

Lincoln College

Annual Report and Financial Statements

Year ended 31 July 2016

LINCOLN COLLEGE
Annual Report and Financial Statements
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Governing Body, Officers and Advisers

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MEMBERS OF THE GOVERNING BODY

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

		(1) FC	(2) ST	(3) DC	(4) PC	(5) SLAC	(6) WC	(7) JRC
Prof Neil Barclay	Retired 30 th September 2015							
Prof Jacobus Boomsma	Appointed 1 st June 2016							
Dr Samuel Brewitt-Taylor	Appointed 1 st September 2015							
Dr Susan Brigden	Welfare Dean	•	•	•	•		•	•
Prof Mary Carrington	Appointed 1 st June 2015 Left 31 st May 2016							
Prof Pedro Carvalho	Appointed 1 st August 2016							
Prof Radu Coldea					•			
Prof Roel Dullens					•			
Dr Louise Durning	Senior Tutor	•	•		•		•	•
Prof Nigel Emptage								
Prof Stefan Enchelmaier	Associate Fellow for Alumni Relations	•						
Prof Matthew Freeman								
Prof Simon Gardner								
Dr Perry Gauci								
Ms Susan Harrison	Development Director	•		•	•	•		
Dr Barbara Havelková								
Prof David Hills	Associate Fellow for Alumni Relations							
Prof Çiğdem İşsever								
Mr Tim Knowles	Bursar Resigned 15 th October 2015	•	•	•	•	•	•	•
Dr William MacAskill	Appointed 1 st August 2015							
Prof Peter McCullough	Steward of Common Room; Fellow Archivist			•	•	•		
Dr Timothy Michael			•					
Dr Edward Nye								
Dr Daniela Omlor				•				
Dr Aleksei Parakhonyak								
Dr Frank Payne	Retired 30 th September 2015							
Prof Nicholas Proudfoot								
Prof Jordan Raff								
Prof Roland Smith	Fellow Librarian					•		

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Mr Alex Spain	Bursar; Appointed 14 th April 2016	•	•	•	•	•	•	•
Dr Maria Stamatopoulou	Senior Dean	•	•				•	•
Dr Paul Stavrinou	Appointed 1 st April 2016							
Prof Margaret Stevens								
Dr Philippe Trinh	Deputy Fellow for Schools Liaison		•	•				
Dr Ioannis Vakonakis			•					
Prof David Vaux	Sub-Rector	•	•	•	•		•	•
Dr Dominic Vella			•					
Prof Catherine de Vries								
Dr Qian Wang		•						
Dr Betiel Wasihun	Resigned 31 st August, 2015							
Dr Mark Williams								
Prof Michael Willis				•				
Prof Henry Woudhuysen	Rector	•	•	•	•	•	•	•

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

- (1) Finance Committee
- (2) Senior Tutor's Committee
- (3) Domestic Committee
- (4) Planning Committee
- (5) Senior Library & Archive Committee
- (6) Welfare Committee
- (7) Junior Relations Committee

Mr Stephan Chambers, Senior Research Fellow of the College and Director, The Marshall Institute for Philanthropy and Social Entrepreneurship, London School of Economics and Political Science (but not a member of the Governing Body), is a member of the Finance Committee.

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COLLEGE STAFF

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

Mrs Fiona Piddock	Librarian
Mrs Celia Harker	Accountant
Ms Jemma Underdown	Academic Administrator
Ms Lisa Stokes-King	Academic Administrator (appointed 5 th October 2015)
Ms Claire Hogben	Schools Liaison Officer (appointed 1 st December 2015)
Mr Richard Little	Admissions Officer
Mr Michael White	IT Officer
Mr Julian Mitchell	Clerk of Works (appointed 4 th January 2016)
Mr James Mirabal	Interim Domestic Bursar (appointed 30 th March 2015; resigned 21 st June 2016)
Ms Michele McCartney	Domestic Operations Manager (appointed 1 st July 2016)
Revd Dr Nicholas 'Jack' Dunn	Chaplain & Welfare Officer (appointed 27 August 2013; resigned 14 th August 2015)
Revd Dr Melanie Marshall	Chaplain & Student Welfare Coordinator (appointed 1 st September 2015)
Ms Nina Thompson	Human Resources Manager

ALUMNI REPRESENTATIVES AND ADVISORS

An alumnus of the College attended Governing Body and Planning Committee meetings as representative of the College's alumni. This alumnus also chaired the Development Committee. In 2015-16 this person was Mr Richard Hardie, Senior Adviser to UBS AG in the UK.

Two alumni of the College served as members of the Finance Committee. In 2015-16 these were Mr Christopher FitzGerald (formerly partner in the legal practice Slaughter and May and then General Counsel to NatWest Group Plc) and Mr Hugh Sloane (co-founder of the investment manager Sloane Robinson).

In 2015-16 the Chairman of the Remuneration Committee was a former Professorial Fellow, Professor Keith Gull, currently Principal of St Edmund Hall, Oxford. The other members of the Committee were Professor Peter Cook, a former Professorial Fellow, Ms Sheona Wood, alumna and Partner in the legal practice DW Fishburns, Professor Jan Palmowski, alumnus and Pro-Vice Chancellor at Warwick University and Dr Wendy Piatt, alumna and Director General and Chief Executive of the Russell Group of Universities.

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

51 alumni served as members of the Rector's Council, meeting in June 2016 to receive reports from College officers and to offer strategic advice to the Rector.

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COLLEGE ADVISERS

Investment managers

Cerno LLP, 34 Sackville Street, London W1S 3ED

Sandaire Limited, 105 Wigmore Street, London W1U 1QY

Investment property managers

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

Auditor

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

Bankers

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

Solicitors

Knights, Midland House, West Way, Oxford, OX2 0PH

College address

Lincoln College, Turl Street, Oxford, OX1 3DR

Website

www.lincoln.ox.ac.uk

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Report of the Governing Body

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REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

The College registered with the Charities Commission on 3 December 2010. Its registered number is 1139261.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Governing Body

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

The Governing Body determines the strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Rector and is advised by its various committees.

Recruitment and training of Members of the Governing Body

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

New Fellows are formally elected to the Governing Body as soon as is practicable after appointment to their Fellowship and they take the College oath at the first available meeting of the Governing Body. Induction into the workings of the College, including Governing Body policy and procedures, is by means of meetings with

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senior colleagues and by receipt of 'Notes for New Fellows'; this document serves as a manual for senior members of the College. The College Statutes stipulate that new Fellows do not vote at Governing Body meetings during their first year in office; they therefore do not become trustees of the charity until they have been in post for one year. New Trustees are provided with guidance documents issued by the Charity Commission and trustee training sessions are made available to members of the Governing Body.

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 College and receive no remuneration or benefits from their trusteeship of the College. Those trustees that 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 are not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff.

The remuneration of senior college staff is set by the Remuneration Committee, in line with University payscales.

Organisational management

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

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

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

Planning Committee: an advisory Committee of the Governing Body whose remit covers College strategy; chaired by the Rector, convened by the Bursar, and including up to two alumni representatives; student representatives attend for Unreserved Business; meets at least twice per annum.

Domestic Committee: an advisory Committee of the Governing Body, chaired by the Rector and convened by the Domestic Operations Manager. This Committee's remit covers all domestic operations within the College and the Committee meets at least six times per annum.

Senior Library and Archives Committee: an advisory Committee, chaired by the Rector and co-convened by the Fellow Librarian and the Fellow Archivist. This Committee's remit covers all matters relating to the Senior Library and the Archive and the Committee meets at least three times per annum.

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

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

Other committees with specific functions within the College are:

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

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

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

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

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

Group structure and relationships

The College administers many special trusts, as detailed in Notes 18 and 19 to the financial statements.

There are two charitable bodies which are constituted independently of the College and whose objects are solely for the benefit of the College and its members. These are the Lincoln College Michael Zilkha Trust (registered charity number 1095113) whose object is to support the educational and/or research activities of the Fellows of Lincoln College; and the Lincoln 2027 Trust (registered charity number 1136816) whose object is to raise and accumulate funds to provide new and substantial financial support for the College.

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

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's objects are

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

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

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's aims for the public benefit are:

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

The College takes very seriously its commitment to provide financial support for its students. In 2015-16 the College maintained an extensive programme of financial support for undergraduate and post-graduate students, in the form both of bursaries (to assist with living costs), hardship support (to assist with unexpected financial difficulties) and scholarships (awarded in recognition of particular academic merit) amounting to more than £720,000. This support from the College was given in addition to any support students may have derived from government-sponsored sources such as the Student Loans Company. Lincoln participated in the University's fee waiver programme, effectively subsidising undergraduate tuition fees to the extent of £27,972. Fifty undergraduate students received bursaries of up to £5,500 each via the Oxford Bursary Schemes: in total Lincoln students received approximately £136,838 via these Schemes, with the College's contribution to the Scheme amounting to £81,638. The College notes in particular the generosity of alumni which has made possible additional support for undergraduates from less-privileged backgrounds: the first Cuthbert Bursaries were awarded in 2012-13, and they were joined in the following year by three further endowed bursary schemes – the Kingsgate, Henrey and Blackstaffe; in 2014-15 by the Bearley Bursaries and the Mary Kift Legacy and in 2015-16 by the Millerchip and Featherstone Bursaries.

Twenty undergraduates received support from these endowed schemes during 2015-16, to a total of £17,816. The College made additional grants and loans totalling £27,146 to undergraduates who experienced varying degrees of financial hardship. Scholarships, prizes and academic grants were awarded to undergraduate students to reward academic excellence and to encourage academic endeavour: in 2015-16 the total awarded was £50,465.

Forty-four post-graduate students were the recipients of scholarships and studentships amounting to £478,658. Lincoln now has the most extensive programme of graduate scholarships and grants of any Oxford college. A further £12,500 was provided by way of bursaries to post-graduates. However it continues to be challenging to provide sufficient funding for graduates in Humanities.

The financial support provided by the College through bursaries and scholarships enables the College to admit students of the highest academic ability who would not otherwise have been able to study in the College.

Although the primary beneficiaries of the College's work are its resident members, both students and academic staff directly engaged in education, learning and research, other beneficiaries also include: students and academic staff from other colleges and of Oxford University as a whole; visiting academics from other universities; schoolchildren visiting the College for introductory sessions; and alumni of the College and other visitors, including members of the general public, who may attend educational events such as concerts, exhibitions and Chapel services and have access to the gardens and historic buildings. During 2015-16 the College hosted a number of events for the benefit of the wider public, including the annual Wesley lecture and the week-long programme of exhibitions and performances under the auspices of the Turl Street Arts Festival; it participated again in the Oxford Open Doors programme. Regular Chapel services were open to members of the public and the College admitted visitors and tourists without charge. Opening the College to other

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students, prospective students and academic staff in addition to the public enables the College's facilities to be of benefit to the public.

The College maintained its commitment to programmes of outreach designed to improve access to Oxford University. In this academic year the College created a new full-time post of Schools Liaison Officer, whose role is to encourage applications to Oxford, particularly from our link regions of Lincolnshire, the West of England and the North East. This replaces a part-time post, underlining the College's commitment to widening access, the increased costs having been partially supported by a generous contribution from Lord Crewe's Charity.

The Schools Liaison Officer, together with Fellows and Tutors of the College, undertook a programme of events including visits to schools and residential and day visits by school parties to the College during which the Schools Liaison Officer has met more than 4,000 students. In 2015-16 sixty-six events were organised in Oxford and in our link regions of Lincolnshire and the west of England; many of these events involved contact with more than one school. The College also hosted a number of participants in the UNIQ summer schools for Year 12 secondary school pupils, took part in several Pathways Programme events alongside other colleges, and participated actively in Open Days organised by the collegiate University. This activity occurred in the final two terms after the Schools Liaison Officer became a full-time employee of the College. Activity will increase in 2016-17 as the Schools Liaison Officer will be active for the complete academic year. In 2015-16 the College's expenditure on activities associated with the admission of new students was £108,000, of which £32,090 was spent specifically on the outreach activities here described.

The College is not aware of any detriment or harm arising from carrying out its charitable objects. There are no geographical restrictions in the College's objects: students and academic staff are drawn from around the world. There are no age restrictions in the College's objects (though it is to be noted that most students of the College are aged between 18 and 25). The College's objects do not imply any restrictions as to religious behaviour or belief.

Activities and Objectives of the College

The principal focus of the College's activities is on its academic work: that is, high-quality research and the education of new generations of students, both in a wide range of subject areas. The College maintains and develops the experience of a residential community whose senior and student members are engaged in the pursuit of academic excellence. To this end, the College provides facilities for study in the form of teaching and seminar rooms, lecture theatres, computer facilities and co-operative access to the laboratory and other facilities provided by Oxford University. The extensive Library and Archive constitute a valuable resource for members of the College and for others by arrangement. The College also provides a sufficient number of study bedrooms to accommodate many tutors and the majority of its students as well as facilities consistent with the provision of an all-round education (a sports ground, a boathouse and spaces for music, art and drama).

ACHIEVEMENTS AND PERFORMANCE

During the year 2015-16 Lincoln College has registered significant achievements consistent with its two charitable objects.

(i) Students

In conjunction with Oxford University, Lincoln College provides an education, internationally recognised as being of the highest standard, for approximately 600 undergraduate and post-graduate students from all over the world. This education develops students' academic abilities, interpersonal skills and leadership qualities

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and prepares them for full and effective roles in society. The College provides teaching facilities together with academic, administrative and pastoral support to its undergraduate and post-graduate students.

The College continued in its principal work of preparing students for examination in a range of subjects and at various levels at Oxford University. Undergraduate numbers totalled approximately 297 spread over three or four years of study, in line with Lincoln's long-standing policy of providing full tutorial provision, pastoral care and residential accommodation for this number of students. Much of the education provided to undergraduate students is via the tutorial system, by which students meet their tutors individually or in small groups on a weekly basis during Term for in-depth discussion of pieces of prepared work. In addition to tutorials, the College also provides classes and seminars in conjunction with departments of the University. Eighty-four undergraduate students in their third or fourth year of study completed the Final Honours School in 2016, with twenty-seven being placed in the First Class and fifty being awarded a 2:1 degree. The College was placed 19th in the Norrington Table which compares the performance of students from Oxford's 30 undergraduate colleges in the University's Final Honours Schools. Eighty-seven students in their first year of study passed the First Public Examination at Oxford University; twenty-four were awarded special merit (that is, a Distinction in Prelims or a First Class in Moderations).

Post-graduate students also numbered approximately 316 throughout the year, with students evenly divided between those undertaking lengthy programmes of research (leading, for example, to doctorate-level degrees) and those undertaking shorter, structured courses of tuition leading to examination. Each post-graduate student is assigned a College advisor who provides academic advice and pastoral support; and the College-appointed Tutor for Graduates maintains overall oversight of post-graduates' welfare and academic progress. Forty-eight students were awarded the degree of DPhil during the year; and of the seventy-eight students who passed examinations for their post-graduate qualifications in the summer of 2016, twenty five achieved special merit (Distinction or First Class).

The College continued to encourage education in its broadest sense, supporting its student members in a wide range of cultural and sporting activities and in service to others. Thirty-two members of College received awards from the College's Blues Fund, which not only rewards students for representing University teams, but helps them to fulfil their aspirations in sports, including rowing, tennis, rugby, badminton, cycling and swimming, to name but a few. On the river the men's and women's crews had a successful year: the Women's Vllls were the second fastest at the Women's Vllls Head of the River Race, the Men got two bumps while the Women's second got blades, both in Summer Vllls; the Women had members in both the Blue Boat and the Reserve Crew. The lacrosse team, in its second year, achieved a third place in the inter-collegiate tournament. The annual Turl Street Arts Festival in February saw a variety of events including a jazz workshop, organ recitals in the Chapel, an Exhibition and screenings of films in the Berrow Foundation New Garden building. Lincoln's student-run charity, VacProj, organised and paid for holidays for under-privileged Oxfordshire children: this was its 46th year of operation. Many of these activities received financial support from the Annual Fund Working Group of students, College Officers, and Trustees of the Old Members' Exhibition Trust, which distributed just over £35,000 of alumni donations to support students' activities during the year.

The Oxford University Careers' Service's maintains a database of graduating students' employment destinations. For the years 2012-15, 91% of Lincoln's graduating students reported themselves as being in employment or study (or a combination of the two); six months after leaving the College, only 3.7% declared themselves as still looking for work.

(ii) Fellows and Lecturers

The College advances research by:

Paying stipends to Fellows and supporting the costs of their research through sabbatical and special leave;

Making funds available to Fellows for attendance at international and national conferences, for research trips and for research materials; and hosting academic conferences and lectures in the College;

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Sponsoring visits by academic researchers from all over the world;

Providing research fellowships to outstanding (mainly) young academics to enable them to establish a research profile as a prelude to obtaining a permanent academic (teaching, research and administrative) post.

During the year, five new Tutorial Fellows were appointed; in Physics, in Philosophy, in Engineering, in History, and in Economics, replacing colleagues who had retired or were moving on to new positions elsewhere. Fundraising in support of the tutorial post in Physics was completed during the year and this now bears the title of the Walter Stern Fellowship.

Through the generosity of Professor George Brownlee and his research collaborators the College was able to appoint a third Junior Research Fellowship in Biosciences, to join the two already appointed in previous years from this collaboration.

Lincoln has also committed extra resources to the work of its Library and in particular the antiquarian collection housed in the Senior Library. A major project has been undertaken to catalogue the entire Senior Library: this will take several years and Lincoln is grateful to a number of alumni and friends of the College who have provided funds to hire an experienced specialist for this project. In addition, the College is conserving manuscripts and books in the senior library.

Senior members of the College combined their teaching and educational duties with research work of the highest quality in 2015-16. There follows a representative list of notable research achievements by Fellows and academic researchers associated with the College:

- Mona Bafadhel (*Medical Sciences*) received Associate Professorship status from the Nuffield Department of Medicine for her contribution to research and teaching. This year has seen her present her work on eosinophilic inflammation in chronic obstructive pulmonary disease at international symposia in Amsterdam, Helsinki, and Copenhagen.
- Dr. Sam Brewitt-Taylor (*History*) has published two articles this year, one in the *Journal of Ecclesiastical History* on religious student radicalism in 1960s Britain, and another on Christianity and the so-called 1960s 'sexual revolution' in the *Historical Journal*.
- Dr. Irene Ceccherini (*History*) has over the past two years had papers based on her project, *The Shaping of the Latin Classics in Fourteenth-Century Italy*, delivered in Oxford, Cambridge, Rome, Paris, Orléans. An article has been published in the journal *Italia medioevale e umanistica* and she has organised an international workshop in the Weston Library.
- Professor Radu Coldea (*Physics*) has continued his research using synchrotron x-ray and neutron scattering techniques to investigate novel forms of magnetism in materials where electrons experience strong spin orbit interactions, focusing in particular on materials with a layered honeycomb crystal structure. He has given invited lectures on those research results at the 'Highly Frustrated Magnetism' conference in Taiwan, 'Frustrated Magnetism and Topology' in Dresden, and 'From Electronic Correlations to Functionality' in Munich.
- Dr Christopher Dickenson (*Classical Archaeology*) gave the keynote lecture last autumn at a workshop in Berlin on the differentiation of public space in ancient cities. He has organised a two-day international conference on *Public Statues Across Time and Cultures* that took place at Lincoln in September 2016.
- Dr. Cristina Dondi (*Modern Languages*) recently won a €2 million grant from the European Research Council to lead a 5-year project on the 15th Century booktrade. She also launched her new work, *Printed Books of Hours from Fifteenth-Century Italy and The Texts, the Books, and the Survival of a Long-Lasting Genre*, 2 vols, Florence, Olschki, 2016.

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- Professor Roel Dullens (Chemistry) currently holds a €1.5m ERC (European Research Council) Starting grant, and continued his research on the effect of impurities in colloidal materials using confocal microscopy and optical tweezing. He has given invited lectures at the CECAM workshop 'Emerging dynamics in Out-of-Equilibrium and Active colloidal systems' in Lausanne (Switzerland) and at the 'Playing Colloidal Mikado III' workshop in Eindhoven (The Netherlands).
- Professor Nigel Emptage (*Biomedical Sciences*) became the Head of Department. In the next year he will deliver a lecture as part of the Kavli Brain Prize celebrations in Copenhagen on the topic of a novel link between neural activity and rearrangements of synaptic structure. Synaptic structures are an early casualty with the onset of dementia.
- Professor Stefan Enchelmaier (*Law*) began the academic year at the University of Hong Kong's law faculty as the first De Voeux Visiting Professor where he delivered lectures on comparative company law, comparative insolvency law, and European competition (antitrust) law. He was also one of the three articles editors of the *Oxford Journal of Legal Studies*. In the run-up to the referendum in June 2016 and on several occasions since, he has spoken about the legal implications of the 'Brexit' result. Several book contributions and articles were published this year, covering mostly topics of European and competition law, and three more articles are at advanced stages. He has also begun to attend, as Assessor-Elect, those University committees that he will be chairing as Assessor for a year from March 2017.
- Professor Simon Gardner (*Law*) has completed a substantial article on fiduciary law. He delivered a lecture at Exeter University on the "constructive trust" rule articulated in decisions such as *Binions v Evans*.
- Dr. Perry Gauci (*History*) has continued his research this year on London's eighteenth-century bankers.
- Dr. Eleanor Giraud (*Music*) organised a two-day conference in Oxford on *The Influences of the Dominican Order in the Middle Ages* and has recently placed an article, on 'Melodic Lesson Marks in Latin Manuscripts for Mass' in the new journal *Scriptorium*.
- Dr. Adam Grieve (*Medical Sciences*) is the Jones and Anson Junior Research Fellow at Lincoln and his research as a Marie Skłodowska-Curie Fellow at the Dunn School has focused on the control of intercellular signalling by a superfamily of gene, the rhomboid-like clan.
- Dr. Barbara Havelková (*Law*) has had her article 'Resistance to Anti-Discrimination Law in Central and Eastern Europe—a Post-Communist Legacy?' published in the *German Law Journal*.
- Professor David Hills (*Engineering*) this year continued his role running one of Rolls-Royce's two University Technology Centres in Oxford, focusing on Solid Mechanics. At the Mechanics conference in Montreal, he hosted the editorial board for his journal (*International Journal Solids Structures*).
- Professor Çiğdem İşsever (*Physics*) has, in addition to her teaching duties, maintained a major coordination role at her experiment at the Large Hadron Collider (LHC) at CERN, near Geneva, where she has led the 150-member JetEtmis Combined Performance Group. This group is responsible for the calibration of the hadronic energy scale of the calorimeter which is a sub-detector that measures the energies of the particles that are being produced in the proton-proton collisions at the LHC.
- Professor Dominic Joyce (*Mathematics*) was awarded the 2016 London Mathematical Society Fröhlich Prize "for his profound and wide-ranging contributions to differential and algebraic geometry".
- Dr. Timothy Michael (*English*) had his book, *British Romanticism and the Critique of Political Reason* (Johns Hopkins), published this year. This is the first major study devoted to the mutually constitutive relationship between Romantic politics and Romantic theories of the mind and knowledge, with chapters on Burke, Wollstonecraft, Godwin, Wordsworth, Coleridge, and Shelley.

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Report of the Governing Body

Year ended 31 July 2016

- Dr. Daniela Omlor (*Modern Languages*) has this year been co-ordinating a collection of essays on the Spanish exile philosopher María Zambrano (1904-91), together with her colleague Dr Xon de Ros. *The Cultural Legacy of María Zambrano*, for which she contributed an essay on 'The Ethics of Exile and Memory in Zambrano', is due to be published by Legenda early next year. She has also had an article on the literary representation of the 11-M bombings in Madrid in 2004 appear in the *Forum for Modern Language Studies*, and has a chapter in press on Kirmen Uribe's memorial seascapes. She was invited to the University of Passau to give a talk at the *II Simposio Internacional Jorge Semprún*.
- Dr Aleksei Parakhonyak (*Economics*) is in his first year at Lincoln and has been focusing on industrial organization, the role of information in consumer markets, and optimal stopping problems - research related to choosing a time to take a particular action to maximise reward or limit cost.
- Professor Peter McCullough (*English*) has recently completed a five-year project on John Donne's sermons funded by the Arts and Humanities Research Council.
- Dr. Angela Moncada Pazos (*Biomedical Sciences*) is the BTG Junior Research Fellow, based in the Dunn School of Pathology. She focused on the relevance of a new member of the rhomboid-like superfamily of proteins. Her findings show that this new protein is necessary for lipid balance in the organism and that its function is conserved across animal evolution.
- Dr. Otto Saumarez Smith (*History*) has published an article in *Twentieth Century British History*, entitled 'The Inner City Crisis and the End of Urban Modernism in 1970s Britain'. He is also an assistant editor for the *Oxford Dictionary of National Biography*, commissioned to add entries on post-war architect-planners, of which he has written five himself.
- Dr. Daniel Smith (*English*). His post-doctoral work on the women patrons of John Donne culminated in a two-day conference on Lucy Harington Russell, Countess of Bedford.
- Professor R R R Smith (*Classical Archaeology*) has, in addition to lecturing on various aspects of Classical and Hellenistic art and archaeology at Oxford, given public invited lectures at universities in Edinburgh, Edirne, Michigan, Princeton, and Uppsala, as well as at the Soane Museum (London) and the Metropolitan Museum (New York). He also directed his 26th season of research and excavation at Aphrodisias in SW Turkey in July and August 2016. His publications included an article on the Tomba Bella at Heirapolis in the *Journal of Roman Archaeology*, a fifth volume of findings from the dig at Aphrodisias, and his major monograph co-authored with Bryan Ward-Perkins (Trinity), *The Last Statues of Antiquity* (Oxford).
- Dr. Maria Stamatopoulou (*Classical Art & Archaeology*) in addition to her duties as Senior Dean, and leading the subject, has had published by Peeters a book she co-edited with Dr Catherine Draycott, *Dining & Death: Interdisciplinary Perspectives on the 'Funerary Banquet' in Ancient Art, Burial and Belief* (Louvain 2016). Her contribution discusses the banquet theme on Hellenistic painted tombstones from the harbour city of Demetrias in Thessaly. Also published this summer was an article on tumuli and mortuary display in Thessaly in *Tumulus* as 'Sema: Space, Politics, Culture and Religion in the First Millennium BC' (*Berlin Studies of the Ancient World* 27, 2016). This year she completed the first phase (funded by the OU Fell Fund) of the research project she co-directs with Dr Milena Melfi, titled: Beyond the Borders - the Archaeology and History of the Greek north, focusing on Epirus. She is coordinating a collection of essays on ancient Epirus, drawing from two workshops, a conference and a seminar series organised as part of the project.
- Dr. John Vakonakis's (*Biochemistry*) research group's focus this year shifted to malaria, specifically, to understanding why (and how) a particular parasite, *Plasmodium falciparum*, causes much more severe manifestations of the disease compared to other species. Severe malaria, often associated with kidney failure and brain swelling that leads to coma and death, develops partly because of a unique protein system of *Plasmodium falciparum* that causes blockage of blood vessels in humans. Together with collaborating laboratories, this year he published three research and review papers (Watermeyer *et al.* 2016, *Blood* 127, 343-51; Oberli *et al.* 2016, *Cell Microbiol* 18, 1415-28; Warncke *et al.* 2016, *Microbiol Mol Biol Rev* 80, 905-27) describing progress towards understanding this parasite protein system; one more paper is in preparation.

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Year ended 31 July 2016

- Professor David Vaux (*Medical Sciences*) this year continued his study of a novel structure called the nucleoplasmic reticulum. In collaboration with colleagues in the Department of Materials his group have developed a new method to study the age of molecules within the cell, and used this to show that when nucleoplasmic reticulum forms it uses newly made molecules, rather than recycling old ones. This has important implications for the mechanisms by which the structure is made, and in turn implications for normal aging and a range of diseases, including some types of cancer.
- Professor Michael Willis (*Chemistry*) currently holds a £1.5m Engineering and Physical Sciences Research Council Fellowship; he was awarded the Pfizer, AstraZeneca and Syngenta 2015 Process Chemistry Research Award, and presented the award lecture at a process chemistry conference in Cambridge.
- Professor Dominic Vella (*Mathematics*) was awarded a Whitehead Prize by the London Mathematical Society for his contributions to the modelling of instability and interfacial phenomena in fluids and solids. He also has a 1.3 million euro grant from the European Research Council to continue his work on elastic instability.
- Nigel Wilson (*Classics*) has contributed to an edition of the prefaces to Aldus Manutius' editions of Greek texts and has continued to preside over the Oxford Bibliographical Society.
- Professor Henry Woudhuysen (*English*), in addition to his duties as Rector is about to complete his period as President of the Bibliographical Society, having given his Presidential lecture ('Before Moxon: The Public Face of the English Book Trade, 1475–1680') earlier in the year. He has given papers at several conferences and a plenary lecture at York on letters in the English Renaissance.

Recruitment and retention of academic staff are a priority for the College. In a global education market, the College needs to be able to attract and retain the best academic personnel. Fellows and academic staff now move frequently between academic institutions; this creates both the opportunity for recruitment and the challenge of maintaining continuity. The high cost of housing in Oxford presents an impediment to recruitment. The College has implemented a number of measures to address this issue.

(iii) The Chapel

The College Chapel continues to provide a focus for worship according to the rites of the Church of England. As of 1 September 2015, the Chaplain has been the Revd Dr Melanie Marshall (following the resignation of the Revd Dr Nicholas 'Jack' Dunn the previous month). Occasional offices (marriage, baptism, confirmation) are performed throughout the year. Regular services are conducted during term-time, and include: Mass (three times per week); the daily office; and Choral Evensong on Sunday evenings. Chapel services are open to the public and are advertised on the website as well as within College. Improvements to service books, minor chapel furnishings and other resources continue on a rolling basis; fellowship after services is facilitated by hospitality offered by the Chaplain.

Support for the worshipping life of the College is provided by the Choir and Organists. Four Choral Scholarships (for Lincoln members) and two Choral exhibitions (for students of other Colleges) were awarded for the academic year 2015–16. From 2016–17 onwards, five Choral Scholarships will be offered. Members of the Choir receive professional singing lessons, helping maintain its reputation as one of Oxford's best mixed-voice student Choirs. In 2016, the Choir toured to Paris and Luxembourg and to Lincoln and Worcester Cathedrals. In 2015–16 and again in 2016–17, the shortfall in undergraduate Organ Scholar applications has been redressed by the appointment of two Chapel Precentors, one-year posts awarded to musically experienced graduate students. This has represented a substantial increase in the College's financial commitment to Chapel music. This outlay should not be necessary for the next two or three years, as we now have one undergraduate Organ Scholar in the first year of his studies, and another due to arrive in October 2017.

The Chapel is due for some renovation and to this end a survey of its fabric was undertaken during July/August 2016, the report from which is forthcoming in the course of Michaelmas Term 2016.

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Year ended 31 July 2016

(iv) Premises

The College has continued to pay considerable attention to the maintenance and enhancement of its physical resources so as to contribute to the achievement of its charitable objects. However, due to the absence of a Clerk of Works in the first four months of the year, the College's total spending on repairs & renewals was £0.9m, significantly lower than the previous year (2015: £1.2 million); this category of expenditure still represents a significant proportion (10%) of the College's total annual spending.

In 2015-16 the project to refurbish all the student rooms on Staircase 15 and in Lincoln House was completed. This refurbishment project has been undertaken to a high standard by the College's in-house maintenance team and is funded by alumni donations to the College's Annual Fund.

The College's recent development of the Berrow Foundation Building and the New Garden Building won an award this year from the Royal Institute of Chartered Surveyors as the Best Renovation in the south-east region of England.

The College expects to complete in November 2016 the development of seventeen new flats located on Alfred Street at the rear of the Natwest bank at 120-121 High Street. The Edward Penley Abraham Research Fund (the "EPA") has generously agreed to provide support for this development in the financial years ending 2018-2021. The flats will be for the use of the College and the EPA with an additional number of flats being let on commercial terms.

(v) Development and Fund-raising

Legacies and donations contributed £4.806 million to the College's funds in 2015-16 (2015-15: £4.374 million). In addition, the College received pledges to the value of £424,579 and was notified of future bequests with a current value of £1.445 million during the same period. Funding for the Stern Fellowship in Physics was completed, with £1.306 million contributed during the course of the year. A further £400k from the Sears legacy was assigned to the Darby Fellowship in History following discussion with the executors. Student bursary and scholarship funds continued to attract support, with over £750,000 being received in endowments, and a further £322,224 contributed to spend-down awards. The Annual Fund received unrestricted donations of £206,708 during the year; the Fund is used to support projects benefiting current students, including the refurbishment of student accommodation. A further £160,000 was donated through the same appeal for student hardship support, teaching, and heritage projects. In total 18.7% (2014-15: 18.8%) of all alumni made a donation in the financial year 2015-16. New regulations relating to contacting individuals constrain annual unrestricted fund-raising from the Telethon.

The financial performance of the College is discussed in the "Financial Review" below and in the section entitled "Investment Policy, Objectives and Performance".

FINANCIAL REVIEW

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

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

The College also receives a number of donations and legacies each year, some of which are used to fund regular operations, but the larger share of which is used to increase endowment funds and to fund major items of capital expenditure.

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Report of the Governing Body

Year ended 31 July 2016

In 2015-16 the total income was £13.370 million (2015: £12.732 million) of which £4.806 million was in the form of donations and legacies (2015: £4.374 million).

The College spends money on five areas of activity:

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

In 2015-16 the total expenditure was £9.316 million (2015: £9.794 million). Therefore the total of net income before investment gains was £4.054 million (2015: £2.938 million).

The College's annual Financial Plan is structured such that all operating expenditure should be met from the three sources of operating income, with the proviso that the sum derived from the College's endowment should be no more than a fixed percentage of the value of those endowment funds. The Governing Body has decided, for the time being, that the percentage of funds drawn be fixed at 3.0%. From 2013-14 the College has presented its Accounts on a total return accounting basis. The Governing Body will keep the level of income withdrawn from endowment funds under review in order to balance the needs and interests of current beneficiaries of the College's activities with those of future beneficiaries.

In 2015-16 operating income (that is, income excluding legacies and donations) was £8.564 million, £0.206 million higher than in 2014-15 (2015: £8.358 million). Within this total figure, income from the College's financial investments and rents from properties was relatively constant, £0.078 million higher than in the previous year. Revenues in the form of tuition fees showed an 8.7% increase in 2015-16 rising to £2.081 million (2015: £1.915 million) with a 22% increase in tuition fees from overseas students. The College continued to benefit from privately sourced funds in support of student scholarships, with substantial and generous donations from the Sloane Robinson Foundation, the Keith Murray Award Fund, the Polonsky Foundation, the Berrow Foundation and the Lord Crewe Trust.

The College implemented a 'Living Wage' policy for staff from April 2015-16 with consequent wage increase for a broad range of staff members. 2015-16 was a year when the College was without a Clerk of Works in the first four months of the year and consequently there was a material reduction in expenditure on repairs and renewals. Net proceeds derived from domestic operations rose slightly, with revenues from conferences and other third-party business at around £0.696 million.

The College has taken a provision on its balance sheet of £1.552 million (2015: £1.611 million) for deficits in its USS and OSPS pension plan. The College will make annual incremental payments to the USS and OSPS pension plans which will reduce the provision over time.

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 and its subsidiaries at the year-end amounted to £137.080 million (2015: £127.005 million). This includes endowment capital of £108.313 million and unspent restricted income funds totalling £3.106 million. Free reserves at the year-end amounted to £3.993 million (2015: £2.072 million), representing retained unrestricted income reserves excluding an amount of £22.348 million for the book value of tangible fixed assets less associated funding arrangements and £0.872 million of designated reserves.

Free reserves at the year-end were £3.993 million (2015: £2.072 million). This amount represents approximately 5 months expenditure and is in line with the College's policy on reserves.

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Report of the Governing Body

Year ended 31 July 2016

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking its activities. 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 Rector or the Bursar. Financial and investment risks are assessed and monitored by the Finance Committee. In addition, the Domestic Operations Manager and domestic staff heads meet regularly to review 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.

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Year ended 31 July 2016

The College has identified specific risks, assessed the impact of the risk and the probability of the event occurring and reviewed measures to manage the risks. The principal categories of risks and uncertainties faced by the College and its subsidiaries are:

Risk	Description	Management of Risk
Reputation	Impairment of College's standing amongst academic institutions	The College undertakes regular strategic planning, maintains highest academic standards
Regulatory risks	Impact of governmental, regulatory and University bodies on the College's activities	The College is actively involved with Conference of Colleges to participate in policy-making. It is vigilant in corporate governance and compliance with policies
Funding and financial risks	Impact of external developments on on research funding, impact of market movements on financial returns and endowment funding of operational activities	The College maintains high academic standards to protect research funding. Diversification of investments and monitoring of prudent risk parameters reduces risks in financial returns
Health and Safety risks	Maintenance of rigorous health and safety policies, particularly in the areas of catering, housekeeping and buildings maintenance	The College takes expert advice on Health & Safety issues and is the subject of regular inspections. Training is provided and induction for new employees
IT risks	Disruption of activities and loss of data due to impairment of IT capability	Disaster recovery plans are in place. Effective integration with University IT infrastructure. Monitoring of IT security
Other operational risks	Operational risks including security and human resources	Regular review of operational plans, specialist external advice, compliance with established procedures as well investment in resources
Insurance	Impact of unexpected events on the College	Comprehensive annual review of insurance policies

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Report of the Governing Body

Year ended 31 July 2016

Investment policy, objectives and performance

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

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

To meet these objectives, the College's investments as a whole are managed on a total return basis (that is, income and capital taken together) maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. This approach is consistent with the College Statutes which allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. Investment strategy, policy and performance are monitored by the Finance Committee. Individual members of the Finance Committee bring to the Committee significant investment expertise.

At end-July 2016 the Group's long-term investments, combining the property assets and the pool of securities and other investments, totalled £115.560 million (2015: £106.8 million) of which £8.157 million comprised the independently constituted Lincoln 2027 Trust and £1.466 million the Lincoln College Michael Zilkha Trust.

The total rate of return on the College's investments (that is, income plus capital gain) was +7.4% (2015: +16.2%) or +6.8% after management costs (2015: +15.7%). This return was comprised as follows:

	Property Investments	Securities and Other Investments	Total
Total return before costs	+ 6.4%	+ 8.5%	+ 7.4 %
Management costs	0.8%	0.3%	0.6%

Valuations of Property Investments are determined by the College's Land Agents, Laws and Fiennes, who in turn take advice from such advisors as Cluttons (for commercial and London residential properties), Breckon & Breckon (for local residential properties) and Carter Jonas (for agricultural properties). With the assistance of these advisers, the College undertakes a full-scale market-based revaluation of the Property portfolio every three years: an external revaluation of all the investment property was carried out as at the end of July 2015. The next such revaluation is due in July 2018.

Day-to-day management of the Securities and Other Investments is delegated to a number of external investment managers of which the two principal organisations are listed on page 5. This year the College's Securities and Other Investment benefited from the weakness of Sterling following the EU referendum in June 2016, as a substantial portion of the College's Securities investments were in currencies other than Sterling.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 1 August, 2002 together with the original gift value of all subsequent endowment received.

FUTURE PLANS

The College's future plans towards the achievement of its Objects and the maintenance of its commitment to Public Benefit are set out in the College's Strategic Plan as periodically agreed by the Governing Body. Achievements in respect of the Strategic Plans are monitored each year in Michaelmas Term by the Governing Body, advised by the Planning Committee; and the Plan is formally reviewed approximately every five years.

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Report of the Governing Body

Year ended 31 July 2016

The College's successive Strategic Plans have systematically identified the following as aims conducive to the achievement of the College's charitable objects:

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

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

First, as has been observed in previous Governing Body Reports, the College is mindful of the fact that the present reductionist trend in government funding for higher education is very unlikely to be reversed. The College believes that its pursuit of academic excellence (and in particular the maintenance of the intensive undergraduate teaching style represented by the tutorial system) will best be safeguarded by the College becoming more reliant on its own resources and less on funding from official channels. To this end, the College has put in place and will continue to pursue measures designed to increase the size of the investment funds from which it can fund its activities. This is to be achieved through a combination of fund-raising, prudent investment management and the management of current operations so as not to incur operating deficits after taking into account the drawdown from the endowment. The review of investment management arrangements which resulted in 2009 in the current disposition of funds between Lord North Street (now Sandaire) and Cerno, and the establishment in 2009 of the Lincoln 2027 Trust as a separate capital-accumulation investment vehicle, were and will continue to be, important components of this programme. The College will also maintain its commitment to its fund-raising efforts with a number of targeted fund-raising initiatives.

Secondly, Lincoln will continue to support its Fellows and other senior academics attached to the College in their research work. Financial support will be provided in the form of grants from the Lincoln College Michael Zilkha Trust and research allowances from the College itself.

Thirdly, the College will maintain its practice of careful scrutiny and monitoring of the level of undergraduate teaching provided and the costs of providing that teaching. Lincoln already provides tuition in a smaller number of subjects than any other traditional Oxford college; this is a function of its having a relatively small Fellowship, combined with its policy of having at least two Fellows for each major Honours School. (The increase in the number of Modern Languages Fellows from one to two should be viewed in this context.) The College intends to continue this concentrated provision of undergraduate teaching so as to offer the highest quality of undergraduate experience, given the constraints imposed by the College's resources.

Fourthly, the College will ensure that sufficient provision is made for its postgraduate students. With 300 postgraduate members, Lincoln has one of the largest postgraduate populations of any Oxford college, both in absolute terms and relative to the number of undergraduate members. The Dame Louise Johnson Building acquired in 2012, with 37 student bedrooms, provided a significant addition to the College's stock of postgraduate accommodation. The incorporation of a new common room for the College's postgraduate students in the Berrow Foundation Building has enhanced postgraduates' experience of the College. Looking further forward, the College will continue to give consideration to opportunities to expand its accommodation provision in central Oxford should it be required.

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Year ended 31 July 2016

Fifthly, the College will maintain its focus on the enhancement of the quality of the physical resources it is able to deploy in pursuit of its charitable objects. The Berrow Foundation Building and New Garden Building are now in regular use. The College has recently completed a development of 17 new flats at the rear of the property at 120-121 High Street (the National Westminster Bank building).

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

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. Under that law the Governing Body have prepared the financial statements in accordance with 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 judgements 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:

Henry Woudhuysen

Rector

LINCOLN COLLEGE

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

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

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 group's and the charity's affairs as at 31 July 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Critchleys LLP

Statutory Auditor

Oxford

Date:

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

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiaries Lincoln College Trading Limited and Lincoln College Enterprises Limited together with Lincoln 2027 Trust and Lincoln College Michael Zilkha Fund. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 13.

2. Basis of accounting

The College's individual and consolidated 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 individual and consolidated 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 31.

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.

3. 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 two multi-employer defined benefit pension plans. 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 22).

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Valuations of Property Investments are determined by the College's Land Agents, Laws and Fiennes, who in turn take advice from such advisors as Cluttons (for commercial and London residential properties), Breckon & Breckon (for local residential properties) and Carter Jonas (for agricultural properties). With the assistance of these advisers, the College undertakes a full-scale market-based revaluation of the Property portfolio every three years: an external revaluation of all the investment property was carried out as at the end of July 2015. The next such revaluation is due in July 2018.

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

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

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 uncertainly 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.

With respect to the next financial year, the most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

4. 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.

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.

Income from fixed interest debt securities is recognised using the effective interest rate method.

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

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

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Statement of Accounting Policies

Year ended 31 July 2016

5. 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.

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

6. Tangible fixed assets

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

The College capitalises expenditure on buildings where there is a significant improvement in its useful life. The College capitalises expenditure on equipment costing more than £1,000.

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

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

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Statement of Accounting Policies

Year ended 31 July 2016

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. Heritage Assets

The College has chosen to hold heritage assets at cost. The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The depreciated historic cost of the majority of these items is nil. Items purchased are recognised at cost and items donated to the College are recognised at fair value. The College has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

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.

Other unquoted investments are valued using primary valuation techniques such as earnings multiples, recent transactions and net assets where reliable estimates can be made – otherwise at cost less any impairment.

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.

Other financial instruments

a. 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.

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors (excluding any amounts that are classed as concessionary loans) 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.

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

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. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or release to income at the discretion of the Governing Body.

13. Fund accounting

The total funds of the College and its subsidiaries 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.

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 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.

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2016

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.

icoln College
nsolidated Statement of Financial Activities
r the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
OME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		5,679	-	-	5,679	5,464
Other Trading Income	3	187	-	-	187	277
Donations and legacies	2	260	1,844	2,702	4,806	4,374
Investments						
Investment income	4	276	68	2,354	2,698	2,617
Total return allocated to income	14	1,716	777	(2,493)	-	-
Other income		-	-	-	-	-
al income		8,118	2,689	2,563	13,370	12,732
PENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		6,519	1,421	35	7,975	8,538
Generating funds:						
Fundraising		572	-	-	572	532
Trading expenditure		181	-	-	181	266
Investment management costs		123	9	456	588	458
al Expenditure		7,395	1,430	491	9,316	9,794
: Income/(Expenditure) before gains		723	1,259	2,072	4,054	2,938
Net gains/(losses) on investments	11, 12	1,134	210	4,677	6,021	11,759
: Income/(Expenditure)		1,857	1,469	6,749	10,075	14,697
nsfers between funds	18	1,817	(1,817)	-	-	-
: movement in funds for the year		3,674	(348)	6,749	10,075	14,697
id balances brought forward	18	21,987	3,454	101,564	127,005	112,308
ids carried forward at 31 July		25,661	3,106	108,313	137,080	127,005

Lincoln College
Consolidated and College Balance Sheets
As at 31 July 2016

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
FIXED ASSETS					
Tangible assets	9	27,348	27,101	27,348	27,101
Heritage assets	10	-	-	-	-
Property investments	11	57,255	53,812	57,255	53,812
Other investments	12	58,305	52,988	48,684	44,736
Total Fixed Assets		142,908	133,901	133,287	125,649
CURRENT ASSETS					
Stocks		142	147	142	147
Debtors	15	1,623	1,500	1,868	1,542
Investments		-	-	-	-
Cash at bank and in hand		5,742	4,775	5,615	4,738
Total Current Assets		7,507	6,422	7,625	6,427
LIABILITIES					
Creditors: Amounts falling due within one year	16	1,680	1,593	1,800	1,600
NET CURRENT ASSETS		5,827	4,829	5,825	4,827
TOTAL ASSETS LESS CURRENT LIABILITIES		148,735	138,730	139,112	130,476
CREDITORS: falling due after more than one year	17	10,103	10,114	10,103	10,114
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		138,632	128,616	129,009	120,362
Defined benefit pension scheme liability	22	(1,552)	(1,611)	(1,552)	(1,611)
TOTAL NET ASSETS		137,080	127,005	127,457	118,751
FUNDS OF THE COLLEGE					
Endowment funds	18	108,313	101,564	98,690	93,310
Restricted funds	18	3,106	3,454	3,106	3,454
Unrestricted funds	18				
Designated funds		23,220	21,526	23,220	21,526
General funds		3,993	2,072	3,993	2,072
Pension reserve	22	(1,552)	(1,611)	(1,552)	(1,611)
		137,080	127,005	127,457	118,751

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

Trustee:

Trustee:

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

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	24	<u>(739)</u>	<u>(1,521)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,698	2,617
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(1,904)	(1,545)
Proceeds from sale of investments		5,683	395
Purchase of investments		(7,462)	(6,808)
Net cash provided by (used in) investing activities		<u>(985)</u>	<u>(5,341)</u>
Cash flows from financing activities			
Repayments of borrowing		(11)	(15)
Cash inflows from new borrowing		-	-
Receipt of endowment		2,702	2,477
Net cash provided by (used in) financing activities		<u>2,691</u>	<u>2,462</u>
Change in cash and cash equivalents in the reporting period		<u>967</u>	<u>(4,400)</u>
Cash and cash equivalents at the beginning of the reporting period		4,775	9,175
Cash and cash equivalents at the end of the reporting period	25	<u>5,742</u>	<u>4,775</u>

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

1 INCOME FROM CHARITABLE ACTIVITIES

	2016 £'000	2015 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,528	1,463
Tuition fees - Overseas students	553	452
Other fees	55	102
Other HEFCE support	209	245
Other academic income	197	189
College residential income	3,137	3,013
Total Teaching, Research and Residential	5,679	5,464

The above analysis includes £1,422k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £1,429k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £28k (2015: £0k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2016 £'000	2015 £'000
Donations and Legacies		
Unrestricted funds	260	235
Restricted funds	1,844	1,662
Endowed funds	2,702	2,477
	4,806	4,374

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016 £'000	2015 £'000
Subsidiary company trading income	187	277
	187	277

4 INVESTMENT INCOME

	2016 £'000	2015 £'000
<i>Unrestricted funds</i>		
Commercial rent	252	252
Equity dividends	18	15
Bank interest	6	3
	276	270
<i>Restricted funds</i>		
Equity dividends	68	76
	68	76
<i>Endowed funds</i>		
Agricultural rent	172	140
Commercial rent	1,727	1,743
Other property income	133	165
Equity dividends	198	171
Income from fixed interest stocks	114	3
Interest on fixed term deposits and cash	10	36
Bank interest	-	13
	2,354	2,271
Total Investment income	2,698	2,617

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

5 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	3,604	3,839
Other direct costs allocated to:		
Teaching, research and residential	2,792	3,100
Support and governance costs allocated to:		
Teaching, research and residential	1,579	1,599
Total charitable expenditure	7,975	8,538
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	372	306
Trading expenditure	101	105
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	169	225
Trading expenditure	80	79
Investment management costs	476	401
Support and governance costs allocated to:		
Fundraising	31	1
Trading expenditure	-	82
Investment management costs	112	57
Total expenditure on raising funds	1,341	1,256
Total expenditure	9,316	9,794

The 2015 resources expended of £9,794k represented £8043k from unrestricted funds, £1,340k from restricted funds and £411k from endowed 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 £66k (2015 - £62k).

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

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	16	444	460
Domestic administration	-	161	161
Human resources	-	57	57
IT	14	120	134
Depreciation	-	697	697
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	111	60	171
Other finance charges	-	12	12
Governance costs	2	28	30
	143	1,579	1,722

	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000
Financial administration	59	462	521
Domestic administration	-	192	192
Human resources	3	43	46
IT	8	108	116
Depreciation	11	636	647
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	57	111	168
Other finance charges	-	26	26
Governance costs	-	22	22
	138	1,600	1,738

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 £'000	2015 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	24	22
Auditor's remuneration - tax advisory services	6	-
	30	22

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.

7 GRANTS AND AWARDS

2015
£'000

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Total unrestricted

Restricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Total restricted

Total grants and awards

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

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

8 STAFF COSTS

	2016	2015
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	3,729	3,677
Social security costs	284	275
Pension costs:		
Defined benefit schemes - contribution paid in the year (note 22)	644	614
Defined benefit schemes - movement in provision (note 22)	(91)	289
Other benefits	100	83
	4,666	4,938

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

	2016	2015
Tuition and research	14	12
College residential	67	58
Fundraising	5	6
Support	13	12
Total	99	88

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

University Lecturers	15	14
CUF Lecturers	10	7
Other teaching and research	6	5
Other	4	7
Total	35	33

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

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

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

9 TANGIBLE FIXED ASSETS

Group and 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	4,612	26,596	-	1,413	32,621
Transfer from investment properties	-	600	-	-	600
Transfer to investment properties	-	(1,560)	-	-	(1,560)
Additions	-	1,890	-	14	1,904
Disposals	-	-	-	-	-
At end of year	4,612	27,526	-	1,427	33,565
Depreciation and impairment					
At start of year	184	4,204	-	1,132	5,520
Depreciation charge for the year	92	485	-	120	697
Depreciation on disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At end of year	276	4,689	-	1,252	6,217
Net book value					
At end of year	4,336	22,837	-	175	27,348
At start of year	4,428	22,392	-	281	27,101

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.

10 HERITAGE ASSETS

Lincoln College has a large, diverse, valuable collection of antiquarian (pre-1830) printed books including 48 books printed before 1501 (primarily important early editions of classical or theological texts). It also has a valuable collection of sixteenth-century books and Hebrew books. The College archives contain valuable documents including the College charter from Henry VI (1427), a confirmation foundation charter from Edward IV (1461/62) as well as the College's statutes signed by Thomas Rotherham, the Bishop of Lincoln, who was the College's second founder (1469).

The College has a collecting policy for the acquisition, preservation, management, and disposal of heritage assets. The College subscribes to the Oxford Conservation Consortium, a charity providing programmes of collection care within the historic library and archive collections of its 14 members, all colleges, of the University of Oxford. The College takes in heritage material relating to its buildings, societies, estates, members, and activities, in addition to those produced by the College itself in the course of its administration. It takes in archives, publications and artefacts where these contribute to an appreciation of the College and its history, or where these reflect significant work carried out by College members, providing that they should not be more fittingly in another repository.

Lincoln College employs professional staff with recognized qualifications to manage and preserve its heritage assets, including a Librarian, Archivist, and Clerk of Works. Heritage assets are stored securely following British Standards and internationally published guidelines for environment and storage. Work is carried out following international standards for cataloguing description. The Archive collection includes information about the historic acquisition of heritage assets. Heritage assets are available for research use by members of the College and members of the public free of charge by appointment. Contact details for the relevant members of staff for the collections are available on the College website. The Archon repository code for Lincoln College is GB: 456.

There have been no material acquisitions or disposal of heritage assets in the last 5 years.

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

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	14,013	30,044	9,755	53,812	45,015
Additions and improvements at cost	-	1,471	-	1,471	2,850
Disposals	-	(156)	-	(156)	(69)
Transfer to tangible fixed assets	-	(600)	-	(600)	-
Transfer from tangible fixed assets	-	1,560	-	1,560	-
Revaluation gains/(losses) in the year	(420)	1,358	230	1,168	6,016
Valuation at end of year	13,593	33,677	9,985	57,255	53,812

Property valuations at 31 July 2015 have been provided by Cluttons, Carter Jonas, Breckon & Breckon or the College's external land agent (FRICS) from Laws & Fiennes on the basis of market value. These valuations were updated to 31 July 2016 by the College's external land agent (FRICS) from Laws & Fiennes.

12 OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000	2015 £'000				
College investments						
Valuation at start of year	44,734	36,533				
New money invested	5,607	3,789				
Amounts withdrawn	(5,373)	(304)				
Reinvested income	340	269				
Investment management fees	(128)	(128)				
(Decrease)/increase in value of investments	3,502	4,575				
External investments at end of year	48,682	44,734				
Investment in subsidiaries	2	2				
College investments at end of year	48,684	44,736				
Group investments						
Valuation at start of year	52,988	43,613				
New money invested	5,607	3,789				
Amounts withdrawn	(5,399)	(326)				
Reinvested income	384	301				
Investment management fees	(128)	(132)				
(Decrease)/increase in value of investments	4,853	5,743				
Group investments at end of year	58,305	52,988				
Group 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	1,114	19,933	21,047	441	21,026	21,467
Global multi-asset funds	-	17,437	17,437	-	16,591	16,591
Fixed interest stocks	-	3,380	3,380	-	4,247	4,247
Alternative and other investments	5,963	5,421	11,384	4,655	5,650	10,305
Fixed term deposits and cash	172	4,885	5,057	-	378	378
Total group investments	7,249	51,056	58,305	5,096	47,892	52,988

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13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Lincoln College Trading Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Lincoln College Enterprises Limited, a company providing design and build construction services to the College. In addition the consolidated accounts include Lincoln 2027 Trust and Lincoln College Michael Zilkha Fund which are separate registered charities with charity numbers 1136816 and 1095113 respectively.

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

	Parent College	Lincoln College Trading Ltd	Lincoln College Enterprises	Lincoln 2027 Trust	Lincoln College Michael Zilkha Fund
	£'000	£'000	£'000	£'000	£'000
Income	13,074	187	3,052	44	16
Expenditure	(9,184)	(181)	(2,912)	-	(42)
Investment gains/losses	4,670	-	-	1,249	102
Donation to College under gift aid	146	(6)	(140)	-	-
Result for the year	<u>8,706</u>	<u>-</u>	<u>-</u>	<u>1,293</u>	<u>76</u>
Total assets	140,912	157	779	8,157	1,466
Total liabilities	(10,351)	(156)	(778)	-	-
Net funds at the end of year	<u>130,561</u>	<u>1</u>	<u>1</u>	<u>8,157</u>	<u>1,466</u>

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3% (2015: 3%) of the average of the year-end values of the relevant investments at the start of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value in 1 August 2002 together with all subsequent endowments valued at date of gift.

	Total return not applied £'000	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:						
Gift component of the permanent endowment		32,928		32,928		32,928
Unapplied total return			47,063	47,063		47,063
Funds not subject to total return	433			433		433
Expendable endowment					21,140	21,140
Total Endowments	<u>433</u>	<u>32,928</u>	<u>47,063</u>	<u>160,848</u>	<u>21,140</u>	<u>101,564</u>
Movements in the reporting period:						
Gift of endowment funds		2,550		2,550	152	2,702
Investment return: total investment income			2,149	2,149	205	2,354
Investment return: realised and unrealised gains and losses	27		2,341	2,368	2,309	4,677
Less: Investment management costs			(397)	(397)	(59)	(456)
Other transfers				-		-
Total	<u>27</u>	<u>2,550</u>	<u>4,093</u>	<u>6,670</u>	<u>2,607</u>	<u>9,277</u>
Unapplied total return allocated to income in the reporting period			(2,131)	(2,131)	(362)	(2,493)
Expendable endowments transferred to income			(2,131)	(2,131)	(35)	(35)
					(397)	(2,528)
Net movements in reporting period	<u>27</u>	<u>2,550</u>	<u>1,962</u>	<u>4,539</u>	<u>2,210</u>	<u>6,749</u>
At end of the reporting period:						
Gift component of the permanent endowment		35,478	-	35,478		35,478
Unapplied total return			49,025	49,025		49,025
Funds not subject to total return	460			460		460
Expendable endowment					23,350	23,350
Total Endowments	<u>460</u>	<u>35,478</u>	<u>49,025</u>	<u>84,963</u>	<u>23,350</u>	<u>108,313</u>

Lincoln College
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15 DEBTORS

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Amounts falling due within one year:				
Trade debtors	531	561	452	481
Amounts owed by College members	8	32	8	32
Amounts owed by Group undertakings	-	-	140	83
Loans repayable within one year	1	-	1	-
Prepayments and accrued income	268	299	452	374
Other debtors	-	36	-	-
Amounts falling due after more than one year:				
Loans	815	572	815	572
	1,623	1,500	1,868	1,542

16 CREDITORS: falling due within one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Trade creditors	201	370	174	320
Amounts owed to College Members	-	-	-	-
Amounts owed to Group undertakings	-	-	731	101
Taxation and social security	331	36	19	28
College contribution	57	-	57	-
Accruals and deferred income	648	777	376	741
Other creditors	443	410	443	410
	1,680	1,593	1,800	1,600

17 CREDITORS: falling due after more than one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Bank loans	10,003	10,014	10,003	10,014
Other creditors	100	100	100	100
	10,103	10,114	10,103	10,114

£10,000,000 (2014 £10,000,000) of the bank loans is repayable in 2041. This loan is unsecured.
Loans are included at amortised cost as they are classified as basic financial instruments.

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18 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	49,511	1,804	(267)	(1,353)	566	50,261
Montgomery Estate	728	8	(3)	(22)	39	750
Nuffield Research Trust Fund	1,438	16	(6)	(43)	107	1,512
Paul Shuffrey Bequest	9,246	104	(39)	(259)	210	9,262
Other Fellowships	12,336	1,875	(52)	(323)	916	14,752
Polonsky (Hansard)	433	-	-	-	27	460
Student Support	6,451	889	(27)	(128)	480	7,665
Others	281	3	(1)	(3)	21	301
Endowment Funds - Expendable						
General Endowment	5,978	68	(25)	(170)	445	6,296
Bequests and legacies	6,908	229	(29)	(192)	515	7,431
Total Endowment Funds - College	93,310	4,996	(449)	(2,493)	3,326	98,690
Endowment funds held by subsidiaries						
Lincoln 2027 Trust	6,864	44	-	-	1,249	8,157
Lincoln College Michael Zilkha Fund	1,390	16	(42)	-	102	1,466
Total Endowment Funds - Group	101,564	5,056	(491)	(2,493)	4,677	108,313
Restricted Funds						
Income - endowment funds	88	37	(812)	777	-	90
Scholarship and grants	-	454	(454)	-	-	-
Berrow Foundation Building	1,085	45	(5)	(817)	41	349
EPA Dame Louise Johnson Building	-	1,000	-	(1,000)	-	-
Other restricted funds	2,281	376	(159)	-	169	2,667
Total Restricted Funds - College and Group	3,454	1,912	(1,430)	(1,040)	210	3,106
Unrestricted Funds						
General	2,072	6,335	(7,430)	1,939	1,077	3,993
Fixed asset designated	20,754	-	-	1,594	-	22,348
Other designated	772	67	(24)	-	57	872
Pension reserve	(1,611)	-	59	-	-	(1,552)
Total Unrestricted Funds - College and Group	21,987	6,402	(7,395)	3,533	1,134	25,661
Total Funds - Group	127,005	13,370	(9,316)	-	6,021	137,080

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

Endowment Funds - Expendable:

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

Restricted Funds:

Income, Endowment funds	Income generated by endowment funds which can be used for the specific purposes for which the endowment funds were established.
Berrow Foundation Building	Funds received for the Berrow Foundation Building. Amounts are transferred to the fixed asset designated fund once they have been expended on the building.
EPA Dame Louise Johnson Building	Donations received for the building which has already been constructed. The amounts are then transferred to the designated fixed asset fund.
Scholarships and grants	Funds received for scholarships and other forms of support for students that have been expended during the year.

Designated Funds

Fixed asset designated	Unrestricted funds which are represented by the fixed assets of the College and which are therefore not available for expenditure on the College's general purposes.
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The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	27,348	-	-	27,348
Property investments	6,972	-	50,283	57,255
Other investments	872	3,016	54,417	58,305
Net current assets	2,124	90	3,613	5,827
Long term liabilities	(11,655)	-	-	(11,655)
	<u>25,661</u>	<u>3,106</u>	<u>108,313</u>	<u>137,080</u>

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	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	27,101	-	-	27,101
Property investments	3,247	-	50,565	53,812
Other investments	772	2,369	49,847	52,988
Net current assets	2,592	1,085	1,152	4,829
Long term liabilities	(11,725)	-	-	(11,725)
	<u>21,987</u>	<u>3,454</u>	<u>101,564</u>	<u>127,005</u>

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21 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 Fellow
Official Fellow
Fellow by Special Election
Research Fellow

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.

All Official and Research Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Seven trustees live in houses owned by the college and pay market rent on a monthly basis.

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 page 4 of the section, Governing Body, Officers and Advisers.

Remuneration paid to trustees

Range	2016		2015	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1,000-£1,999	1	1,957	1	1,856
£2,000-£2,999	1	2,295		
£3,000-£3,999	1	3,839	1	3,272
£4,000-£4,999			1	4,153
£6,000-£6,999	1	6,018		
£8,000-£8,999			1	8,643
£9,000-£9,999	1	9,691	1	9,353
£10,000-£10,999	1	10,225		
£16,000-£16,999	1	16,352		
£17,000-£17,999			1	17,613
£19,000-£19,999			1	19,647
£21,000-£21,999	1	21,056	2	43,553
£22,000-£22,999	3	66,975	5	111,899
£23,000-£23,999	4	93,238	2	47,424
£24,000-£24,000	2	48,562	2	49,017
£25,000-£25,999	1	25,204	1	25,627
£27,000-£27,999	1	27,009		
£29,000-£29,999	1	29,746		
£33,000-£33,999	1	33,756		
£34,000-£34,999	1	34,072		
£35,000-£35,999			1	35,262
£38,000-£38,999	1	38,110	1	38,611
£39,000-£39,999	2	78,829		
£40,000-£40,999	1	40,945	1	40,285
£43,000-£43,000			1	43,092
£44,000-£44,999	1	44,429		
£46,000-£46,999	1	46,770		
£52,000-£52,999			1	52,486
£53,000-£53,999	1	53,924	2	107,364
£54,000-£54,999	3	163,908	1	54,515
£56,000-£56,999			1	56,318
£63,000-£63,999	1	63,522		
£64,000-£64,999			1	64,573
£79,000-£79,999			1	79,726
£81,000-£81,999	1	81,954		
£90,000-£90,999			1	90,472
£92,000-£92,999	1	92,475		
£112,000-£112,999			1	112,525
£124,000-£124,999			1	124,256
£130,000-£139,000	1	130,732		
Total	36	1,265,593	33	1,241,542

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

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

Other transactions with trustees

No fellow claimed any expenses for work as a trustee.

See also note 28 Related Party Transactions

Key management remuneration

The total key management compensation (including employers' national insurance) was £1,419k (2015: £1,362k).

Key management are considered to be the Trustees of the College and the Domestic Operations Manager.

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22 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of 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 £189,000 (2015 - £454,000) in relation to the USS. This represents contributions of £236,000 payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £(47,000) (2015 - £217,000).

USS's actuarial valuation as at 31 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 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 3/75ths 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 the 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 1 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 deficit 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 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 (DB) (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 defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

A provision of £433,000 has been made at 31 July 2016 (2015 - £471,000) 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 £358,000 (2015 - £440,000) in relation to the OSPS. This represents contributions of £402,000 (2015 - £368,000) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £(44,000) (2015 -

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2013 to meet the requirements of the Pensions Act 2004, and was published in June 2014. This valuation showed the scheme assets as £424.3m being sufficient to cover 71% of its liabilities of £597.7m on a technical provisions basis with an overall shortfall of £173.4m.

Following this valuation, the trustee and the University have agreed to increase the employer contribution rate to the Scheme to 23.5% of Pensionable Salaries, with this increase from the current rate of 21.5% being implemented in steps of 0.5% of Pensionable Salaries over the three years to 1 August 2017. In addition, the Employers will continue to reimburse the Scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator.

These contributions, together with an allowance for the Scheme's assets to return 2.5% per annum above gilt yields are expected to eliminate the technical provision deficit by 30 June 2026, the same date targeted under the recovery plan agreed at the previous valuation. The underlying calculations take account of the estimated improvement in the funding position over the period to 31 May 2014 and the projected reduction in the cost of future benefit accrual from an estimated 19.3% at 31 May 2014 to around 16.5% of Pensionable Salary by 30 June 2026. This reduction is due to a combination of increases in gilt yields already priced into yield curves at 31 May 2014 and projected changes to the nature of the active membership over the period.

A provision of £1,119,000 has been made at 31 July 2016 (2015 - £1,140,000) 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/>.

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Other schemes

Contribution of £6,000 (2015 - £9,000) were paid to other schemes

23 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 companies because the directors of these companies 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.

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

	2016 Group £'000	2015 Group £'000
Net income/(expenditure)	10,075	14,697
Elimination of non-operating cash flows:		
Investment income	(2,698)	(2,617)
(Gains)/losses in investments	(6,021)	(11,759)
Endowment donations	(2,702)	(2,477)
Depreciation	697	847
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	5	(2)
Decrease/(Increase) in debtors	(123)	(93)
(Decrease)/Increase in creditors	87	(232)
(Decrease)/Increase in pension scheme liability	(59)	315
Net cash provided by (used in) operating activities	(739)	(1,521)

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Cash at bank and in hand	5,742	4,775
Total cash and cash equivalents	5,742	4,775

26 FINANCIAL COMMITMENTS

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

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27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £903k (2015 - £0k).

28 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 FRS 102

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The number of loans outstanding at 31 July with the balances in the following bands were as follows:

	2016 £'000	2015 £'000
Dr Radu Coldea	108	108
Dr Roel Dullens	108	108
Dr Maria Stamatopolou	110	110
Dr Dominic Vella	108	108
Prof Michael Willis	117	117
Prof C Issever	118	-
Dr D Omlor	117	-

Interest is charged on the above loans. All loans are repayable on the departure of the trustee from the College.

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

Dr Radu Coldea	1	-
Prof Catherine de Vries	1	-
Dr Roel Dullens	2	1
Prof S Gardener	4	5
Dr Noam Gur	-	1
Dr Alana Harris	-	1
Prof David Hills	2	1
Prof Peter McCullough	-	1
Dr Frank Payne	2	-
Dr Edward Nye	-	1
Dr Timothy Michael	2	-
Dr Philippe Trinh	1	1
Prof David Vaux	2	-
Dr Dominic Vella	-	1
Prof Michael Willis	2	2

Expenditure in the College includes fees from David A Hills Limited of £18k (2015 - £nil). David Hills (a Trustee) controls David A Hills Limited. These fees are not included in the Trustees' remuneration table in note 21.

29 CONTINGENT LIABILITIES

The College has no material contingent liabilities

30 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

Lincoln College
Notes to the financial statements
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31 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 movement on funds as previously stated	1,549	(468)	13,931	15,012
Movement in pension deficit provision	(315)			(315)
Net Income/(Expenditure) as previously restated	<u>1,234</u>	<u>(468)</u>	<u>13,931</u>	<u>14,697</u>
			As at 1 August 2014 £'000	As at 31 July 2015 £'000
Net Funds (as previously stated) - group			113,665	128,677
Unrestricted				
Recognition of pension deficit			(1,296)	(1,611)
Accrued holiday pay			(61)	(61)
Total unrestricted			<u>(1,357)</u>	<u>(1,672)</u>
Net Funds (as restated)			<u>112,308</u>	<u>127,005</u>

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.