



Linacre College

Annual Report and Financial Statements

Year ended 31 July 2016

LINACRE COLLEGE
Annual Report and Financial Statements
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LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2016

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 Trustees 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								
Burton, Dr Rebecca	From 20 April 2016							
Caplan, Prof Richard				•				
Castell, Prof Martin								
Catling, Prof Brian								
Corsi, Prof Pietro	Retired 30 September 2015							
de Freitas, Prof Nando								
Dudarev, Dr Sergei								
Ertl, Dr Hubert								
Ewart, Dr Elizabeth			•					
Hall, Prof Jim								
Heather, Dr Lisa	Left 30 September 2016							•
Hector, Prof Andrew								
Holmes, Dr John				•		•	•	
Illiffe, Prof Robert	From 1 January 2016							
Ingram, Dr Jenni			•					
Ionescu, Dr Cezar	From 1 October 2015							
Kan, Dr Man Yee			•					
Keene, Dr Anne		•		•		•		

LINACRE COLLEGE**Governing Body, Officers and Advisers****Year ended 31 July 2016**

		1	2	3	4	5	6	7
		1	2	3	4	5	6	7
Khatiwala Prof Samar			•					
Kirkland, Prof Angus								
Kleanthous, Prof Colin								
La Thangue, Prof Nick								
MacKay, Prof John		•						
McVean, Prof Gil	Left 31 March 2016							
Morton, Dr Christopher		•	•	•		•		•
Mustafa, Dr Asma		•	•					•
O'Donoghue. Prof Heather		•						
O'Hanlon, Prof Michael	Retired 30 September 2015							
Peers, Prof Laura								
Petraglia, Prof Michael	Left 30 June 2016							
Pollard, Prof Mark		•			•			
Pratt, Dr Lloyd	Left 30 June 2016							
Preston, Dr Gail								
Reid, Mrs Alison		•		•	•	•		•
Rival, Dr Laura								
Rose, Dr Heath	From 1 September 2015		•					
Sarkar, Prof Subir			•					
Stein, Prof Alan				•				
Travis, Prof Simon				•				
Tsai, Dr Jerry								
Van Broekhoven, Dr Laura	From 1 March 2016							
Walter, Dr Catherine	Retired 30 September 2015	•	•	•		•		•
Ye, Dr Hua Cathy								

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2016

		1	2	3	4	5	6	7
Common Room President: Kiron Neale Qifeng Yang	March 2015 to December 2015 January 2016 to March 2017	•	•	•		•	•	•
Junior Research Fellow: Christopher Cooper David Bauer	October 2014 to September 2015 From October 2015							
Common Room Treasurer: Taryn McKenzie-Mohr Dragana Savic	April 2015 to March 2016 April 2016 to March 2017	•	•					
Common Room Secretary: Symon Foren Tanvi Bhatia	April 2015 to March 2016 April 2016 to March 2017		•					
Common Room Welfare Officer: Ryan Leahy	March 2016 to 30 September 2016							•

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

1. Finance Committee. The Finance Committee also had four external members, two of whom are students.
2. Academic Committee. There were two external members on the Academic Committee, both students.
3. Development Committee. The Development Committee also had six external members, of whom two are members of staff and three are students.
4. Remuneration Committee. The Remuneration Committee also had six external members.
5. Domestic Committee. The Domestic committee also had six external members of whom two are staff and four are students.
6. Health and Safety Committee. The Health and Safety committee also had nine external members of whom five are staff and four are students.
7. Equality Committee. The Equality Committee also had four external members - all members of staff.

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Governing Body, Officers and Advisers

Year ended 31 July 2016

COLLEGE SENIOR STAFF

The senior staff of the College to whom day to day management is delegated are as follows.

Brown, Dr Nick	Principal
Walter, Dr Catherine	Vice Principal to 30 September 2015
Morton, Dr Chris	Vice Principal from 1 October 2015
Mustafa, Dr Asma	Senior Tutor to 30 September 2016
Chanaa, Dr Jane	Senior Tutor from 12 September 2016
Reid, Mrs Alison	Bursar
Keene, Dr Anne	Development Director
Barker, Mr Simon	Domestic Bursar from 1 November 2016

COLLEGE ADVISERS

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 Corporate, Wytham Court, 11 West Way, Oxford, OX2 0JB

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 2016

The Members of the Governing Body present their Annual Report for the year ended 31 July 2016 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.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body who are primarily Fellows are teaching and research employees of the University and receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, members of which include Fellows who are not in receipt of remuneration from the College. Remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior college staff who are not Trustees is set by a separate Staff Committee.

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Report of the Governing Body

Year ended 31 July 2016

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.
- 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 Domestic 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 13 to 15 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.

AIMS, OBJECTIVES AND ACTIVITIES

Charitable Aims and Objectives

The College's aim 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 has considered the Charity Commission's guidance on public benefit and in keeping with this purpose, it has set the College's principal objectives to be:

- 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;

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Report of the Governing Body

Year ended 31 July 2016

- 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 Achievements of the College

The College's activities are focused on achieving its objectives and thereby its aim of advancing knowledge and understanding for public benefit. Performance during the reporting year against each of these activities is described.

1. Recruitment of academically outstanding students and Fellows from across the world.

Student Numbers. The College admitted 210 new students in October 2015. A break-down of student admissions statistics is given in the table below. In total the College had 493 registered students in October 2015, of which 26 were studying part time.

	2015		2014	
Applications received	362		350	
Offered	331	91%	304	87%
Withdrawn/Deferred	121		125	
Admitted	210	63%	179	59%
UK	71	34%	53	30%
EU	31	15%	34	19%
Overseas	108	51%	92	51%
Male	99	47%	94	53%
Female	111	53%	85	47%
Taught	129	61%	111	62%
Research	81	39%	68	38%

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

In July 2016 the College had 31 Official Fellows, 11 Professorial Fellows, 10 Senior Research Fellows and 23 Junior Research Fellows (of which 11 were newly appointed in October 2015).

The high cost of study at Oxford University continues to be a barrier to many students who are offered places. The College has prioritised raising funds for new scholarships in order to ensure that those who are offered a place are able to come regardless of their financial circumstances.

2. Promoting 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.

The 2016 Tanner Lecture on Human Values was given by Baroness Shirley Williams of Crosby on Thursday 9th June 2016. The lecture, with the title "The value of Europe and European values" was attended by over 400 people and has been viewed several thousand times on line: http://media.podcasts.ox.ac.uk/lina/tanner/2016-06-09_tanner_williams.mp4 .

The College supported a Special Tanner Lecture in Japan, at Ochanomizu University, Tokyo. The guest speaker was Professor Dame Carol Black, who gave a lecture entitled 'Women: Education, Biology, Power and Leadership'. A second lecture was given by Mrs Atsuko Toyama former Japanese Minister of Education, Culture, Sports, Science and Technology. Principal, Dr Nick Brown and Fellow, Dr Heath

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Year ended 31 July 2016

Rose, represented the College. Professor Black's lecture can be viewed at:
(<http://www.ocha.ac.jp/tanner/en/>)

More than 20 research seminars were given by college members (both Fellows and students) on their research. The College hosted University research meetings, including those of the International Advisory Board of the Environmental Change Institute, the Climate Research Network, the Innovative Food Systems Teaching and Learning programme, Wytham Woods Research Management Committee, Material Oxford Think Tank, and many others. The College supported six subject-related "mixer" events.

The College is constrained in the number and size of academic events that it is able to host by the capacity of our meeting rooms. Plans for enlarging the facilities will be developed over the next year.

3. 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;

All students of the College are allocated an academic advisor. This person is a senior member of staff, University researcher or lecturer, often in a cognate discipline. The advisor is responsible for reading termly reports on their advisee written by their supervisor or course director, to confirm that good progress is being made and to check on the student's well-being. Problems are reported to the Senior Tutor. Advisors meet with their advisees socially, and if necessary at other times to give advice and guidance. The College also provided an Advisory Panel with specialist knowledge of financial, administrative and welfare issues.

The Senior Tutor, Principal and Vice Principal held individual review meetings with over 200 students during the year. The Senior Tutor was available to support students on a daily basis throughout the year and gave advice and practical support in a large number of academic, welfare and domestic cases. The College trained and funded a Peer Supporter Network.

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.

4. Provision of affordable, comfortable, secure and well-equipped accommodation for graduate students, in close proximity to their places of study;

Linacre offers accommodation to all new student members for at least their first full year in Oxford. The College has accommodation consisting of 168 single rooms and 16 double rooms or flats. There are a further 3 self-contained flats, each suited to a small family. The majority of student rooms are provided in buildings which include the use of communal kitchens and shower rooms.

The rents for single rooms were between £375 - £575 per month depending on size and facilities. These rents include services. All rooms have network access to University computing facilities.

Many accommodation and general building improvements were undertaken during the year. The largest being the complete refurbishment of 49 Walton Street. This included new shower rooms and kitchens, complete redecoration, new carpets and furniture. 189 and 201 Iffley Road benefited from new kitchens, shower rooms and fire alarm systems. On the main College site the Bamborough Building was fitted with double glazed windows and the Griffiths Building had new boilers and a hot water storage facility installed.

The College will face a substantial challenge in providing accommodation for all new students in future. The College rents two properties but leases will expire in 2020. The very high cost of building and property in Oxford make it difficult for the College to afford to replace the rooms that will be lost.

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5. 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. 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.

The College provided a grant of £64k to the Common Room for the provision of sports, social and recreational activities. This grant was used by the Common Room Executive Committee to fund a varied and extensive programme of social events and to support at least 16 different clubs and societies. Events included cheese, wine and movie nights, brunches, LGBTQ pizza nights, exchange dinners, ceillidh, Tango lessons, and parties. There were specific sporting successes with the Linacre Football Club placed 1st in their Division, the Linacre Rowing Teams earned blades and Ladies that Lift Competed at the British Drug Free Powerlifting Association Championships. The College also hosted the Linacre Summer Garden Party which proved to be a day to remember. Other noteworthy events included the Chinese New Year Dinner, Sexy Sub Fusc Bop and The Grand Summer BBQ.

The Dining Hall offered affordable and high quality food every week-day lunch and dinner time to students, staff, fellows and their guests. Guest night dinners were held every Thursday evening and alternate Tuesday evenings in term time. A major refurbishment of the servery and kitchen was started at the end of this year, to enhance the quality of provision for College members.

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.

6. 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;

The library has continued to be popular and well-used, especially by Linacre's students.

209 books were acquired for the library in 2015-16, at a cost of £6,500, using up the whole year's book budget. A large percentage (78%) of books bought were acquired as a result of student requests or from taught-course reading lists. £500 was received towards the book budget from the Gift Collections scheme.

The inter-library loan service has continued to be much in demand. 59 requests were made, of which 50 were supplied, at a total cost of £730. Demand for this service is increasing markedly year-on-year, up from 19 requests in 2012-13 and 38 in 2013-14.

Circulation figures have also continued to rise. There were 733 new loans of books from the library, and 3,789 loans and renewals combined. 882 people are currently using the library to borrow books.

The library also provides the college's major study space and access to computers, printers and scanners. The library door was entered 39,771 times in 2015-16, an average of 3,314 entries per month. An average of 216 individual users per month entered the library. A popular resource is the Small Study Room in the library, which is bookable for group study and tutorials. This was booked 518 times during the year, an average of 43 times per month.

In addition to offering University provided Wi-Fi networks, the College also now offers students the option of a personal wireless router in their room free of charge if they have devices that don't work with the central Wi-Fi systems, or require faster connection speeds.

The College upgraded all college-owned computers to solid-state hard drives during the year giving advantages of increased speed and reduced power consumption. IT support drop-in sessions are offered three times per week, or at any time during office hours for emergency support.

Printing charges to students have been reduced by passing on the significant savings made by improving the printing setup, and using recycled toner cartridges.

The Web Print system that allows members to print to the College printers from their own devices, has been enhanced to allow access via the University's Single Sign On system as used for email and other services instead of needing a dedicated password. Wireless network coverage has been further improved to keep up with continually increasing demand.

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Year ended 31 July 2016

7. The provision of prizes and scholarships to support and reward those students who are deemed to have the highest academic potential

The College awarded 33 scholarships in October 2015:

- Sir Bryan Cartledge Scholarships in Humanities (2 awards totalling £5,696)
- Canadian National Scholarship (£5,000)
- Canadian Alumni Scholarship (£6,000)
- Carolyn & Franco Gianturco Scholarships (2 awards totalling £5,696)
- David Daube Law Scholarship (£2,848)
- EPA Cephalosporin Scholarships (4 awards totalling £11,392)
- Eldred Scholarship (£10,542)
- Hitachi Chemical Environmental Scholarship (£8,848)
- JEOL Scholarship (£6,000)
- Mary Blaschko Scholarships (2 awards totalling £5,696)
- Norman and Ivy Lloyd Scholarship (£13,433)
- Oxford-Agnese Nelms Haury Scholarship (£14,057)
- Oxford-Allan & Nesta Ferguson Scholarship (£14,057)
- Oxford-EPA Cephalosporin Graduate Scholarships (£12,574)
- Oxford-Linacre African Graduate Scholarship (£10,478)
- Professor Paul Slack Scholarships in Humanities (2 awards totalling £5,696)
- Rausing Scholarships (2 awards totalling £5,696)
- Raymond & Vera Asquith Scholarship (£2,848)
- Ronald and Jane Olson Scholarship (£5,348)
- Ruth & Nevill Mott Scholarship (£2,848)
- Ryle Scholarship (£2,848)

The College awarded two Thomas Linacre Studentships in recognition of outstanding contributions to the College life. The College awarded three Domus Research Prizes this year for excellent research communication skills. The college awarded a month-long visiting fellowship at the Huntington Library in California to a graduate student reading English in support of their doctoral research project.

The College's scholarship programme has been very effective in improving access to post-graduate education and training for students from non-conventional backgrounds.

8. Provision of bursaries and interest-free loans to students facing financial hardship

The College made eight hardship grants (in addition to "writing-up" grants) totalling £4,402 and four interest-free hardship loans totalling £2,871 to students facing unexpected financial difficulties during the year.

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Cases of hardship have increased recently – which may be as a result of debts students are holding from their undergraduate studies. There have also been more demands for disabled student support as sources of funding for DSA from central government have closed.

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;

There were 23 Junior Research Fellows at Linacre during the year, working in all five major divisions of the University. Eleven new Junior Research Fellowships were awarded to start in October 2015. The new Fellows are conducting research in Sociology, History, Anthropology and Ethnology, Clinical Neuroscience, Obstetrics and Gynaecology, Physics, Population Health, Global Health, Materials, Biomedical Engineering and Molecular Medicine.

10. Provision of small grants to students and Fellows for travel in pursuance of their research

The College awarded 30 Travel Grants to enable students to present their research at conferences. A further 6 grants were awarded to assist students with fieldwork. The average award was £231 and the maximum award was £300. The total amount awarded was £8,329.

The College made 10 “writing-up” grants totalling £1,000 to students for whom scholarship support had expired but who needed financial support until they could submit their theses.

Seven grants totalling £2,977 were made to Fellows, and seven grants totalling £2,995 to Junior Research Fellows for travel or research support.

11. On-going and dedicated promotion of the College to its Old Members, Friends and Supporters, and fundraising from these constituencies.

The biannual College magazine was distributed to over 4700 alumni. Monthly e-mail updates were sent to 3450 members worldwide. A weekend reunion is held annually for a 10-year cohort, as well as evening events in both London and Oxford, where there are a concentration of members. There are termly occasions in London for our professional networks, and the College legacy circle is hosted biannually in College.

Events are organised to support special visits by the Director of Development and Principal—in 2015-16 to Scotland, Durham, and North America. These included dinners, individual appointments, a North American Strategy Summit and a legacy circle event. Old Member-led events are also enabled, most recently in Paris and Singapore.

Linacre’s 50th Anniversary Campaign, which began in January 2010, ended in December 2015 with £8 million given or firmly pledged, overtaking the target of £7.5 million. Voluntary income in 2015-16 (excluding College Contribution Fund grants) totalled £985k from 325 donors including: £340k from Tanner Charitable Trust (final tranche of 10-year pledge); £108k from the estate of Dr Leslie & Mrs Ursula Goulding; £100k from EPA Cephalosporin Fund (final tranche of 50th Campaign pledge) and £79k from the estate of Ms Gayatri Schilberg. Other highlights included completion of the Anthropology Scholarship (£80k) and renewal of Ruth & Nevill Mott Scholarships. Additionally, firm pledges were made of £105k including: £40k bequest; renewal of CN Scholarship for another five years and 17 new monthly commitments. Two new bequest pledges were received, one of £20k and one of a substantial portion of an estate. Stewardship and Old Member events during the year were many and varied, in London, New York, Oxford, Rome, Tokyo, and Washington DC, some focussing on national groups and others on professional networks.

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.

During the year there were Linacre College representatives on most major University and Conference of Colleges committees. The college took a lead in new initiatives on graduate welfare, graduate housing,

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Year ended 31 July 2016

access and equality. The college made representation to the City Council on planning and infrastructure issues affecting students and Fellows, and nationally on pension and PREVENT matters.

FUTURE PLANS

In July 2016 Governing Body approved a Development Strategy Plan for the next five years. The priorities outlined in this plan are:

Accommodation

Within the next five years the College needs to develop at least 26 student rooms. Building costs are rising very rapidly. At present student accommodation projects typically cost between £75 - £100K per room. This gives a fundraising target of £2,600k (2015 prices) to meet this need. The much larger size of the student body means that the college also badly needs to expand the capacity of the Common Room, provide office space for the Senior Tutor, and increase study space.

Scholarships

In view of the significant threats to the college fee it is considered a priority that the College is able to offer at least 20 college fee scholarships. These should, ideally, be fully endowed in order to ensure their long-term sustainability and to avoid the costly burden of replacement fund-raising. This requires a fundraising total of endowment for a further eight college-fee scholarships of £640k (University matched funding is not available for these).

Three fundraising projects for College Fee Scholarships are under way, with one fund currently at £63,000.

Junior Research Fellowships

Linacre 's Junior Research Fellowships now number 24, of which 14 are fully endowed, two are funded by University trusts, and 8 are spend-down funds, funded by the College or supported by regular giving.

To ensure that the 8 as yet un-endowed JRFs continue in perpetuity the college needs to raise £60k per JRF, i.e. £480k.

FINANCIAL REVIEW

Total Incoming resources (excluding voluntary income) increased by 5.9% to £3,130k. This reflects fees and academic income from a greater number of students and increased investment income - partly from new Endowments and partly from an increase of 4.5% in the dividend pay-out rate from the Oxford University Endowment Fund.

The principal funding sources are student fees and residential rents.

Resources expended fell by 3% to £3,018k. This is partly as a result of lower maintenance expenditure on student accommodation and central facilities. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of deficit funding agreements for the two pension schemes the college participates in on behalf of its staff. Resources expended in the year to 31 July 2015 included additional staff costs and interest provision of £92k whereas resources expended in the year to 31 July 2016 included a reduction in staff costs (due to a lower deficit) net of interest provision of £34k.

The value of the investment portfolio increased to £15,682k. This included new money invested of £590k and investment gains of £665k.

Social investments

During the year a small proportion of the college's investment portfolio was reinvested into the Oxford Low Carbon Hub. This company installs photovoltaic solar panels on the roofs of local school and public buildings. As well as aligning with the college's ethos of promoting energy saving and environmental issues, the

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Year ended 31 July 2016

investment will provide a return of 3% rising in line with the Retail Prices Index for 25 years and therefore provide a good income to fund the provision of facilities for students.

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.

Total funds of the College to £25,721k (2015: £23,943). This includes endowment capital of £14,956k and unspent restricted income funds totalling £881k. Free reserves at the year-end, after providing for the deficits on pension schemes, amounted to £482k (2015: £129k), these represent retained unrestricted income reserves excluding an amount of £7,475k for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £1,927k (2015 £1,671k) .

Designated reserves at the year-end include funds set aside for future expenditure on maintenance and refurbishment of buildings.

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 reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks.

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 2015-16 include a large accrual for 7 months for the dividend on the holding from 1 January 2016. The dividend has been estimated using the best available information. The dividend for the 7 months to 31 July 2016 will be declared in spring 2017.

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 £15,682k.

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.

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2016

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 income or expenditure 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, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- 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 30 November 2016 and signed on its behalf by:

Dr Nick Brown

Principal

LINACRE COLLEGE

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

Year ended 31 July 2016

We have audited the financial statements of Linacre College for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 26.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation made under section 154 of that Act. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us during the course of performing our audit.

If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2016 and of the incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 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 2016

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

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows.

1. Basis of accounting

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The College has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 26.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

2. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

The College participates in a multi-employer defined benefit pension plan. In the judgement of the Governing Body there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 17).

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

In the view of the Governing Body, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

3. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are 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 in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

4. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA 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.

5. Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. .

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £10,000 together with expenditure on equipment costing more than £10,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

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

7. Depreciation

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

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

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

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Investments

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

9. Other financial instruments

a. Derivatives

The college does not deal in derivatives

b. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

c. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

10. 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.

11. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

12. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. 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 or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on 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.

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

13. 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 as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

Linacre College
Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		2,500	41	-	2,541	2,417
Donations and legacies	2	309	142	550	1,001	922
Investments						
Investment income	3	448	141	-	589	537
Total income		3,257	324	550	4,131	3,876
EXPENDITURE ON:						
Charitable activities:	4					
Teaching, research and residential		2,580	210	-	2,790	2,909
Generating funds:						
Fundraising		220	-	-	220	183
Investment management costs		8	-	-	8	22
Total Expenditure		2,808	210	-	3,018	3,114
Net Income/(Expenditure) before gains		449	114	550	1,113	762
Net gains/(losses) on investments	9	14	10	641	665	1,228
Net Income/(Expenditure)		463	124	1,191	1,778	1,990
Transfers between funds	13	15	(42)	27	-	-
Net movement in funds for the year		478	82	1,218	1,778	1,990
Fund balances brought forward	13	9,406	799	13,738	23,943	21,953
Funds carried forward at 31 July		9,884	881	14,956	25,721	23,943

Linacre College
Balance Sheet
As at 31 July 2016

	Notes	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	8	8,554	8,820
Other Investments	9	15,682	14,427
CURRENT ASSETS			
Stocks		42	46
Debtors	10	595	365
Investments		1,891	1,471
Cash at bank and in hand		442	251
Total Current Assets		2,970	2,133
LIABILITIES			
Creditors: Amounts falling due within one year	11	735	602
NET CURRENT ASSETS/(LIABILITIES)		2,235	1,531
TOTAL ASSETS LESS CURRENT LIABILITIES		26,471	24,778
CREDITORS: falling due after more than one year	12	323	374
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		26,148	24,404
Defined benefit pension scheme liability	17	427	461
TOTAL NET ASSETS/(LIABILITIES)		25,721	23,943
FUNDS OF THE COLLEGE			
Endowment funds		14,956	13,738
Restricted funds		881	799
Unrestricted funds			
Designated funds		1,927	1,671
General funds		8,384	8,196
Pension reserve	17	(427)	(461)
		25,721	23,943

The financial statements were approved and authorised for issue by the Governing Body of Linacre College on 30 November 2016

Trustee:

Trustee:

Linacre College
Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	19	<u>110</u>	<u>117</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		589	501
Proceeds from the sale of property, plant and equipment		-	
Purchase of property, plant and equipment		(31)	(15)
Proceeds from sale of investments		100	
Purchase of investments		(690)	(697)
Net cash provided by (used in) investing activities		<u>(889)</u>	<u>(482)</u>
Cash flows from financing activities			
Repayments of borrowing		(19)	(19)
Cash inflows from new borrowing		-	
Receipt of endowment		550	546
Net cash provided by (used in) financing activities		<u>531</u>	<u>527</u>
Change in cash and cash equivalents in the reporting period		<u>(248)</u>	<u>162</u>
Cash and cash equivalents at the beginning of the reporting period		251	89
Change in cash and cash equivalents due to exchange rate movements		-	
Cash and cash equivalents at the end of the reporting period	20	<u>442</u>	<u>251</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	396	382
Tuition fees - Overseas students	643	558
Other HEFCE support	57	87
Other academic income	5	8
	<u>2,500</u>	<u>2,384</u>
Restricted funds		
Other academic income	41	33
	<u>41</u>	<u>33</u>
Total Teaching, Research and Residential	<u>2,541</u>	<u>2,417</u>
Total income from charitable activities	<u>2,541</u>	<u>2,417</u>

The above analysis includes £130k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £163k).

2 DONATIONS AND LEGACIES

	2016	2015
	£'000	£'000
Donations and Legacies		
Unrestricted funds	309	99
Restricted funds	142	277
Endowed funds	550	546
	<u>1,001</u>	<u>922</u>

3 INVESTMENT INCOME

	2016	2015
	£'000	£'000
<i>Unrestricted funds</i>		
Interest on fixed term deposits and cash	15	11
Other investment income	433	404
	<u>448</u>	<u>415</u>
<i>Restricted funds</i>		
Interest on fixed term deposits and cash	1	3
Other investment income	140	119
	<u>141</u>	<u>122</u>
Total Investment income	<u>589</u>	<u>537</u>

4 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	835	729
Other direct costs allocated to:		
Teaching, research and residential	1,295	1,361
Support and governance costs allocated to:		
Teaching, research and residential	660	819
Total charitable expenditure	<u>2,790</u>	<u>2,909</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2016

4 ANALYSIS OF EXPENDITURE (continued)

	2016	2015
	£'000	£'000
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	163	150
Other direct costs allocated to:		
Fundraising	40	33
Investment management costs	-	4
Support and governance costs allocated to:		
Fundraising	17	-
Investment management costs	8	18
Total expenditure on raising funds	<u>228</u>	<u>205</u>
Total expenditure	<u>3,018</u>	<u>3,114</u>

The 2015 resources expended of £3025k represented £2861k from unrestricted funds and £164k from restricted funds.

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. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £0k (2015 - £0k).

	2016	2015
	Total	Total
	£'000	£'000
Included within the resources expended above are:		
Operating lease payments	<u>62</u>	<u>59</u>

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	16	133	149
Domestic administration	-	81	81
Investment Management	-	3	3
Human resources	-	4	4
IT	9	146	155
Depreciation	-	295	295
Bank interest payable	-	3	3
Other finance charges	-	(28)	(28)
Governance costs	-	23	23
	<u>25</u>	<u>660</u>	<u>685</u>

	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000
Financial administration	16	134	150
Domestic administration	-	74	74
Investment Management	-	2	2
IT	8	133	141
Depreciation	-	294	294
Bank interest payable	-	3	3
Other finance charges	-	7	7
Governance costs	-	13	13
	<u>24</u>	<u>660</u>	<u>684</u>

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

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

	2016	2015
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	13	13
Other governance costs	10	-
	<u>23</u>	<u>13</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 2016

6 GRANTS AND AWARDS	2016 £'000	2015 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	6	4
Bursaries and hardship awards	1	3
Total unrestricted	<u>7</u>	<u>7</u>
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	157	129
Bursaries and hardship awards	16	15
Graduate Studentships	3	2
Total restricted	<u>176</u>	<u>146</u>
Total grants and awards	<u>183</u>	<u>153</u>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £3k (2015: £0k). Some of those students also received fee waivers amounting to £0k (2015: £0k).

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

7 STAFF COSTS	2016 £'000	2015 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	1,022	1,028
Social security costs	66	57
Pension costs:		
Defined benefit schemes	164	159
	<u>1,252</u>	<u>1,244</u>
The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
	2016	2015
College residential	14	14
Fundraising	3	3
Support	17	17
Total	<u>34</u>	<u>34</u>
The average number of employed College Trustees during the year was as follows.		
	2016	2015
Other 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 other than trustees whose gross pay and benefits exceeded £60,000.		
	2016 £'000	2015 £'000
The College contributions to defined contribution pension schemes totalled	<u>164</u>	<u>159</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2016

8 TANGIBLE FIXED ASSETS

	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	-	565	12,230
Additions	-	-	-	29	29
At end of year	150	11,515	-	594	12,259
Depreciation and impairment					
At start of year	108	2,926	-	376	3,410
Charge for the year	10	229	-	56	295
At end of year	118	3,155	-	432	3,705
Net book value					
At end of year	32	8,360	-	162	8,554
At start of year	42	8,589	-	189	8,820

9 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000	2015 £'000
Valuation at start of year	14,427	12,502
New money invested	590	697
(Decrease)/increase in value of investments	665	1,228
Investments at end of year	15,682	14,427

Investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
Equity investments	-	181	181	-	181	181
Global multi-asset funds	-	15,382	15,382	-	14,217	14,217
Fixed term deposits and cash	-	119	119	-	29	29
Total investments	-	15,682	15,682	-	14,427	14,427

10 DEBTORS

	2016 £'000	2015 £'000
Amounts falling due within one year:		
Trade debtors	21	5
Amounts owed by College members	18	23
Loans repayable within one year	8	9
Prepayments and accrued income	469	325
Other debtors	79	3
	595	365

11 CREDITORS: falling due within one year

	2016 £'000	2015 £'000
Bank overdrafts	-	-
Bank loans	20	18
Trade creditors	285	188
Amounts owed to College Members	273	261
Taxation and social security	25	20
Accruals and deferred income	81	69
Other creditors	51	46
	735	602

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12 CREDITORS: falling due after more than one year

	2016	2015
	£'000	£'000
Bank loan	323	344
Other creditors	-	30
	323	374

The bank loan relates to a 25 year unsecured loan of £500k arranged in 2008 to facilitate the purchase of a functional property. Interest is charged at a margin of 0.3% above bank base rate. The current balance of the loan is currently approximately 1/3 of the original cost of the property. Although functional properties are not revalued for accounts purposes, the particular property is considered to have a market value significantly in excess of its original cost.

13 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
General Endowment	10,735	346			497	11,578
Scholarships and grants	2,023	155		-	96	2,274
Student Hardship	358				18	376
Fellows Support	622	49		27	30	728
Total Endowment Funds	13,738	550	-	27	641	14,956
Restricted Funds						
Scholarships and grants	451	226	(160)	(13)	3	507
Student Hardship	34	14	(16)	(1)		31
Fellows Research	75	42	(17)	(17)		83
Facilities	131	5	(1)		4	139
Lectures	108	37	(16)	(11)	3	121
Total Restricted Funds	799	324	(210)	(42)	10	881
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	799	324	(210)	(42)	10	881
Unrestricted Funds						
Fixed Asset Designated Fund	7,606	47	(235)	57		7,475
Other Designated funds	1,671	350	(389)	281	14	1,927
General funds	590	2,860	(2,218)	(323)		909
Pension reserve	(461)		34			(427)
Total Unrestricted Funds	9,406	3,257	(2,808)	15	14	9,884
Total Funds	23,943	4,131	(3,018)	-	665	25,721

14 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

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14 FUNDS OF THE COLLEGE DETAILS continued

Designated Funds

Fixed Asset designated Fund

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 £1,579k 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

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	8,554	-	-	8,554
Other investments	493	233	14,956	15,682
Net current assets	1,587	648	-	2,235
Long term liabilities	(750)	-	-	(750)
	<u>9,884</u>	<u>881</u>	<u>14,956</u>	<u>25,721</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	8,820	-	-	8,820
Other investments	379	310	13,738	14,427
Net current assets	207	489	-	696
	<u>9,406</u>	<u>799</u>	<u>13,738</u>	<u>23,943</u>

16 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College.

Trustees of the college fall into the following categories:

- Head of House
- Professorial Fellows
- Fellows by Election
- Senior Research Fellows
- President of the Common Room
- 5 Common Room representatives including 1 Junior Research Fellow.

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

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. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in pages 2 to 4 of the section, Governing Body, Officers and Advisers.

Remuneration paid to trustees

Range	Number of Trustees/Fellows	2016	Number of Trustees/Fellows	2015
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000	1	1,135	1	1,126
£2,001-£3,000	1	2,451	1	2,471
£4,001-£5,000	0		1	4,702
£5,001-£6,000	1	5,412	0	
£7,001-£8,000	0		1	7,353
£8,001-£9,000	1	8,922	0	
£57,001-£58,000	0		1	57,399
£59,001-£60,000	1	59,099	0	
£70,001-£71,000	0		1	70,570
£74,001-£75,000	1	74,819	0	
£84,001-£85,000	0		1	84,455
£85,001-£86,000	1	85,816		
Total	<u>7</u>	<u>237,654</u>	<u>7</u>	<u>228,076</u>

16 TRUSTEES' REMUNERATION continued

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

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

Other transactions with trustees

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £1,125 (2015 - £0) was reimbursed to 3 (2015 - 0) of the Trustees for travel.

See also note 23 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £253k (2015: £243k).

Key management are considered to be The Principal, Vice Principal, Bursar, Senior Tutor and Development Director

17 PENSION SCHEMES

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

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by FRS 102 the College accounts for the schemes as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Universities Superannuation Scheme

The pension charge for the year includes £50k (2015 - £107k) in relation to the USS. This represents contributions of £55k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £5k.

USS's actuarial valuation as at 1 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the 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 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 official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at a total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold and optional additional contributions payable into the defined contribution section from October 2016 of which the first 1% of salary is to be matched by employer contributions. 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 was 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% p.a. of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to defined contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015.

USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% p.a. thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a. less an inflation risk premium) less RPI/CPI gap of 0.8% p.a. As noted above the employer contribution rate is 18% of salaries from 1 April 2016. Prior to that it is 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

A provision of £110k has been made at 31 July 2016 (2015 - £112k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

Oxford Staff Pension Scheme

The pension charge for the year includes £67k (2015 - £133k) in relation to the OSPS. This represents contributions of £109k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £42k.

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the 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 30 June 2026.

At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial valuation is due with an effective date of 31 March 2016.

The OSPS employer contribution rate required for future service benefits alone at the date of valuation was 20.1% of total pensionable salaries. It was agreed that employers increase their contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

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17 PENSION SCHEMES continued

A provision of £316k has been made at 31 July 2016 (2015 - £348k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/pensions/osps/>.

Pension Charge for the year.

The pension charge recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2016 £'000	2015 £'000
Universities Superannuation Scheme	(2)	57
University of Oxford Staff Pension Scheme	(32)	35
Total	(34)	92

Included in other creditors are pensions contributions payable of £19k (2015 £18k).

18 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.

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

	2016 £'000	2015 £'000
Net income/(expenditure)	1,778	1,990
Elimination of non-operating cash flows:		
Investment income	(589)	(537)
(Gains)/losses in investments	(665)	(1,228)
Endowment donations	(550)	(546)
Depreciation	295	294
Decrease/(Increase) in stock	4	2
Decrease/(Increase) in debtors	(230)	(18)
(Decrease)/Increase in creditors	101	71
(Decrease)/Increase in pension scheme liability	(34)	89
Net cash provided by (used in) operating activities	110	117

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Cash at bank and in hand	442	251
Total cash and cash equivalents	442	251

21 FINANCIAL COMMITMENTS

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

	< 1 year £'000	2-5 years £'000	> 5 years £'000	2016 Total £'000
Land and buildings	51	153	-	204
Other	4	17	2	23
	55	170	2	227
	< 1 year £'000	2-5 years £'000	> 5 years £'000	2015 Total £'000
Land and buildings	51	205	-	256
Other	3	5	-	8
	54	210	-	264

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22 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £344k (2015 - £129k).

23 RELATED PARTY TRANSACTIONS

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. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, who receive remuneration and facilities, do so as employees 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.

24 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2016.

25 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

26 TRANSITION TO FRS 102

The College adopted FRS 102 at 31 July 2016. The date of transition is 1 August 2014. The net effect is set out below:

Effect on the SoFA	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
Net Income/(Expenditure) as previously stated	350	0	0	350
Recognition of pension deficit	34			34
Recognition of holiday pay accrual				0
Net Income/(Expenditure) as previously restated	384	0	0	384
			As at 1 August 2014 £'000	As at 31 July 2015 £'000
Net Funds (as previously stated)			22,298	24,377
Unrestricted				
Recognition of pension deficit			(369)	(461)
Recognition of holiday pay accrual			(26)	(26)
Total unrestricted			(395)	(487)
Net Funds (as restated)			21,903	23,890

The most significant change is the recognition of a liability in respect of the deficit reduction arrangements for multi employer pension defined benefit pension schemes that are accounted for as defined contribution schemes.

FRS 102 explicitly requires accrued compensated absences to be accounted for. An accrual in respect of accrued holiday pay for non-academic staff has been recognised in the financial statements.

A further restatement - not for FRS 102 purposes but to bring in Common Room Funds previously not consolidated but treated as creditors is as follows:

	As at 1 August 2014 £'000	As at 31 July 2015 £'000
Net Funds as restated above	21,903	23,890
Common Room Funds	50	53
Net Funds (as further restated)	21,953	23,943