,999	1	2,471	2	4,611
£3,000-£3,999	0		1	3,767
£4,000-£4,999	1	4,702	0	
£6,000-£6,999	0		1	6,286
£7,000-£7,999	1	7,353	0	
£53,000-£53,999	0		1	53,846
£57,000-£57,999	1	57,399	0	
£65,000-£65,999	0		1	65,854
£70,000-£70,999	1	70,570	0	
£82,000-£82,999	0		1	82,309
£84,000-£84,999	1	84,455	0	

53 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

19 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.

Linacre College
Notes to the financial statements
For the year ended 31 July 2015

19 PENSION SCHEMES (continued)

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:		31/03/2014	31/03/2013
Date valuation results published:		24/07/2015	23/06/2014
Value of liabilities:		£46.9bn	£597m
Value of assets:		£41.6bn	£424m
Funding Surplus/(Deficit):		(£5.3bn) ^a	(£173m) ^b
Principal assumptions:			
	Rate of interest (past service liabilities)	5.2% ^c pa	-
	Rate of interest (periods up to retirement)	-	4.4% pa
	Rate of interest (periods after retirement)	-	4.4% pa
	Rate of increase in salaries	RPI + 1% ^d	4.5% pa
	Rate of increase in pensions	CPI pa ^d	4.4% pa
Mortality assumptions:			
	Assumed life expectancy at age 65 (males)	24.2 yrs	22.5 yrs
	Assumed life expectancy at age 65 (females)	26.3 yrs	25.2 yrs
Funding Ratios:			
	Technical Provisions basis:	89%	71%
	Statutory Pension Protection Fund basis:	82%	69%
	"Buy-out" basis:	54%	44%
	Estimated FRS17 basis	72%	75%
		18% ^e	21.5% increasing to 23.5% ^f
Recommended Employer's contribution rate (as % of pensionable salaries)			
Effective date of next valuation:		31/03/2017	31/03/2016

Notes:

- a. USS' actuarial valuation as at 31st March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the USS Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75th of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a.; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section of which the first 1% of salary is to be matched by the employer. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution will be 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and once the salary threshold and defined contribution section are introduced this gives rise to deficit contributions of at least 2.1% pa of salaries.
- b. OSPS' actuarial valuation as at 31st March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries, but also 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 three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30th June 2026.
- c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.
- d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% pa less an inflation risk premium) less RPI/CPI gap of 0.8% pa.

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19 PENSION SCHEMES (continued)

- e. As noted above (note a.), the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it is 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards DC benefits including employer matching contributions and certain investment management costs relating to the DC section.
- f. As noted above (note b.), 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 increase their contribution rate 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 USS liabilities
Initial discount rate	increased/reduced by 0.25%	decrease / increase by £0.8bn
Rate of pension increases	increased/reduced by 0.25%	increase / decrease by £1.1bn
Rate of salary growth	increase/decrease by 0.1%	increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.5bn

Assumption	Change in assumption	Impact on OSPS liabilities
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £63m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £41m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £13m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £20m

The pension charge recorded by the college during the year was equal to the contributions payable to the USS of £52k (2014 - £50k) and contributions payable to the OSPS of £107k (2014 - £94k). At 31 July 2015 £18k was accrued in respect of pension contributions (2014 - £18k).

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20 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.

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

	2015	2014
	£'000	£'000
Net incoming resources for the year	851	1,338
Elimination of non-operating cash flows:		
- Donation of property		
- Investment income	(537)	(463)
- Endowment donations	(546)	(953)
- Financing costs	10	9
Depreciation	294	280
Decrease/(Increase) in stock	2	(10)
Decrease/(Increase) in debtors	(18)	20
(Decrease)/Increase in creditors	71	(93)
Net cash inflow/(outflow) from operations	127	128

22 ANALYSIS OF CHANGES IN NET FUNDS

	2014	Cash flow	2015
	£'000	£'000	£'000
Cash at bank and in hand	89	162	251
	<u>89</u>	<u>162</u>	<u>251</u>
Deposits and other short term investments	1,200	271	1,471
Bank loans due within one year	(18)	0	(18)
Bank loans due after one year	(363)	19	(344)
	<u>908</u>	<u>452</u>	<u>1,360</u>

23 FINANCIAL COMMITMENTS

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

	2015	2014
	£'000	£'000
Land and buildings		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	51	51
	<u>51</u>	<u>51</u>
Other		
- expiring within one year	1	0
- expiring between two and five years	3	4
- expiring in over five years	0	0
	<u>4</u>	<u>4</u>

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24 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July of £129k for future projects. (2014 £15k)

25 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.