



# Linacre College

Annual Report and Financial Statements

Year ended 31 July 2020

**LINACRE COLLEGE**  
**Annual Report and Financial Statements**  
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## LINACRE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2020

#### MEMBERS OF THE GOVERNING BODY

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

		1	2	3	4	5	6
Abate, Dr Alessandro	[left wef 30/7/20]						
Ackermann, Dr Silke							
Alexander, Prof Jocelyn							
Allen, Prof Myles							
Assender, Dr Hazel							
Bailey, Mr Simon	[retired 1/4/20] – now in attendance as GB Secretary			•			
Barker, Mr Simon		•			•	•	•
Brown, Dr Nick		•	•	•	•	•	•
Burton, Dr Rebecca		•					
Caplin, Prof Richard							
Castell, Prof Martin							
Dudarev, Dr Sergei							
Ewart, Dr Elizabeth			•				
Gibney, Prof Matthew							
Hall, Prof Jim							
Hector, Prof Andrew							
Hoverd, Dr Jane		•	•				•
Illiffe, Prof Robert							
Ingram, Dr Jenni			•				•
Ionescu, Dr Cezar	[left wef Sept 2019]						
Kan, Dr Man Yee							
Khatiwala Prof Samar			•				
Kirkland, Prof Angus							
Kleanthous, Prof Colin							
La Thangue, Prof Nick							
Locke, Mr David		•		•	•		•
MacKay, Prof John		•					
Mandeville, Mr Pete	Appointed 1/4/20						
Marginson, Dr Simon							
Mills, Dr Ian			•				
Morton, Dr Christopher			•				
Mustafa, Dr Asma							
Obersteiner, Dr Michael	Appointed Sept 2019						

## LINACRE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2020

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		1	2	3	4	5	6
O'Donoghue, Prof Heather		•					
Pollard, Prof Mark		•		•	•		•
Preston, Dr Gail							
Rival, Dr Laura							
Rose, Dr Heath			•				•
Sarkar, Prof Subir							
Stein, Prof Alan							
Travis, Prof Simon							
Van Broekhoven, Dr Laura						•	
Wetzer, Mr Thom							
Whiteley, Dr Jonathan							
Ye, Dr Hua Cathy							

One Fellow Trustee is not disclosed for professional reasons.

Key:

1 – Finance Committee

2 – Academic Committee

3 – Remuneration Committee

4 – Domestic and Buildings Committee

5 – Health and Safety Committee

6 – Equality Committee

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

Year ended 31 July 2020

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		1	2	3	4	5	6
Common Room President: Edward (TJ) Mitchell Simone Moriconi	April 2019 to March 2020 April 2020 to March 2021	•	•		•	•	•
Junior Research Fellow: Toby Young Zoe Cormack	January 2017 to September 2019 October 2019 to September 2020						
Common Room Treasurer: Cristiana Tisca Yalun Sun	April 2019 to March 2020 April 2020 to March 2021	•	•				
Common Room Secretary: Josh Dorrington Valentin Darré	April 2019 to March 2020 April 2020 to March 2021		•				

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

In addition to Fellow, including JRF, and Student members, key staff serve on relevant committees and there are nominated external independent members of the Finance Committee and Remuneration Committee

## **LINACRE COLLEGE**

### **Governing Body, Officers and Advisers**

Year ended 31 July 2020

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#### **COLLEGE SENIOR STAFF**

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

Brown, Dr Nick	Principal
Ingram, Dr Jenni	Vice Principal to 30 <sup>th</sup> September 2019
Pollard, Prof Mark	Vice Principal from 1 <sup>st</sup> October 2020
Seale, Mr David	Finance Bursar
Hoverd, Dr Jane	Senior Tutor
Barker, Mr Simon	Domestic Bursar

#### **COLLEGE ADVISERS**

##### **Investment managers**

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

Royal London Asset Management, 55 Gracechurch Street, London EC3V 0RL

Ethical Investors, 60 St. Georges Place, Cheltenham GL50 3PN

##### **Auditor**

Critchleys Audit LLP, Beaver House, 23 - 38 Hythe Bridge Street, Oxford, OX1 2EP

##### **Principal Bankers**

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

##### **Solicitors**

Pennington Manches LLP, 9400 Oxford Business Park, Garsington, Oxford OX4 2HN

Mills & Reeve, Botanic House, 100 Hills Road, Cambridge, CB2 1PH

##### **Employment Advisors**

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

##### **Health and Safety Consultants**

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

##### **College address**

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

##### **Website**

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

## **LINACRE COLLEGE**

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

**Year ended 31 July 2020**

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#### **PRINCIPAL'S REVIEW**

The months from August 2019 to March 2020 were a period of positive growth and development for the College, brought to an abrupt halt by the global COVID-19 pandemic.

In October 2019 Linacre welcomed 194 new students to the College and awarded 42 scholarships. Newcomers included five Rhodes Scholars and one Clarendon Scholar. Among the on-course students, 46.2% are black or minority ethnic – the highest proportion in the last decade. In December 2019 the College had 109 students on post-graduate taught courses and 402 studying for DPhils. The College continued to offer a high level of support to students. The annual student barometer showed that satisfaction with support services at Linacre was above average for Oxford colleges at over 90%. Welfare and IT services were both very highly rated. The College dispersed grants totalling more than £58,000 to its students, including £24,000 in hardship grants and £17,000 to support students writing-up and whose scholarships had expired.

Recognising the need to invest in new and expanded facilities, the College took out a £15m bond for 35 years to fund property refurbishment and acquisition. A major project to reshape and expand provision in the College Reception area was completed in September 2019. The College expanded its accommodation, purchasing and refurbishing 203 Iffley Road, a large 19<sup>th</sup> century house adjacent to existing Linacre houses, to provide an additional ten high quality student study-bedrooms.

It was also a time of change, with the retirement of the long serving Head Chef, Michael Bockett and the Accounts Clerk, Sue Jones. A new role of Steward and Hospitality Manager was created in order to develop the hospitality and conferencing side of the College.

During Hilary term the news for Linacre, as for the rest of the world, became focussed on one thing, COVID 19. As early as January, College began to prepare and ran a business continuity exercise to highlight where processes needed to be adapted for remote working and what services could continue to be provided for students safely. In the event, a majority of students left Oxford in the space of a fortnight in mid-March, though given the nature of the Linacre student body up to a hundred students remained in College accommodation throughout the UK wide lockdown. College moved very rapidly to COVID secure operations, shutting communal rooms, restricting guests and closing shared facilities in quick succession. Wherever possible staff worked remotely or, where that was not feasible, were placed on furlough.

From May onwards, the slow process of unwinding this close down began. A skeleton of staff returned, the dining hall started serving take away meals and study spaces were opened. All of this caused a significant workload for the small staff team with new cleaning routines and technologies in use, new ways of working and ever-changing regulations to adapt to. There was financial stress too, the endowment lost £389k (year on year) at 31 July and income was impacted by uncollected rents, a loss of commercial income and a lack of catering revenue at a time when costs, including welfare grants and cleaning supplies were soaring. College is in the process of making an insurance claim for losses but this is unresolved and subject to a Supreme Court hearing at the time of writing. Demands for welfare funding for students were unprecedented with research delayed, fieldtrips postponed and options for working during a degree curtailed but a personal highlight of the year was the warm and generous response of so many of our alumni in making donations to support our welfare provision.

Looking to the future, College has spent time over the summer consolidating our position. College has signed an agreement with the Carlsberg Foundation to create a Visiting Fellowship programme for up to 9 fully funded post-doctoral early-career academics from Denmark each year. The first cohort joined the College in Michaelmas Term 2020. The College has partnered with the Edward P Abraham Cephalosporin Fund to extend its support for the UNIQ+ graduate access programme from 2021/22 onwards. UNIQ+ is a summer graduate access research internship programme intended to encourage access to postgraduate study from talented undergraduates who would find continuing into postgraduate study a challenge for reasons other than their academic ability. The College has also played a major role in the development of the Black Academic Futures scholarships programme, and intends to host scholars supported by this scheme in future years. Academic Futures is a series of scholarship programmes that will address underrepresentation and help improve equality, diversity and inclusion in our graduate student body.

2019-20 will be remembered for generations as one of the toughest that the College has ever weathered, both as an institution and as a community. I am very proud that under the sternest of tests Linacre has proved resilient. I look forward with great excitement as we emerge from these difficult times, to resuming our important role in supporting outstanding scholarship.

## **LINACRE COLLEGE**

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

**Year ended 31 July 2020**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2020 under the Charities Act 2011, together with the audited financial statements for the year.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

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

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

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

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing documents**

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

##### **Governing Body**

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

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

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

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

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

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

##### **Remuneration of Members of the Governing Body and Senior College Staff**

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

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

## **LINACRE COLLEGE**

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

**Year ended 31 July 2020**

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#### **Organisational management**

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

- The Finance Committee provides financial oversight of the College. It is responsible for budgeting and financial planning, investments and financial reporting. It monitors the cost, efficiency and effectiveness of operations, reliability of financial reporting, and compliance with laws and regulations. It makes decisions on investments taking account of risk, financial objectives, legal and ethical requirements.
- The Academic Committee co-ordinates academic activities in the College. It makes recommendations for the election of new Fellows, academic visitors and introduced and continuing members of the Common Room. It awards scholarships to students and small academic grants to Fellows. It sets student admissions targets and reviews admissions policies.
- The Remuneration Committee determines the salaries and stipends paid to the Principal and Fellows of the College to ensure that they are set and maintained at an appropriate level.
- The Domestic and Buildings Committee oversees the operation and maintenance of the all College buildings and estate. It monitors the provision of security, catering and cleaning.
- The Health and Safety Committee is responsible for ensuring regulatory compliance with all health and safety legislation, for setting emergency procedures, for monitoring and updating risk assessments, for reviewing reports and statistics on accidents and ill health, and for health and safety training.
- The Equality Committee reviews policies and practice to ensure that they do not result in unintended discrimination, monitors the effectiveness of equal opportunity programmes in the College, ensures regulatory compliance with equality legislation and advises Governing Body on matters that may affect equal opportunities.

The day-to-day running of the College is delegated to a senior management team comprised of the Principal, the Vice-Principal, the Finance Bursar, the Domestic Bursar and the Senior Tutor. The Principal and/or Vice-Principal attend all meetings of the Governing Body's Committees.

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

The College also administers many special funds as detailed in Notes 14 to 15 to the financial statements.

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

#### **AIMS, OBJECTIVES AND ACTIVITIES**

##### **Charitable Aims and Objectives**

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

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

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

**Activities and Achievements of the College**

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

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

Student Numbers. The College admitted 194 new students in October 2019. A break-down of student admissions statistics is given in the table below. In total the College had 579 registered students in October 2019, of whom 12 were studying part time.

	2018		2019	
Applications received	392		381	
Offered	313	80%	308	81%
Withdrew/Deferred	103	33%	114	37%
Admitted	210	67%	194	63%
UK	83	40%	52	27%
EU	21	10%	28	14%
Overseas	106	50%	114	59%
Male	112	53%	103	53%
Female	98	47%	91	47%
Taught	102	49%	103	53%
Research	108	51%	91	47%

There were 85 different nations represented amongst the Linacre student body. 46% of Linacre's students identified as black or minority ethnic compared with a University average of 35%. 47% of students were female compared with a University average of 48%. Only 27% of Linacre students registered as UK students, whilst 73% were non-UK.

In July 2020 the College had 27 Official Fellows, 11 Professorial Fellows, 5 Senior Research Fellows and 27 Junior Research Fellows. Thirteen new JRFs were appointed in October 2019.

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

The College awarded 42 Scholarships in 2019/20. Of that number, we awarded two new Wanakaset Environmental Research Scholarships (DPhil), and a new School of Geography and the Environment Commonwealth Shared Scholarship in Water Science, Policy and Management. The College also awarded the Lestrade-Heselton Legal Scholarship again after a substantial break in funding.

**2. Promoting academic activity, including hosting high profile public lectures on the themes of 'Human Values' and 'The Environment' and regular research seminars by members; hosting academic meetings and workshops and fostering peer support of members through subject related groupings.**

The programme of academic activity was significantly disrupted by the COVID-19 epidemic. Prior to lockdown, the College hosted its annual series of philosophy lectures, convened by Professor Michael Krausz (Bryn Mawr College) in November-December 2019, and a four-lecture series focussed on the philosophy of environmentalism. A series of four guest lectures was also presented on sustainable urban design. The College welcomed the Prison Governor and staff from HMP ISIS to a seminar and round-table discussion. It is anticipated that post-COVID restrictions the College will develop an engagement programme with the prison. The annual Associate of Commonwealth Universities lecture was delivered this year by Professor Daniel Parker, Head of School of Biology and Environmental Sciences, University of Mpumalanga (UMP) in South Africa. Professor Parker is the fifth recipient of the ACU Visiting Fellowship at Linacre College and for this year in association with WildCRU, Dept of Zoology. The title of Professor Parker's Lecture was "The Myth of Wild Africa and Large Carnivore Conservation."

More than 20 research seminars were given by college members (both Fellows and students) on their research.

The College hosted University meetings, including those of the Graduate Admissions Focus Group, Graduate Colleges Bursars Committee, Wytham Woods Research Management Committee, Hill End Outdoor Education Trust, and many others.

**3. Monitoring the academic progress of graduate students and the provision of independent advice and guidance to those who are facing problems in their study in order to help them gain maximum benefit from their studies at Oxford University**

All students of the College are allocated an academic advisor. This person is a senior member of staff, University researcher or lecturer, often, but not necessarily, in a cognate discipline. The advisor is responsible for reading termly reports on their advisee written by their supervisor and course director, to confirm that good progress is being made and to check on the student's well-being. Problems are reported to the Senior Tutor. Advisors meet with their advisees socially, and if necessary, at other times to give advice and guidance. The College also provided an Advisory Panel with specialist knowledge of financial, administrative and welfare issues.

The Senior Tutor, Principal and Vice Principal hold individual review meetings with students during the year. The Senior Tutor was available to support students on a daily basis throughout the year and gave advice and practical support in a large number of academic, welfare and domestic cases. The College trained and funded a Peer Supporter Network and a team of Welfare First Responders to support students outside of office hours.

The Senior Tutor and the Academic Administrator provided support in a large number of individual cases where students were facing personal or academic problems. Where problems could not be resolved locally, students were referred on to the University Counselling Service and/or the Senior Tutor took up their case with the Proctors or University Central Administration.

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

Linacre offers accommodation to all new student members for at least their first full year in Oxford. The College has 198 study bedrooms, including 17 double rooms and 2 self contained family

## LINACRE COLLEGE

### Report of the Governing Body

Year ended 31 July 2020

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flats. Linacre has 41 en suite rooms, mostly on the main College site. The cost of a single room ranges from £405 to £655 per month.

During the year new bathroom/shower pods have been fitted into one of College's Iffley Road properties to bring them up to modern standards. During the 2020 Long Vacation 105 Banbury Road has been completely refurbished – carpeted, repainted and most furniture replaced. On the main college site 15 rooms have been fully refurbished by College's maintenance team and wooden bedroom furniture on the main site has been sanded and varnished. One floor of the Abraham building has had the wooden floors sanded and stained.

**5. Provision of a Common Room and Dining Hall where students and Fellows can meet and interact in ways which support and enhance their academic study. Provision of social events and recreational facilities for students and Fellows that enhance their enjoyment of Oxford University and help them maintain an appropriate work-life balance.**

The Common Room supported about 15 clubs and societies and funded a diverse programme of social events enjoyed by College members. Some clubs were not active due to the pandemic. Events included wine and cheese exchanges, movie nights, pizza nights, brunches, welfare tea and exchange dinners with other Oxford colleges. The annual Ball could not be held. Other social highlights included the Chinese New Year Dinner, the 'Sexy Sub Fusc™' Bop attracting approximately 750 attendees. The Common Room remained committed to promoting the social and recreational elements of Linacre life and it also continued its support for local charities.

Sporting activities during the year were curtailed by both poor weather, with a particular impact on the Boat Club and the pandemic. Despite this, the men's Linacre football team placed second on the MCR cuppers football cup.

The Dining Hall offered affordable and high quality food every week-day lunch and dinner time to students, staff, Fellows and their guests. Guest night dinners were held on Tuesday and Thursday evenings in term time. Dining services were suspended in March, resuming with a COVID secure takeaway provision in late May 2020.

**6. Provision of a library, quiet study spaces, high quality IT facilities and technical support in order to assist Fellows and students in their academic study**

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

During the year, the small but steady decline in book borrowing continued, though the library remains well used for private study with the Small Study Room very popular for those members giving tutorials. Overwhelmingly, it is this quiet study space, as well as access to wired internet PC's that can run specialist software that cannot be downloaded to a private computer, that represents the key use for the library today. The library also continues to support the inter-library loan service for members who need a specialist text that cannot be obtained by other means easily. The library also aims to provide key texts for taught course reading lists.

The IT team continue to be highly responsive to the needs of students, as well as fellows and staff for IT queries. Notably in 2020 they equipped all key staff with the necessary equipment and support to work from home, in many cases for the first time, within a few days – a testament to planning for this which began in January 2020 when the first signs of the impending pandemic emerged. IT hardware purchases other than to support this transition have been limited to conserve cash, though a robust programme of component replacement remains in place.

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

The College provided 42 scholarships in October 2019:

- A.J. Hosier Trust Scholarships (2 awards)
- Anthropology Scholarship
- Brewer Street Scholarship
- Canadian National Scholarship
- Carolyn & Franco Gianturco Scholarships (2 awards)
- CSSS Oxford-Trapnell Scholarship
- CSSS Oxford-Normal & Ivy Lloyd Scholarship
- CSSS School of Geography and the Environment Scholarship
- Dapo Olagunju Scholarship
- David Daube Law Scholarship
- EPA Cephalosporin Scholarships (4 awards)
- Eldred Scholarship
- Hicks Scholarship in Economics
- Hitachi Chemical Environmental Scholarship
- John Bamborough Scholarship in Humanities (2 awards)
- Lestrade-Heselton Legal Scholarship
- Mary Blaschko Scholarships (2 awards)
- Oxford-Agnese Nelms Haury Scholarship
- Oxford-Allan & Nesta Ferguson Scholarship
- Oxford-EPA Cephalosporin Scholarship
- Oxford-Linacre African Graduate Scholarship
- Oxford-Saïd Rhodes Scholarship
- Rausing Scholarships (2 awards)
- Ronald and Jane Olson Scholarship
- Ruth & Nevill Mott Scholarships (2 awards)
- Ryle Scholarship
- Wanakaset Environmental Research Scholarship (2 awards)
- Women in Science Scholarship

The total amount awarded to these scholars was £288,270. The College awarded two Thomas Linacre Studentships in recognition of outstanding contributions to College life. The College awarded one Moorbath Domus Research Prize, one Busuttil Domus Prize and one Keene Domus Prize for excellent research communication skills, totalling £1500, and three runners-up prizes of £50 each.

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

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

The College made 22 "writing-up" grants totalling £16,994 to students for whom scholarship or other support had expired but who needed financial support until they could submit their theses.

The College made 55 hardship grants (in addition to "writing-up" grants) totalling £24,132.50 and 13 interest-free hardship loans totalling £8,065 to students facing unexpected financial difficulties during the year. This was a substantial increase in the number of grants made compared to the previous year, and reflects the financial difficulties that students have faced due to the ongoing pandemic.

**9. Provision of Junior Research Fellowships to early-career academics to help them establish their professional networks and integrate them more closely into the University academic community**

## LINACRE COLLEGE

### Report of the Governing Body

Year ended 31 July 2020

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There were 30 Junior Research Fellows at Linacre during the year, working in all five major divisions of the University. 13 new Junior Research Fellowships were awarded to start in October 2019. The new Fellows are conducting research in Modern Languages, Biomedical Sciences, Biochemistry, Statistics, Medicine and related subjects (4), Theoretical Physics, Anatomy and Genetics, Zoology, Geography and History.

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

The College awarded 24 Travel Grants to enable students to present their research at conferences. The average award was £255 and the maximum award was £300. The total amount awarded was £6,120. A further 4 grants were awarded to assist students with fieldwork, totalling £1,200.

5 grants totalling £2,131.91 were made to Fellows, and 9 grants totalling £3881.81 to Junior Research Fellows for travel or research support.

The College provided a grant to cover the costs of a Linacre DPhil History student travelling and staying for one month at the Huntington Library in California for a period of research as the Linacre Leeds Hoban Exchange Fellow (approximate value £2,100).

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

Voluntary income in 2019-20 totalled £269k from more than 300 individual donors. 2019-20 has been a difficult year, but this did not stop the Development team raising almost £100k for the Hardship Fund to support the students through the pandemic. This was in many ways a very successful campaign and has directly contributed toward College gaining many new first-time donors as well as recapturing past donors (see figure 1 for more details).

They have secured a number of pledges totalling more than £2m.

The Development team held a few alumni events before the start of the pandemic in Edinburgh, London and Oxford. Since March they have moved to mainly virtual meetings, but also to hosting small groups of local Oxford alumni for afternoon tea in the College garden.

The team has continued to send regular updates to the alumni community via the bi-monthly electronic newsletter and the annual alumni magazine. In total they reach more than 60% of the College community through their various communications.

The College has received no complaints about fundraising activity in the 2019-20 financial year.



Figure 1

#### 12. Representing the interests of Fellows and graduate students in the wider University and contributing to the development of University policies and practices that affect them in order to assist them in their learning, teaching and research

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## **LINACRE COLLEGE**

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

**Year ended 31 July 2020**

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During the year there were Linacre College representatives on several major University and Conference of Colleges committees. The Principal was Chair of the University Buildings and Estates Committee, Deputy Chair of Planning and Resource Allocation Committee, Chair of Oxford Graduate Scholarship Matching Fund, and Chair of the Development Panel. The Senior Tutor was a member of the Conference of Colleges Graduate and Senior Tutors' Committees, Graduate Committee Steering Group, University Hardship Fund Committee, Research Degrees Panel, UNIQ+ Steering Group, and Graduate Admissions Committee. The Finance Bursar joined the University Planning and Housing Strategy Committee as well as the Estates Bursars COVID Welfare coordination group. All of the senior officers of the College attended and contributed to Conference of Colleges working groups and committees.

### **FUTURE PLANS**

Following the publication of a Development Strategy Plan for the period 2016 – 2021, the College has made good progress on all of the priority areas identified. The Principal is now leading an exercise to update the strategy for the next 5 years from Summer 2021.

#### **Accommodation and Facilities**

In addition to the refurbishment work described above, College has purchased new accommodation in September/October 2020 in support of its plans to house all first year students who need accommodation and to offer housing to more students in subsequent years.

College purchased 203 Iffley Road, adjacent to its existing property at 201 and near to 3 other Linacre properties. This building was acquired on 1 September 2020 and underwent a full refurbishment including a complete renewal of the wiring and fire alarms, re building of the kitchens and bathrooms and redecoration and carpeting/furnishing throughout. Following this extensive work, the 10 bed building became available to its first students at the end of November 2020

In the roofspace of the main site old building, 5 new study bedrooms are being built to open in February 2021, with an ensuite room being converted from an existing store area. The bedrooms and kitchen on the top landing of the old building will be refurbished for February 2021 as well.

Two study areas have been created, opening out existing small study rooms in the OC Tanner and Abraham buildings on the main site, creating an open plan study space with private study desks and two refurbished private study rooms. This significantly increases study provision on site which is of particular relevance when the College and University libraries are operating with reduced capacity to support COVID safe working environments. The decision to create the two high quality study areas was taken to relieve pressure on study space within the library.

College continues negotiations with a view to the purchase of additional accommodation and multi use facilities off the main site.

### **FINANCIAL REVIEW**

Total Incoming resources (excluding voluntary income) increased by 6% to £4,126k. This reflects continued growth in dividend income from the Oxford University Endowment Fund and continued healthy levels of student recruitment, though the increase was not as great as would have been expected because of an unavoidable increase in rental voids and loss of other income from March 2020 onwards.

The principal funding sources are student fees and residential rents. A new Steward and Hospitality Manager was appointed in January 2020 to increase commercial use of College facilities and she had some initial successes, but COVID restrictions from March 2020 onwards limited the financial benefit that would have resulted from this development.

In January 2020 a 35 year £15m private bond was placed with a UK investor. Of this, £6m has been added to the general fund endowment to create a long term investment vehicle for repayment of the bond in 2055 and the remaining £9m is available for investment in College facilities. The accommodation and facilities projects above were funded from this bond, together with a sum reserved for other identified acquisition projects, with approximately £1.7m remaining to invest in the main college site in due course.

## **LINACRE COLLEGE**

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

**Year ended 31 July 2020**

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Resources expended increased by 8% to £4,022k. This is higher in proportion than the increase in income and reflects extra costs of managing the College during the pandemic, offset slightly by a sustained effort to reduce non essential expenditure. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of deficit funding agreements for the two pension schemes the College participates in on behalf of its staff.

The value of the investment portfolio increased to £26,278k. This included new money invested of £6,145k and investment losses of £389k. This new investment was mainly sourced (£6,000k) from the bond. While investment losses have been incurred, this loss actually represents a significant recovery from the low point in late March 2020 when, on paper, losses in excess of £1.2m were anticipated. Given the unprecedented international market conditions, an investment loss of approximately 2% is a reasonable performance.

#### **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. These reserves have not been drawn upon significantly during 2019/20 but their presence has allowed service to be maintained without extreme cost reductions.

Total funds of the College totalled £32,132k (2019: £32,148k). This includes endowment capital of £18,962k (2019: £19,122k) and unspent restricted income funds totalling £1,016k (2019: £925k). Free reserves at the year-end, before providing for the deficits on pension schemes, amounted to £1,765k (2019: £1,650k). These represent retained unrestricted income reserves, excluding an amount of £8,601k (2019: £8,738k for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £2,289k (2019: £2,211k).

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

#### **Risk management**

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

The Governing Body, who has ultimate responsibility for managing any risks faced by the College, has reviewed the processes in place for managing risk and the principle identified risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks. The Governing Body reviews every term risks escalated by the Finance Committee and the full risk register annually. The risk register has been updated and reformatted in 2019/20 to better reflect the operations of the College.

#### **Investment policy, objectives and performance**

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

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

Most of the College's endowment funds are managed by Oxford University Endowment Management in the Oxford Endowment Fund (OEF).

We note that the extreme market conditions present in 2019/20 caused a fall of £389k in the value of the endowment, though this in itself represented a recovery from a low point in fund values in March 2020.

**LINACRE COLLEGE**  
**Report of the Governing Body**  
**Year ended 31 July 2020**

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Since dividends on OEF holdings are based on units held at the end of December, the accounts for 2019-20 include a large accrual for 7 months for the dividend on the holding from 1 January 2020. The accrual has been estimated using the best available information. The dividend for the 7 months to 31 July 2020 will be declared in Spring 2021.

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

The investment strategy, policy and performance are monitored by the Finance Committee. At the year end, the College's long term investments totalled £26,257k (2019 £20,578k), though this of course includes £6,000k of debt funding.

**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 has 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 it is satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 2 December 2020 and signed on its behalf by:

Dr Nick Brown, Principal

## **LINACRE COLLEGE**

### **Independent auditor's report to the Members of the Governing Body of Linacre College**

**Year ended 31 July 2020**

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#### **Opinion**

We have audited the financial statements of Linacre College (the "Charity") for the year ended 31 July 2020 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the and College Balance Sheet, the Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 31 July 2020 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members of the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Members of the Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **LINACRE COLLEGE**

### **Independent auditor's report to the Members of the Governing Body of Linacre College**

**Year ended 31 July 2020**

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#### **Matters on which we are required to report by exception**

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

#### **Responsibilities of the Members of the Governing Body**

As explained more fully in the Statement of Accounting and Reporting Responsibilities set out on page 16, the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of the Governing Body are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of Our Report**

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of 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's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Statutory Auditor

Oxford

Date:

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

### **Scope of the financial statements**

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

#### **1. Basis of accounting**

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

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

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

#### **2. Accounting judgements and estimation uncertainty**

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

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

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

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

#### **3. Income recognition**

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

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

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

##### **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, to the extent that College has an entitlement to the income at year end.

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

#### **4. Expenditure**

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

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

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

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

#### **5. Leases**

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

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

#### **6. Tangible fixed assets**

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

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

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

**LINACRE COLLEGE**  
**Statement of Accounting Policies**  
**Year ended 31 July 2020**

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

**7. Depreciation**

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

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

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

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

**8. Investments**

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

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

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

**9. Other financial instruments**

**a. Derivatives**

The college does not deal in derivatives

**b. Cash and cash equivalents**

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

**c. Debtors and creditors**

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

**10. Stocks**

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

**11. Foreign currencies**

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

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

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

## **12. Fund accounting**

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

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

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

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

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

## **13. Pension costs**

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

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

**Linacre College**  
**Statement of Financial Activities**  
**For the year ended 31 July 2020**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000	2019 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	2,835	101	-	2,936	2,985
<b>Donations and legacies</b>	2	72	169	28	269	642
<b>Investments</b>						
Investment income	3	706	218	-	924	783
Other income	4	154	112	-	266	-
<b>Total income</b>		<b>3,767</b>	<b>600</b>	<b>28</b>	<b>4,395</b>	4,410
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		3,371	477	-	3,848	3,439
<b>Generating funds:</b>						
Fundraising		164	-	-	164	267
Investment management costs		10	-	-	10	10
<b>Total Expenditure</b>		<b>3,545</b>	<b>477</b>	<b>-</b>	<b>4,022</b>	3,716
<b>Net Income/(Expenditure) before gains</b>		<b>222</b>	<b>123</b>	<b>28</b>	<b>373</b>	<b>694</b>
Net gains/(losses) on investments	10	(169)	(32)	(188)	(389)	1,036
<b>Net Income/(Expenditure)</b>		<b>53</b>	<b>91</b>	<b>(160)</b>	<b>(16)</b>	<b>1,730</b>
<b>Transfers between funds</b>	14	-	-	-	-	-
<b>Net movement in funds for the year</b>		<b>53</b>	<b>91</b>	<b>(160)</b>	<b>(16)</b>	<b>1,730</b>
Fund balances brought forward	14	12,101	925	19,122	32,148	30,418
<b>Funds carried forward at 31 July</b>		<b>12,154</b>	<b>1,016</b>	<b>18,962</b>	<b>32,132</b>	<b>32,148</b>

**Linacre College**  
**Balance Sheet**  
**As at 31 July 2020**

		2020	2019
	Notes	£'000	£'000
<b>FIXED ASSETS</b>			
Tangible assets	9	10,416	10,747
Other Investments	10	26,278	20,522
<b>CURRENT ASSETS</b>			
Stocks		30	31
Debtors	11	754	502
Investments		5,973	1,984
Cash at bank and in hand		5,893	648
<b>Total Current Assets</b>		<b>12,650</b>	<b>3,165</b>
<b>LIABILITIES</b>			
Creditors: Amounts falling due within one year	12	590	589
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>12,060</b>	<b>2,576</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>48,754</b>	<b>33,845</b>
<b>CREDITORS: falling due after more than one year</b>	13	<b>16,121</b>	<b>1,199</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>32,633</b>	<b>32,646</b>
Defined benefit pension scheme liability	18	501	498
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>32,132</b>	<b>32,148</b>
<b>FUNDS OF THE COLLEGE</b>			
<b>Endowment funds</b>		<b>18,962</b>	<b>19,122</b>
<b>Restricted funds</b>		<b>1,016</b>	<b>925</b>
<b>Unrestricted funds</b>			
Designated funds		2,289	2,211
General funds		10,366	10,388
Pension reserve	18	(501)	(498)
		<b>32,132</b>	<b>32,148</b>

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

Trustee:

Trustee:

**Linacre College**  
**Statement of Cash Flows**  
**For the year ended 31 July 2020**

	Notes	2020 £'000	2019 £'000
<b>Net cash provided by (used in) operating activities</b>	20	<u>(496)</u>	<u>158</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		924	753
Proceeds from the sale of property, plant and equipment		-	
Purchase of property, plant and equipment		-	(297)
Proceeds from sale of investments		-	-
Purchase of investments		(6,146)	(574)
(Additions to)/withdrawals from cash deposits		<u>(3,989)</u>	<u>(4)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(9,211)</u>	<u>(122)</u>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(78)	(80)
Cash inflows from new borrowing		15,000	99
Receipt of endowment		28	277
<b>Net cash provided by (used in) financing activities</b>		<u>14,950</u>	<u>296</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>5,243</u>	<u>332</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		648	316
<b>Change in cash and cash equivalents due to exchange rate movements</b>		-	
<b>Cash and cash equivalents at the end of the reporting period</b>	22	<u>5,893</u>	<u>648</u>

**Linacre College**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	504	515
Tuition fees - Overseas students	929	787
Other fees	-	-
Other HEFCE support	73	64
Other academic income	12	46
College residential income	<u>1,317</u>	<u>1,481</u>
	<b><u>2,835</u></b>	<b><u>2,893</u></b>
Restricted funds		
Other academic income	92	92
College residential income	<u>-</u>	<u>-</u>
	<b><u>101</u></b>	<b><u>92</u></b>
<b>Total Teaching, Research and Residential</b>	<b><u>2,936</u></b>	<b><u>2,985</u></b>
<b>Total income from charitable activities</b>	<b><u>2,936</u></b>	<b><u>2,985</u></b>

**2 DONATIONS AND LEGACIES**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Unrestricted funds	72	221
Restricted funds	169	144
Endowed funds	<u>28</u>	<u>277</u>
	<b><u>269</u></b>	<b><u>642</u></b>

**3 INVESTMENT INCOME**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Interest on fixed term deposits and cash	-	29
Other investment income	<u>706</u>	<u>539</u>
	<b><u>706</u></b>	<b><u>568</u></b>
<i>Restricted funds</i>		
Interest on fixed term deposits and cash	-	-
Other investment income	<u>218</u>	<u>215</u>
	<b><u>218</u></b>	<b><u>215</u></b>
<b>Total Investment income</b>	<b><u>924</u></b>	<b><u>783</u></b>

**4 OTHER INCOME**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
HMRC CJRS income	154	-
Other restricted income	<u>112</u>	<u>-</u>
	<b><u>266</u></b>	<b><u>-</u></b>

The above analysis includes £112k received from Oxford University from publicly accountable funds under the CFF Scheme (2019: £219k).

**5 ANALYSIS OF EXPENDITURE**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	1,162	1,033
Other direct costs allocated to:		
Teaching, research and residential	1,649	1,483
Support and governance costs allocated to:		
Teaching, research and residential	1,037	923
<b>Total charitable expenditure</b>	<b><u>3,848</u></b>	<b><u>3,439</u></b>

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**5 ANALYSIS OF EXPENDITURE (continued)**

	2020 £'000	2019 £'000
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	122	182
Other direct costs allocated to:		
Fundraising	26	70
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	16	15
Investment management costs	10	10
<b>Total expenditure on raising funds</b>	<u>174</u>	<u>277</u>
<b>Total expenditure</b>	<u>4,022</u>	<u>3,716</u>

The 2019 resources expended of £3716k represented £3354k from unrestricted funds and £362k from restricted funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £0k (2019 - £0k).

	2020 Total £'000	2019 Total £'000
Included within the resources expended above are:		
Operating lease payments	<u>49</u>	<u>46</u>

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	2020 Total £'000
Financial administration	20	180	200
Domestic administration	-	96	96
Investment Management	-	-	-
Human resources	-	6	6
IT	6	191	197
Depreciation	-	330	330
Bank interest payable	-	197	197
Other finance charges	-	9	9
Governance costs	-	28	28
	<u>26</u>	<u>1,037</u>	<u>1,063</u>

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial administration	20	157	177
Domestic administration	-	94	94
Investment Management	-	-	-
Human resources	-	17	17
IT	5	207	212
Depreciation	-	329	329
Bank interest payable	-	22	22
Other finance charges	-	74	74
Governance costs	-	23	23
	<u>25</u>	<u>923</u>	<u>948</u>

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

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

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

	2020 £'000	2019 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	13	13
Auditor's remuneration - tax advisory services	4	-
Other governance costs	11	10
	<u>28</u>	<u>23</u>

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

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<b>7 GRANTS AND AWARDS</b>	<b>2020</b> <b>£'000</b>	2019 £'000
<p>During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:</p>		
<b>Unrestricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	6	7
Bursaries and hardship awards	2	4
<b>Total unrestricted</b>	<b>8</b>	<b>11</b>
<b>Restricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	333	296
Bursaries and hardship awards	8	28
Graduate Studentships	1	2
<b>Total restricted</b>	<b>342</b>	<b>326</b>
<b>Total grants and awards</b>	<b>350</b>	<b>337</b>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £0k (2019: £0k). Some of those students also received fee waivers amounting to £0k (2019: £0k).

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

<b>8 STAFF COSTS</b>	<b>2020</b> <b>£'000</b>	2019 £'000
<p>The aggregate staff costs for the year were as follows.</p>		
Salaries and wages	1,371	1,286
Social security costs	88	93
Pension contributions	206	251
	<b>1,665</b>	<b>1,630</b>
<p>The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.</p>		
	<b>2020</b>	2019
College residential	14	13
Fundraising	2	3
Support	18	17
Total	<b>34</b>	<b>33</b>
<p>The average number of employed College Trustees during the year was as follows.</p>		
	<b>2020</b>	2019
Other teaching and research	1	1
Other	3	4
Total	<b>4</b>	<b>5</b>

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

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**9 TANGIBLE FIXED ASSETS**

	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>					
At start of year	302	14,103	-	920	15,325
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>At end of year</b>	<b>302</b>	<b>14,103</b>	<b>-</b>	<b>920</b>	<b>15,325</b>
<b>Depreciation and impairment</b>					
At start of year	10	3,943	-	625	4,578
Charge for the year	10	261	-	60	331
On disposals	-	-	-	-	-
<b>At end of year</b>	<b>20</b>	<b>4,204</b>	<b>-</b>	<b>685</b>	<b>4,909</b>
<b>Net book value</b>					
<b>At end of year</b>	<b>282</b>	<b>9,899</b>	<b>-</b>	<b>235</b>	<b>10,416</b>
At start of year	292	10,160	-	295	10,747

**10 SECURITIES AND OTHER INVESTMENTS**

All investments are held at fair value.

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Valuation at start of year	<b>20,522</b>	18,912
New money invested	<b>6,145</b>	574
(Decrease)/increase in value of investments	<b>(389)</b>	1,036
<b>Investments at end of year</b>	<b>26,278</b>	<b>20,522</b>

**Investments comprise:**

	Held outside the UK £'000	Held in the UK £'000	<b>2020</b> <b>Total</b> <b>£'000</b>	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000
Equity investments	-	197	<b>197</b>	-	197	197
Global multi-asset funds	-	26,042	<b>26,042</b>	-	20,298	20,298
Fixed term deposits and cash	-	39	<b>39</b>	-	27	27
<b>Total investments</b>	<b>-</b>	<b>26,278</b>	<b>26,278</b>	<b>-</b>	<b>20,522</b>	<b>20,522</b>

**11 DEBTORS**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Amounts falling due within one year:</b>		
Trade debtors	<b>17</b>	5
Amounts owed by College members	<b>33</b>	41
Amounts owed by Group undertakings	<b>-</b>	-
Loans repayable within one year	<b>14</b>	12
Prepayments and accrued income	<b>690</b>	440
Other debtors	<b>-</b>	-
<b>Amounts falling due after more than one year:</b>		
Loans	<b>-</b>	4
	<b>754</b>	<b>502</b>

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Bank overdrafts	<b>-</b>	-
Bank loans	<b>80</b>	80
Trade creditors	<b>152</b>	228
Amounts owed to College Members	<b>209</b>	170
Taxation and social security	<b>23</b>	28
Accruals and deferred income	<b>126</b>	55
Other creditors	<b>-</b>	28
	<b>590</b>	<b>589</b>

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

	2020	2019
	£'000	£'000
Bank loans	1,052	1,120
Other creditors	15,069	79
	<b>16,121</b>	<b>1,199</b>

The bank loans relate to:

- (i) a 25 year unsecured loan of £500k arranged in 2008 to facilitate the purchase of a functional property. Interest is charged at a margin of 0.3% above bank base rate. The current balance of the loan is currently slightly less than 1/3 of the original cost of the property.  
(ii) two 5 year unsecured loans of £500k each arranged in 2017 to facilitate the purchase of a functional property. Interest on one of the loans is charged at the fixed rate of 2.05%. Interest on the other is charged at 1% above bank base rate.

Other creditors relate to:

- (i) a loan over 10 years of £99k from the College Contributions Fund for refurbishment of student accommodation.

- (ii) a bond for £15m repayable in January 2055.

An unsecured bond issued to Legal & General Investment Management (LGIM) at a fixed interest rate of 2.42%.

Functional properties are not revalued for accounts purposes, but the first property is considered to have a market value considerably in excess of the purchase price

**14 ANALYSIS OF MOVEMENTS ON FUNDS**

	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
<b>Endowment Funds - Permanent</b>						
General Endowment	14,045	15	-	-	(142)	13,918
Scholarships and grants	3,638	8	-	-	(33)	3,613
Student Hardship	470	-	-	-	(5)	465
Fellows Support	969	5	-	-	(8)	966
<b>Total Endowment Funds</b>	<b>19,122</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>(188)</b>	<b>18,962</b>
<b>Restricted Funds</b>						
Scholarships and grants	508	529	(446)	5	(30)	566
Student Hardship	10	17	(8)	-	-	19
Fellows Research	92	47	(17)	(5)	-	117
Facilities	132	4	(1)	-	(1)	134
Lectures	183	3	(5)	-	(1)	180
<b>Total Restricted Funds</b>	<b>925</b>	<b>600</b>	<b>(477)</b>	<b>-</b>	<b>(32)</b>	<b>1,016</b>
<b>Unrestricted Funds</b>						
Fixed Asset Designated Fund	8,738	130	(267)	-	-	8,601
Other Designated funds	2,211	572	(325)	-	(169)	2,289
General funds	1,650	3,065	(2,950)	-	-	1,765
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(498)	-	(3)	-	-	(501)
<b>Total Unrestricted Funds</b>	<b>12,101</b>	<b>3,767</b>	<b>(3,545)</b>	<b>-</b>	<b>(169)</b>	<b>12,154</b>
<b>Total Funds</b>	<b>32,148</b>	<b>4,395</b>	<b>(4,022)</b>	<b>-</b>	<b>(389)</b>	<b>32,132</b>

**15 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

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

**Restricted Funds:**

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

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**15 FUNDS OF THE COLLEGE DETAILS continued**

**Designated Funds**

Fixed Asset designated Fund

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes

Other Designated Funds

Unrestricted Funds allocated by the Fellows for future costs for various purposes. Includes £2.1m Designated Capital funds which are Unrestricted funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities

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

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	10,416	-	-	10,416
Other investments	7,316	-	18,962	26,278
Net current assets	11,044	1,016	-	12,060
Long term liabilities	(16,622)	-	-	(16,622)
	<u>12,154</u>	<u>1,016</u>	<u>18,962</u>	<u>32,132</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	10,747	-	-	10,747
Other investments	2,665	345	19,122	22,132
Net current assets	386	580	-	966
Long term liabilities	(1,697)	-	-	(1,697)
	<u>12,101</u>	<u>925</u>	<u>19,122</u>	<u>32,148</u>

**17 TRUSTEES' REMUNERATION**

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

Trustees of the college fall into the following categories:

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

There are 4 trustees (Principal, Senior Tutor, Finance Bursar and Domestic Bursar) who work full time on management and fundraising. The Finance Bursar post was created on 3 June 2019, with the Bursar leaving on 31 July 2019. The Development Director left 31 July 2019 and has not been replaced

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

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

**Remuneration paid to trustees**

Range	2020		2019	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£0-£1,000	3	1997	0	-
£1,001-£2,000	1	1,264	0	-
£2,001-£3,000	0	-	1	2,618
£5,001-£6,000	0	-	1	5,901
£12,001-£13,000	0	-	1	12,357
£47,001-£48,000	0	-	1	47,015
£62,001-£63,000	0	-	1	62,707
£67,001-£68,000	2	135,352	0	-
£68,001-£69,000	0	-	1	68,056
£83,001-£84,000	0	-	1	82,945
£86,001-£87,000	1	86,659	0	-
£100,001-£101,000	0	-	1	100,758
£105,001-£106,000	1	105,340	0	-
Total	<u>8</u>	<u>330,612</u>	<u>8</u>	<u>382,357</u>

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**17 TRUSTEES' REMUNERATION continued**

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

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

**Other transactions with trustees**

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £1,381 (2019 - £0) was reimbursed to 3 (2019 - 0) of the Trustees.

See also note 23 Related Party Transactions.

**Key management remuneration**

The total remuneration paid to key management was £351k (2019: £413k).

Key management are considered to be The Principal, Vice Principal, Finance Bursar, Domestic Bursar, and Senior Tutor. 2019 figures also included the Bursar and the Development Director.

**18 PENSION SCHEMES**

The University participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the University is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the University accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

The University has also made available the National Employment Savings Trust for its employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

**Actuarial valuations**

Qualified actuaries periodically value USS and OSPS defined benefits using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results were:

	USS	OSPS
Date of valuation:	31/03/18	31/03/19
Date valuation results published:	16/09/19	19/06/20
Value of liabilities:	£67.3bn	£848m
Value of assets:	£63.7bn	£735m
Funding surplus / (deficit):	(£3.6bn)	(£113m)
Principal assumptions:		
· Discount rate	CPI-0.73% to CPI+ 2.52%pa <sup>a</sup>	Gilts +0.5%-2.25% <sup>b</sup>
· Rate of increase in salaries	n/a	RPI
· Rate of increase in pensions	CPI <sup>c</sup>	Average RPI/CPI <sup>d</sup>
Assumed life expectancies on retirement at age 65:		
· Males currently aged 65	24.4 yrs	21.7 yrs
· Females currently aged 65	25.9 yrs	24.4 yrs
· Males currently aged 45	26.3 yrs	23.0 yrs
· Females currently aged 45	27.7 yrs	25.8 yrs
Funding Ratios:		
· Technical provisions basis	95%	87%
· Statutory Pension Protection Fund basis	76%	74%
· 'Buy-out' basis	56%	60%
Recommended employer's contribution rate (as % of pensionable salaries):	21.1% increasing to 23.7% on 01/10/21	19%
Effective date of next valuation:	31/03/2020	31/03/2022

a. The discount rate (forward rates) for the USS valuation was:

Years 1-10:	CPI + 0.4% reducing linearly to CPI -0.73%
Years 11-20:	CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
Years 21 +:	CPI + 1.55%

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**18 PENSION SCHEMES (continued)**

b. The discount rate for the OSPS valuation was:

Pre-retirement:	Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.
Post-retirement:	Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

c. Pensions increases (CPI) for the USS valuation were: Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

d. Increases to pensions in payment for the OSPS valuation were: RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1% p.a. as at 31 March 2019).

For pension increases linked to inflation, a pension curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

**Sensitivity of actuarial valuation assumptions**

Surpluses or deficits which arise at future valuations may impact on the University's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase by 0.1%	decrease by £1.2bn
Asset values	reduce by 10%	increase by £6.4bn
RPI - CPI spread	increase by 0.1%	decrease by £0.7bn
Rate of mortality	more prudent assumption (mortality rated down by a further year)	increase by £1.6bn

OSPS		
Assumption	Change in assumption	Impact on OSPS technical provisions
Valuation rate of interest	decrease by 0.25%	increase by £45m
RPI	increase by 0.25%	increase by £40m

**Deficit Recovery Plans**

In line with FRS 102 paragraph 28.11A, the College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principal assumptions used in these calculations are tabled below

	OSPS	USS
Finish Date for Deficit Recovery Plan	30/01/28	31/03/28
Average Staff Number Increase	1%	0%
Average staff salary increase	2.25%	0.00%
Average discount rate over period	0.74%	0.63%
Effect of 0.5% change in discount rate	£7k	£4k
Effect of 1% change in staff growth	£20k	£2k

A provision of £501k has been made at 31 July 2020 (2019 - £498k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

**Pension charge for the year**

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

Scheme	2020	2019
	£'000	£'000
Universities Superannuation Scheme	90	77
University of Oxford Staff Pension Scheme	116	99
Total	<u>206</u>	<u>176</u>

Included in other creditors are pensions contributions payable of £nil (2019: £25k).

**19 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

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

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Net income/(expenditure)</b>	(16)	1,730
Elimination of non-operating cash flows:		
Investment income	(924)	(783)
(Gains)/losses in investments	389	(1,036)
Endowment donations	(28)	(277)
Depreciation	330	329
Decrease/(Increase) in stock	1	-
Decrease/(Increase) in debtors	(252)	68
(Decrease)/Increase in creditors	1	60
(Decrease)/Increase in pension scheme liability	3	67
<b>Net cash provided by (used in) operating activities</b>	<b>(496)</b>	<b>158</b>

**21 ANALYSIS OF CHANGES IN NET DEBT**

	At start of year	Cash flows	Non-Cash	At end of year
	£'000	£'000	Changes	£'000
			£'000	
Cash	648	5,245	-	5,893
Loans falling due after one year	(1,199)	(14,922)	-	(16,121)
	<b>(551)</b>	<b>(9,677)</b>	<b>-</b>	<b>(10,228)</b>

**22 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>5,893</b>	648
<b>Total cash and cash equivalents</b>	<b>5,893</b>	<b>648</b>

**23 FINANCIAL COMMITMENTS**

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

	< 1 year	2-5 years	> 5 years	<b>2020</b>
	£'000	£'000	£'000	<b>Total</b>
				<b>£'000</b>
Land and buildings	47	208	1,155	<b>1,410</b>
Other	6	20	-	<b>26</b>
	<b>53</b>	<b>228</b>	<b>1,155</b>	<b>1,436</b>
				2019
	< 1 year	2-5 years	> 5 years	Total
	£'000	£'000	£'000	£'000
Land and buildings	45	202	1,207	1,454
Other	4	6	-	10
	<b>49</b>	<b>208</b>	<b>1,207</b>	<b>1,464</b>

**24 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £122k (2019 - £421k).

**25 RELATED PARTY TRANSACTIONS**

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

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

During the year Members of the Governing Body donated a total of £3,897 (2019: £9,531) to the College without conditions.

There were no other related party transactions.

**26 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 July 2020.

**27 POST BALANCE SHEET EVENTS**

After the balance sheet date but before these accounts were signed, College purchased number 203 Iffley Road to provide an additional 10 student bedrooms. The purchase and refurbishment cost of this property was approximately £1m. College continues negotiations for further property acquisitions but no conclusions had been reached at the date of accounts signing.

Linacre College  
Notes to the financial statements  
For the year ended 31 July 2020

28 ADDITIONAL PRIOR YEAR COMPARATIVES

a) Consolidated Statement of Financial Activities

Year ended 31 July 2019	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential	2,865	120	-	2,985	2,880
<b>Donations and legacies</b>	221	144	277	642	499
<b>Investments</b>					
Investment income	568	215	-	783	726
<b>Total income</b>	<b>3,654</b>	<b>479</b>	<b>277</b>	<b>4,410</b>	4,105
<b>EXPENDITURE ON:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential	3,077	362	-	3,439	3,430
<b>Generating funds:</b>					
Fundraising	267	-	-	267	244
Investment management costs	10	-	-	10	9
<b>Total Expenditure</b>	<b>3,354</b>	<b>362</b>	-	<b>3,716</b>	3,683
<b>Net Income/(Expenditure) before gains</b>	<b>300</b>	<b>117</b>	<b>277</b>	<b>694</b>	<b>422</b>
Net gains/(losses) on investments	41	17	978	1,036	856
<b>Net Income/(Expenditure)</b>	<b>341</b>	<b>134</b>	<b>1,255</b>	<b>1,730</b>	<b>1,278</b>
<b>Transfers between funds</b>	239	(430)	191	-	-
<b>Net movement in funds for the year</b>	<b>580</b>	<b>(296)</b>	<b>1,446</b>	<b>1,730</b>	<b>1,278</b>
Fund balances brought forward	11,521	1,221	17,676	30,418	29,140
<b>Funds carried forward at 31 July</b>	<b>12,101</b>	<b>925</b>	<b>19,122</b>	<b>32,148</b>	30,418