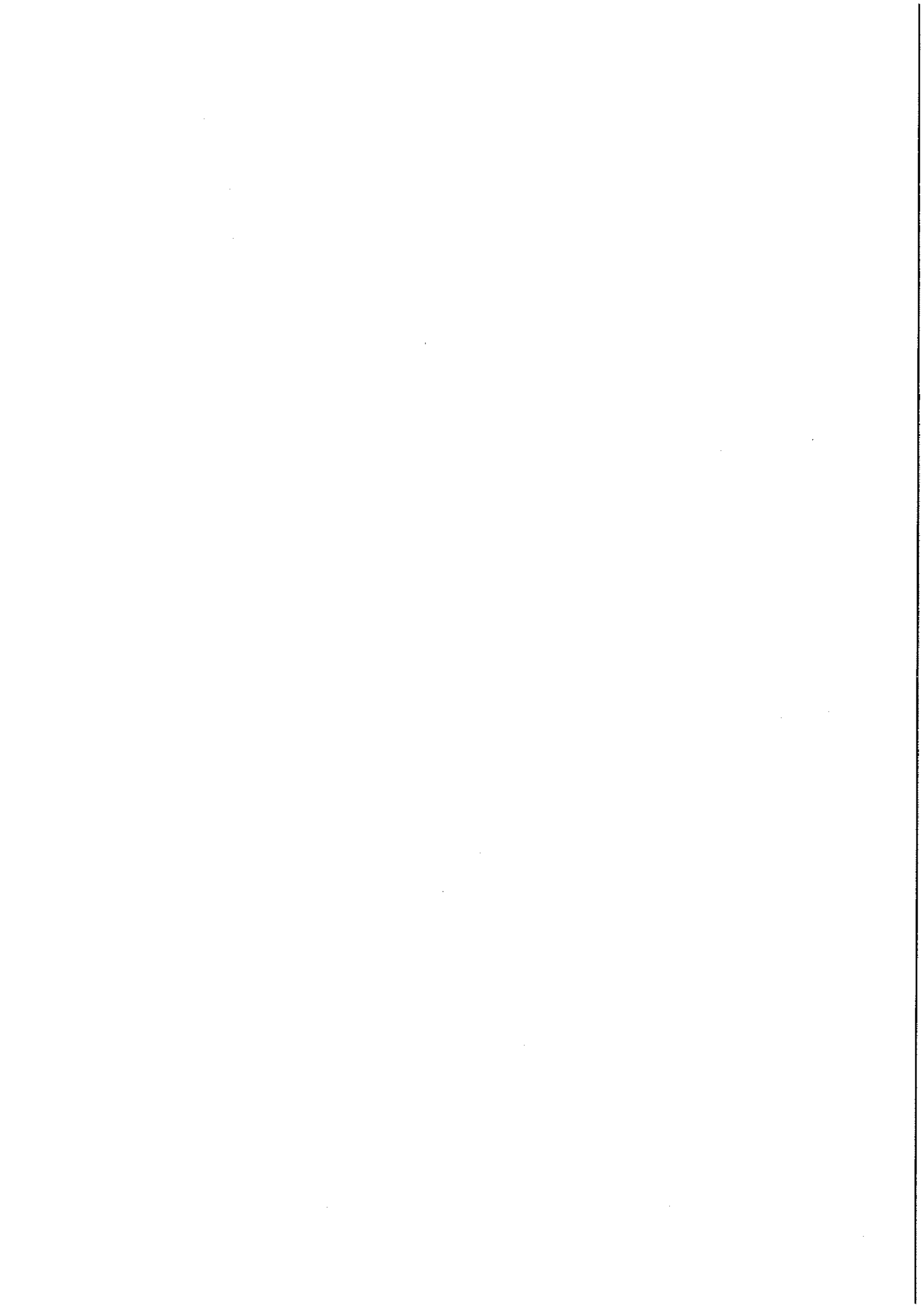


Linacre College

Annual Report and Financial Statements

Year ended 31 July 2017



LINACRE COLLEGE
Annual Report and Financial Statements
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LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2017

MEMBERS OF THE GOVERNING BODY

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

		1	2	3	4	5	6	7
Abate, Dr Alessandro		•						
Ackermann, Dr Silke								
Alexander, Prof Jocelyn								
Allen, Prof Myles								
Assender, Dr Hazel								
Bailey, Mr Simon					•			
Brand, Dr Christian	Left 30 September 2017							
Brown, Dr Nick		•	•	•	•	•	•	•
Burlakov, Dr Victor								
Burton, Dr Rebecca			•					
Caplan, Prof Richard				•				
Castell, Prof Martin								
Catling, Prof Brian	Left 30 September 2017							
Chanaa, Dr Jane	From 5 October 2016	•	•					•
Dalrymple, Prof Mary	Left 30 September 2017							
de Freitas, Prof Nando	Left 20 April 2017							
Dudarev, Dr Sergei								
Ertl, Dr Hubert	Left 30 September 2017							
Gibney, Prof Matthew								
Hall, Prof Jim								
Hector, Prof Andrew								
Holmes, Dr John	Left 30 September 2017			•		•	•	
Illiffe, Prof Robert								
Ingram, Dr Jenni			•					
Ionescu, Dr Cezar								
Keene, Dr Anne		•		•		•		
Khatiwala Prof Samar			•					
Kirkland, Prof Angus								

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2017

	1	2	3	4	5	6	7
Kleanthous, Prof Colin							
La Thangue, Prof Nick							
MacKay, Prof John	•						
Morton, Dr Christopher	•	•	•		•		•
Mustafa, Dr Asma		•					
O'Donoghue, Prof Heather	•						
Peers, Prof Laura							
Pollard, Prof Mark	•			•			
Preston, Dr Gail							
Reid, Mrs Alison	•		•	•	•		•
Rival, Dr Laura							
Rose, Dr Heath		•					
Sarkar, Prof Subir							
Stein, Prof Alan			•				
Travis, Prof Simon			•				
Tsai, Dr Jerry							
Van Broekhoven, Dr Laura							
Whiteley, Dr Jonathan							
Ye, Dr Hua Cathy							

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2017

		1	2	3	4	5	6	7
Common Room President:								
Qifeng Yang	January 2016 to March 2017							
Sophie Hall	April 2017 to March 2018	•	•	•		•	•	•
Junior Research Fellow:								
Toby Young	From 11 January 2017							
Common Room Treasurer:								
Dragana Savic	April 2016 to March 2017	•	•					
Abdossalam Madkhali	April 2017 to March 2018							
Common Room Secretary:								
Tanvi Bhatia	April 2016 to March 2017		•					
Konstantin Sletzy	April 2017 to June 2017							
Publicity Officer								
Frances Noland	March 2017 to June 2017		•				•	

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

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

LINACRE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2017

COLLEGE SENIOR STAFF

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

Brown, Dr Nick	Principal
Morton, Dr Chris	Vice Principal to 30 September 2017
Ingram, Dr Jenni	Vice Principal from 1 October 2017
Mustafa, Dr Asma	Senior Tutor to 30 September 2016
Chanaa, Dr Jane	Senior Tutor from 12 September 2016
Reid, Mrs Alison	Bursar
Keene, Dr Anne	Development Director
Barker, Mr Simon	Domestic Bursar

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 Road, Cheltenham GL50 3PN

Auditor

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

Bankers

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

Solicitors

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

Surveyors

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

Employment Advisors

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

Health and Safety Consultants

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

College address

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

Website

www.linacre.ox.ac.uk

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2017

The Members of the Governing Body present their Annual Report for the year ended 31 July 2017 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Governing Body

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

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

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

Recruitment and training of Members of the Governing Body

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

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

Remuneration of Members of the Governing Body and Senior College Staff

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

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

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2017

Organisational management

The members of the Governing Body meet nine times a year. The work of developing their policies and monitoring the implementation of these is carried out by seven 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 Development Committee is responsible for planning and overseeing all activities to raise money and other forms of support for the College through voluntary donations and for encouraging Old Members of the College to remain actively engaged in its development.
- The Remuneration Committee determines the salaries and stipends paid to the Principal and Fellows of the College to ensure that they are set and maintained at an appropriate level.
- The Domestic and Buildings Committee oversees the operation and maintenance of the all College buildings and estate. It monitors the provision of security, catering and cleaning.
- The Health and Safety Committee is responsible for ensuring regulatory compliance with all health and safety legislation, for setting emergency procedures, for monitoring and updating risk assessments, for reviewing reports and statistics on accidents and ill health, and for health and safety training.
- The Equality Committee reviews policies and practice to ensure that they do not result in unintended discrimination, monitors the effectiveness of equal opportunity programmes in the College, ensures regulatory compliance with equality legislation and advises Governing Body on matters that may affect equal opportunities.

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

Group structure and relationships

The College also administers many special funds as detailed in Notes 13 to 15 to the financial statements.

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

AIMS, OBJECTIVES AND ACTIVITIES

Charitable Aims and Objectives

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

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

- to provide academic, pastoral, administrative, and financial support for the post-graduate education, at Oxford University, of students who have the highest potential to benefit, regardless of their financial, social, religious or ethnic background;

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2017

- 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 195 new students in October 2016. A break-down of student admissions statistics is given in the table below. In total the College had 531 registered students in October 2016, of whom 30 were studying part time.

	2016		2015	
Applications received	387		362	
Offered	313	81%	331	91%
Withdrawn/Deferred	118		121	
Admitted	195	62%	210	63%
UK	73	38%	71	34%
EU	30	15%	31	15%
Overseas	92	47%	108	51%
Male	98	50%	99	47%
Female	97	50%	111	53%
Taught	107	55%	129	61%
Research	88	45%	81	39%

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

In July 2017 the College had 29 Official Fellows, 11 Professorial Fellows, 10 Senior Research Fellows and 20 Junior Research Fellows (of which 5 were newly appointed in October 2016).

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

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

The 2017 Tanner Lecture on Human Values was given by Professor George Ellis, FRS, University of Cape Town, one of the world's leading theorists in cosmology. The title of the lecture was "On the origin and nature of values", and it was attended by over 200 people. A podcast of the lecture is available on-line <https://podcasts.ox.ac.uk/origin-and-nature-values>.

The 2017 Linacre Lecture was given by Professor John Knox, Professor Knox's lecture was entitled "Global Threats to Environmental Human Rights Defenders". John Knox is an internationally recognized expert on human rights law and international environmental law and United Nations HRC Special Rapporteur on the human rights obligations relating to the enjoyment of a safe, clean, healthy and

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2017

sustainable environment. His lecture was the keynote presentation at a two-day conference on Environmental Defenders.

More than 20 research seminars were given by college members (both Fellows and students) on their research. The College hosted a special seminar by Professor Dame Carol Black, Principal of Newnham College, Cambridge and President of the Royal College of Physicians on "Creating Health and Wellbeing in Universities".

The College hosted University research meetings, including those of the International Advisory Board of the Environmental Change Institute, the Climate Research Network, the Innovative Food Systems Teaching and Learning programme, Wytham Woods Research Management Committee, 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 in a cognate discipline. The advisor is responsible for reading termly reports on their advisee written by their supervisor or course director, to confirm that good progress is being made and to check on the student's well-being. Problems are reported to the Senior Tutor. Advisors meet with their advisees socially, and if necessary at other times to give advice and guidance. The College also provided an Advisory Panel with specialist knowledge of financial, administrative and welfare issues.

The Senior Tutor, Principal and Vice Principal held individual review meetings with over 280 students during the year. The Senior Tutor was available to support students on a daily basis throughout the year and gave advice and practical support in a large number of academic, welfare and domestic cases. The College trained and funded a Peer Supporter Network.

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

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

Linacre offers accommodation to all new student members for at least their first full year in Oxford. The College has accommodation consisting of 181 single rooms and 17 double rooms or flats. 2 self-contained flats are suited to small families. The majority of student rooms are provided in buildings which include the use of communal kitchens and shower rooms.

The rents for single rooms were between £385 - £595 per month depending on size and facilities. These rents include services. All rooms have network access to University computing facilities.

In February 2017 the college purchased 191-193 Iffley Road – a substantial recently refurbished 21 bedroom house conveniently situated very close to three other college houses - Rhodes House (189 Iffley Road), Peter Holloway House (201 Iffley Road) and Neil Fraser-Bell House (1-3 Stanley Road). Some additional capital works were necessary to meet both regulatory and legislative compliance and the college's high accommodation standards.

Other accommodation work carried out during the year included the full refurbishment of 10 study bedrooms in the OC Tanner Building, 2 replacement kitchens in Peter Holloway House and the refurbishment of 4 shower rooms in Ursula Hicks House.

In 1990 the college took 30 year leases on two university properties, 5 and 8 Bradmore Road. As these leases were due to expire in 2020 the college had been negotiating their future with the University Estates Department. It was agreed that the lease on 8 Bradmore Road would be surrendered early, on 1st August 2017, with no dilapidation charges payable, and the lease on 5 Bradmore Road would be

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Report of the Governing Body

Year ended 31 July 2017

extended for a further 30 years. Together with the new house at 191-193 Iffley Road the college now has 198 student bedrooms which secures a good provision for students into the future.

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

The College provided a grant of £65k to the Common Room for the provision of sports, social and recreational activities. This grant was used by the Common Room Executive Committee to fund a diverse programme of social events and to support almost twenty clubs and societies. Events included wine and cheese exchanges, brunches, movie nights, LGBTQ pizza nights, exchange dinners with other Oxford colleges, as well as Linacre's sister college in Cambridge, a ceilidh, a pottery workshop, and a chocolate tasting. Linacre sports again had a successful year, with the football team coming a close second in the 1st league, two summer regatta wins for the men's rowing squad, and a charity 5 kilometre run organised by the Common Room. The College also hosted a Ball under the theme "Reverie" which had members (both current and former) dancing into May Morning. The Ball achieved unprecedented ticket sales and the Common Room is now intending to make it an annual event again. Other social highlights included the Chinese New Year Dinner, a 'Sexy Sub Fusc' Bop which managed to attract about 1,000 attendees, and an End of Year BBQ, complete with a bouncy castle, water guns, and henna and temporary tattoos. The Common Room remained committed to promoting the social and recreational elements of Linacre life and it also continued its support for charities by raising nearly £4,000.

The Common Room, in attempt to improve its finances, transferred part of its accumulated surpluses to a capital fund, with the resulting investment returns feeding into the annual budget.

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

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.

199 books were acquired for the library in 2016-17, at a cost of £6,042. A large percentage (78%) of books bought were acquired as a result of student requests or from taught-course reading lists. 66 book donations to the library were also processed. £500 was received towards the book budget from the Gift Collections scheme.

The inter-library loan service has continued to be much in demand. 47 requests were made, of which 39 were supplied, at a total cost of £428.

In terms of circulation figures, there were 642 new loans of books from the library, and 4,706 loans and renewals combined. The main borrowers were taught-course students (393 loans) followed by research students (190 loans). The library was little used by Fellows.

The library also provides the college's major study space and access to computers, printers and scanners. The library door was entered 40,140 times in 2016-17, an average of 3,345 entries per month. An average of 234 individual users per month entered the library. A popular resource is the Small Study Room in the library, which is bookable for group study and tutorials. This was booked 289 times during the year, an average of 24 times per month.

Demand for library services was down slightly from the 2015-16 figures in all areas. In terms of book purchases, this may be due to the increased availability of e-books to Oxford students, and the fact that the library has been systematically purchasing books from taught-course reading lists for the past few years, and a good provision for the most popular courses is already on the shelves. However, the library's popularity as a place to study shows no sign of decline.

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Report of the Governing Body

Year ended 31 July 2017

As well as continuing to provide support to its members, the IT department has been heavily focusing on improving network infrastructure. New fibre optic links have been installed at several of the College houses, and the opportunity was taken to use the new house in Iffley Road as a connection point to the new University network backbone for the other nearby properties. More cabling has been installed throughout College houses and the main site to keep up with the ever-increasing demand for Wi-Fi coverage. The majority of users now rely solely on Wi-Fi, and expect to be able to access a fast and reliable connection. As well as academic work requirements, students also rely on the network for leisure activities such as streaming HD video, and playing games.

Linacre has developed a strong shared working relationship with the School of Geography and the Environment. This now also includes a shared hosting agreement whereby systems are physically hosted for each other in order to provide cost effective resilience, and off site data storage. In addition, IT staff are shared to provide holiday and sickness cover, as well as the opportunity to jointly work on projects and share ideas.

In order to further increase the security of our residents and properties, the College has expanded the coverage of CCTV to include the College houses. These systems are all securely connected to the main College data network, as well as recording footage locally.

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

The College awarded 31 scholarships in October 2016:

- Anthropology Scholarship (£2,933)
- Brewer Street Scholarship (£2,933)
- Sir Bryan Cartledge Scholarships in Humanities (3 awards totalling £8,799)
- Canadian National Scholarship (£5,000)
- Canadian Alumni Scholarship (£2,933)
- Carolyn & Franco Gianturco Scholarships (2 awards totalling £7,866)
- David Daube Law Scholarship (£2,933)
- EPA Cephalosporin Scholarships (4 awards totalling £11,732)
- Eldred Scholarship (£14,296)
- Hitachi Chemical Environmental Scholarship (£15,000)
- Mary Blaschko Scholarships (2 awards totalling £5,866)
- Oxford-Agnese Nelms Haury Scholarship (£14,296)
- Oxford-Allan & Nesta Ferguson Scholarship (£14,296)
- Oxford-EPA Cephalosporin Graduate Scholarships (£12,810)
- Oxford-Linacre African Graduate Scholarship (£9,751)
- Professor Paul Slack Scholarships in Humanities (3 awards totalling £8,799)
- Rausing Scholarships (2 awards totalling £5,866)
- Ronald and Jane Olson Scholarship (£5,433)
- Ruth & Nevill Mott Scholarship (2 awards totalling £5,866)

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Report of the Governing Body

Year ended 31 July 2017

- Ryle Scholarship (£2,933)

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 two Linacre Domus Prizes for excellent research communication skills.

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. Provison of support, bursaries and interest-free loans to students facing financial hardship

The College made 25 "writing-up" grants totalling £23,500 to students for whom scholarship support had expired but who needed financial support until they could submit their theses.

The College made ten hardship grants (in addition to "writing-up" grants) totalling £5,927 and seven interest-free hardship loans totalling £4,545 to students facing unexpected financial difficulties during the year.

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

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

There were 23 Junior Research Fellows at Linacre during the year, working in all five major divisions of the University. Eight new Junior Research Fellowships were awarded to start in October 2016. The new Fellows are conducting research in Mathematics, Paediatrics, Zoology, Natural History, Music, Physics, Archaeology, and Physiology, Anatomy and Genetics.

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

The College awarded 34 Travel Grants to enable students to present their research at conferences. A further 2 grants were awarded to assist students with fieldwork. The average award was £259 and the maximum award was £300. The total amount awarded was £9,331.

Nine grants totalling £3,455 were made to Fellows, and six grants totalling £2,981 to Junior Research Fellows for travel or research support.

The College provided a grant to cover the costs of a Linacre DPhil English 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 £2,300). The College also welcomed Dr Todd Thompson from the Biola University, California as a Visiting Leeds Hoban Exchange Fellow for the month of July 2017. Dr Thompson was researching material for his biography of T.E. Lawrence.

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

The biannual College magazine was distributed to over 4655 Linacre members, in hard copy or electronically as requested. Monthly e-mail news was sent to 3400 members worldwide. The annual weekend reunion for a 10-year alumni cohort took place in July for 1970s students as well as evening events in both London and Oxford, where there are concentrations of members. Dinners were held in London for the college's business networks, and the Legacy Circle was hosted in College.

Events are regularly organised to support special visits by the Director of Development and Principal—in 2016-17 to Hong Kong, Rome, New York, Philadelphia, Singapore and Washington DC. These included dinners and individual appointments. Old Member-led events not attended by Linacre staff, were enabled in various countries.

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2017

Voluntary income in 2016-17 (excluding College Contribution Fund grants of £282k) totalled £1,620k from 304 donors including: £366k for a Music Scholarship from the Estate of Professor Louis Curran and £1.2m for Accommodation including large amounts from Rt Revd. Carolyn Tanner Irish (£546k), the estate of Dr Leslie Goulding (£247k) and the estate of Professor Justin Leiber (£214k). Two new legacy pledges were received, one of £2m and one of £200k.

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

During the year there were Linacre College representatives on several major University and Conference of Colleges committees. The college took a lead in new initiatives on graduate welfare, graduate housing, access and equality. 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 a Commissioner of the Commonwealth Scholarship Commission. The Domestic Bursar chaired the Project Steering Group managing the refurbishment of University Graduate Student Accommodation. The Senior Tutor was a member of the Conference of Colleges Graduate and Senior Tutors' Committees and a member of the Graduate Committee Steering Group. The college made representation to the City Council on planning and infrastructure issues affecting students and Fellows, and nationally on pension and PREVENT matters.

FUTURE PLANS

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:

Accommodation

The College purchased a large property on Iffley Road in 2017 which provides an additional 21 study bedrooms. However, the intake of new students in October 2017 was much larger than expected meaning that the need to expand our accommodation portfolio has not decreased. The College will continue to develop plans during the forthcoming year for adding to the total number of rooms available. College staff are closely engaged in discussions with the University over plans for the joint development of new accommodation projects.

In the forthcoming year the College will invest in a major refurbishment of University-owned accommodation at 5 Bradmore Road, on which has agreed to renew the lease for a further 30 years. The project will bring rooms and facilities up to the standard that the College has developed elsewhere in its accommodation portfolio.

Refurbishment of office space in the OC Tanner Building in 2017 has created a new permanent office for the Senior Tutor. However, the much larger size of the student body means that the college also badly needs to expand the capacity of the Common Room, and increase study space.

Scholarships

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

The College has completed fundraising for the endowment of a College Fee Scholarship in Anthropology. It will continue to fund-raise for two further scholarship endowments in the coming year.

Junior Research Fellowships

Linacre's Junior Research Fellowships now number 24, of which 13 are fully endowed, two are funded by University trusts, and 9 are spend-down funds, funded by the College or supported by regular giving.

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Year ended 31 July 2017

To ensure that the 9 as yet un-endowed JRFs continue in perpetuity the college needs to raise £60k per JRF, i.e. £540k.

Academic Plans

The College has invited Professors Esther Duffo and Abhijit V. Banerjee to deliver the 2018 Tanner Lecture. Professor Michael Krausz from Bryn Mawr College, USA ran a very successful seminar series introducing key issues in Philosophy in September 2017. This will be repeated in 2018.

FINANCIAL REVIEW

Total Incoming resources (excluding voluntary income) increased by 3.3% to £3,233k. This reflects increased student accommodation income - partly from a new property - and increased investment income mostly from an increase of 6.1% in the dividend pay-out rate from the Oxford University Endowment Fund.

The principal funding sources are student fees and residential rents.

Resources expended increased by 6.5% to £3,213k. This is partly as a result of higher staff costs on student support but also as a result of a 22% increase in student scholarships and bursaries. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of deficit funding agreements for the two pension schemes the college participates in on behalf of its staff. Resources expended in the year to 31 July 2016 included a reduction in staff costs (due to a lower deficit) net of interest provision of £34k whereas resources expended in the year to 31 July 2017 included a marginal decrease in staff costs (due to a lower deficit) net of interest provision of £1k.

The value of the investment portfolio increased to £17,408k. This included new money invested of £229k and investment gains of £1,497k.

Reserves policy

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

Total funds of the College totalled £29,140k (2016: £25,721k). This includes endowment capital of £16,758k and unspent restricted income funds totalling £1,017k. Free reserves at the year-end, before providing for the deficits on pension schemes, amounted to £1,069k (2016: £909k). These represent retained unrestricted income reserves excluding an amount of £8,487k for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £2,235k (2016: £1,927k).

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

Risk management

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

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks.

Investment policy, objectives and performance

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

LINACRE COLLEGE

Report of the Governing Body

Year ended 31 July 2017

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

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

Since dividends on Oxford Endowment Fund holdings are based on units held at the end of December, the accounts for 2016-17 include a large accrual for 7 months for the dividend on the holding from 1 January 2016. The dividend has been estimated using the best available information. The dividend for the 7 months to 31 July 2017 will be declared in spring 2018.

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 £17,408k.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

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

Approved by the Governing Body on 29 November 2017 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 2017

Opinion

We have audited the financial statements of Linacre College (the "Charity") for the year ended 31 July 2017 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).

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.

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 2017 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

LINACRE COLLEGE

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

Year ended 31 July 2017

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.

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 pages 14 and 15, 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/apb/scope/private.cfm. This description forms part of our auditor's report.

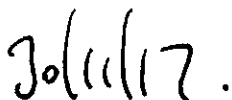


Critchleys Audit LLP

Statutory Auditor

Oxford

Date:



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

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

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

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

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment Income

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

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

4. Expenditure

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

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

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

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

5. Leases

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

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.

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

6. Tangible fixed assets

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

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

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

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

7. Depreciation

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

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

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

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

8. Investments

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

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

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

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

9. Other financial instruments

a. Derivatives

The college does not deal in derivatives

b. Cash and cash equivalents

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

c. Debtors and creditors

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

10. Stocks

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

11. Foreign currencies

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

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

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

12. Fund accounting

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

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

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

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

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

LINACRE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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 2017

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2017 Total £'000	2016 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		2,559	46	-	2,605	2,541
Donations and legacies	2	1,345	152	405	1,902	1,001
Investments						
Investment Income	3	475	153	-	628	589
Total Income		4,379	351	405	5,135	4,131
EXPENDITURE ON:						
Charitable activities:	4					
Teaching, research and residential		2,727	251	-	2,978	2,790
Generating funds:						
Fundraising		227	-	-	227	220
Investment management costs		8	-	-	8	8
Total Expenditure		2,962	251	-	3,213	3,018
Net Income/(Expenditure) before gains		1,417	100	405	1,922	1,113
Net gains/(losses) on Investments	9	56	23	1,418	1,497	665
Net Income/(Expenditure)		1,473	123	1,823	3,419	1,778
Transfers between funds	13	8	13	(21)	-	-
Net movement in funds for the year		1,481	136	1,802	3,419	1,778
Fund balances brought forward	13	9,884	681	14,956	25,721	23,943
Funds carried forward at 31 July		11,365	1,017	16,758	29,140	25,721

Linacre College
Balance Sheet
As at 31 July 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Tangible assets	8	11,012	8,554
Other Investments	9	17,408	15,682
CURRENT ASSETS			
Stocks		36	42
Debtors	10	1,285	595
Investments		198	1,891
Cash at bank and in hand		410	442
Total Current Assets		1,929	2,970
LIABILITIES			
Creditors: Amounts falling due within one year	11	480	735
NET CURRENT ASSETS/(LIABILITIES)		1,449	2,235
TOTAL ASSETS LESS CURRENT LIABILITIES		29,869	26,471
CREDITORS: falling due after more than one year	12	303	323
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		29,566	26,148
Defined benefit pension scheme liability	17	426	427
TOTAL NET ASSETS/(LIABILITIES)		29,140	25,721
FUNDS OF THE COLLEGE			
Endowment funds		16,758	14,956
Restricted funds		1,017	881
Unrestricted funds			
Designated funds		2,235	1,927
General funds		9,556	8,384
Pension reserve	17	(426)	(427)
		29,140	25,721

The financial statements were approved and authorised for issue by the Governing Body of Linacre College on 29 November 2017

Trustee: *Nice D. Brown*

Trustee: *A Reid*

Linacre College
Statement of Cash Flows
For the year ended 31 July 2017

	Notes	2017 £'000	2016 £'000
Net cash provided by (used in) operating activities	19	<u>293</u>	<u>110</u>
Cash flows from Investing activities			
Dividends, interest and rents from investments		628	589
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(2,802)	(29)
Proceeds from sale of investments		-	100
Purchase of investments		(229)	(690)
(Additions to)/withdrawals from cash deposits		1,693	(420)
Net cash provided by (used in) Investing activities		<u>(710)</u>	<u>(450)</u>
Cash flows from financing activities			
Repayments of borrowing		(20)	(19)
Cash inflows from new borrowing		-	-
Receipt of endowment		405	550
Net cash provided by (used in) financing activities		<u>385</u>	<u>531</u>
Change in cash and cash equivalents in the reporting period		<u>(32)</u>	<u>191</u>
Cash and cash equivalents at the beginning of the reporting period		442	251
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	20	<u>410</u>	<u>442</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2017

1 INCOME FROM CHARITABLE ACTIVITIES

	2017 £'000	2016 £'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	426	396
Tuition fees - Overseas students	616	643
Other fees	-	-
Other HEFCE support	60	57
Other academic income	4	13
College residential income	1,453	1,399
	<u>2,569</u>	<u>2,508</u>
Restricted funds		
Other academic income	46	33
	<u>46</u>	<u>33</u>
Total Teaching, Research and Residential	<u>2,605</u>	<u>2,541</u>
Total income from charitable activities	<u>2,605</u>	<u>2,541</u>

The above analysis includes £107k received from Oxford University from publicly accountable funds under the CFF Scheme (2016: £130k).

2 DONATIONS AND LEGACIES

	2017 £'000	2016 £'000
Donations and Legacies		
Unrestricted funds	1,345	309
Restricted funds	162	142
Endowed funds	405	550
	<u>1,902</u>	<u>1,001</u>

3 INVESTMENT INCOME

	2017 £'000	2016 £'000
Unrestricted funds		
Interest on fixed term deposits and cash	7	15
Other investment income	468	433
	<u>475</u>	<u>448</u>
Restricted funds		
Interest on fixed term deposits and cash	-	1
Other investment income	153	140
	<u>153</u>	<u>141</u>
Total investment income	<u>628</u>	<u>589</u>

4 ANALYSIS OF EXPENDITURE

	2017 £'000	2016 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	907	835
Other direct costs allocated to:		
Teaching, research and residential	1,316	1,295
Support and governance costs allocated to:		
Teaching, research and residential	755	660
Total charitable expenditure	<u>2,978</u>	<u>2,790</u>

Linacre College
Notes to the financial statements
For the year ended 31 July 2017

4 ANALYSIS OF EXPENDITURE (continued)

	2017 £'000	2016 £'000
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	174	163
Other direct costs allocated to:		
Fundraising	40	40
Investment management costs	-	-
Support and governance costs allocated to:		
Fundraising	13	17
Investment management costs	8	8
Total expenditure on raising funds	235	228
Total expenditure	3,213	3,018

The 2016 resources expended of £3018k represented £2806k from unrestricted funds and £324k 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 (2016 - £0k).

	2017 Total £'000	2016 Total £'000
Included within the resources expended above are:		
Operating lease payments	52	62

5 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2017 Total £'000
Financial administration	16	135	151
Domestic administration	-	83	83
Investment Management	-	-	-
Human resources	-	6	6
IT	5	159	164
Depreciation	-	344	344
Bank interest payable	-	2	2
Other finance charges	-	5	5
Governance costs	-	21	21
	21	766	776
	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	16	133	149
Domestic administration	-	81	81
Investment Management	-	3	3
Human resources	-	4	4
IT	9	146	155
Depreciation	-	295	295
Bank interest payable	-	3	3
Other finance charges	-	(28)	(28)
Governance costs	-	23	23
	25	660	685

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.

	2017 £'000	2016 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	11	13
Other governance costs	10	10
	21	23

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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6	GRANTS AND AWARDS	2017	2016
		£'000	£'000
	During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
	Unrestricted funds		
	Grants to individuals:		
	Scholarships, prizes and grants	4	6
	Bursaries and hardship awards	6	1
	Total unrestricted	<u>10</u>	<u>7</u>
	Restricted funds		
	Grants to individuals:		
	Scholarships, prizes and grants	178	157
	Bursaries and hardship awards	30	16
	Graduate Studentships	3	3
	Total restricted	<u>211</u>	<u>176</u>
	Total grants and awards	<u>221</u>	<u>183</u>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £0k (2016: £0k). Some of those students also received fee waivers amounting to £0k (2016: £0k).

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

7	STAFF COSTS	2017	2016
		£'000	£'000
	The aggregate staff costs for the year were as follows.		
	Salaries and wages	1,117	1,022
	Social security costs	80	66
	Pension costs:		
	Defined benefit schemes	186	164
		<u>1,383</u>	<u>1,252</u>
	The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
		2017	2016
	College residential	13	14
	Fundraising	3	3
	Support	16	17
	Total	<u>32</u>	<u>34</u>
	The average number of employed College Trustees during the year was as follows.		
		2017	2016
	Other teaching and research	1	1
	Other	3	2
	Total	<u>4</u>	<u>3</u>
	The college also benefits from temporary staff and agency workers who are not on the College payroll. There were no employees other than trustees whose gross pay and benefits exceeded £60,000.		
		2017	2016
		£'000	£'000
	The College contributions to defined contribution pension schemes totalled	186	164

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8 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	150	11,515	-	594	12,259
Additions	-	2,588	-	214	2,802
At end of year	150	14,103	-	808	16,061
Depreciation and impairment					
At start of year	118	3,155	-	432	3,705
Charge for the year	10	262	-	72	344
At end of year	128	3,417	-	504	4,049
Net book value					
At end of year	22	10,686	-	304	11,012
At start of year	32	8,360	-	162	8,554

9 SECURITIES AND OTHER INVESTMENTS

All investments are held at fair value.

	2017 £'000	2016 £'000
Valuation at start of year	15,682	14,427
New money invested	229	590
(Decrease)/increase in value of investments	1,497	665
Investments at end of year	17,408	16,682

Investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000
Equity investments	-	181	181	-	181	181
Global multi-asset funds	-	17,207	17,207	-	15,382	15,382
Fixed term deposits and cash	-	10	10	-	119	119
Total investments	-	17,408	17,408	-	15,682	15,682

10 DEBTORS

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Trade debtors	25	21
Amounts owed by College members	44	18
Loans repayable within one year	12	8
Prepayments and accrued income	374	469
Other debtors	830	79
	1,285	595

11 CREDITORS: falling due within one year

	2017 £'000	2016 £'000
Bank overdrafts	-	-
Bank loans	20	20
Trade creditors	128	285
Amounts owed to College Members	201	273
Taxation and social security	26	25
Accruals and deferred income	79	81
Other creditors	26	51
	480	735

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12 CREDITORS: falling due after more than one year

	2017	2016
	£'000	£'000
Bank loan	303	323
	<u>303</u>	<u>323</u>

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

13 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
Endowment Funds - Permanent						
General Endowment	11,578	7			1,097	12,682
Scholarships and grants	2,274	392		(21)	216	2,861
Student Hardship	376				36	412
Fellows Support	728	6			69	803
Total Endowment Funds	<u>14,956</u>	<u>405</u>	<u>-</u>	<u>(21)</u>	<u>1,418</u>	<u>16,758</u>
Restricted Funds						
Scholarships and grants	507	247	(188)	20	8	594
Student Hardship	31	15	(23)	(1)		22
Fellows Research	83	42	(21)	(1)		103
Facilities	139	4	(1)		8	150
Lectures	121	43	(18)	(5)	7	148
Total Restricted Funds	<u>881</u>	<u>351</u>	<u>(251)</u>	<u>13</u>	<u>23</u>	<u>1,017</u>
Unrestricted Funds						
Fixed Asset Designated Fund	7,475	1,225	(267)	54		8,487
Other Designated funds	1,927	155	(310)	407	56	2,235
General funds	909	2,999	(2,386)	(453)		1,069
Revaluation reserve						-
Pension reserve	(427)		1			(426)
Total Unrestricted Funds	<u>9,884</u>	<u>4,379</u>	<u>(2,962)</u>	<u>8</u>	<u>56</u>	<u>11,365</u>
Total Funds	<u>25,721</u>	<u>5,135</u>	<u>(3,213)</u>	<u>-</u>	<u>1,497</u>	<u>29,140</u>

14 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

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

Restricted Funds:

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

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14 FUNDS OF THE COLLEGE DETAILS continued

Designated Funds

Fixed Asset designated Fund

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

Other Designated Funds

Unrestricted Funds allocated by the Fellows for future costs for various purposes. They include £1,592k Designated Capital funds which are Unrestricted funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities

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

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	11,012	-	-	11,012
Other investments	745	285	16,378	17,408
Net current assets	337	732	380	1,449
Long term liabilities	(729)	-	-	(729)
	<u>11,365</u>	<u>1,017</u>	<u>16,758</u>	<u>29,140</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	8,554	-	-	8,554
Other investments	493	233	14,956	15,682
Net current assets	1,587	848	-	2,235
Long term liabilities	(750)	-	-	(750)
	<u>9,884</u>	<u>881</u>	<u>14,956</u>	<u>25,721</u>

16 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

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

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

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

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

Remuneration paid to trustees

Range	2017		2016	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1-£1,000	1	189	0	
£1,001-£2,000	1	1,528	1	1,135
£2,001-£3,000	2	4,551	1	2,451
£3,001-£4,000	1	5,664	1	5,412
£4,001-£5,000	0		1	8,922
£5,001-£6,000	1	25,266	0	
£6,001-£80,000	1	59,556	1	59,099
£74,001-£75,000	0		1	74,819
£76,001-£77,000	1	76,930	0	
£85,001-£86,000	0		1	85,816
£92,001-£93,000	1	92,222	0	
Total	<u>8</u>	<u>265,966</u>	<u>7</u>	<u>237,654</u>

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16 TRUSTEES' REMUNERATION continued

47 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 £391 (2016 - £1125) was reimbursed to 4 (2016 - 3) of the Trustees for travel (£350) and £41 (hospitality).

See also note 23 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £351k (2016: £317k).

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

17 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Both schemes are in deficit. The College has recognised a provision of £426k (2016: £427k) for the present value of the estimated future deficit funding element of the contributions payable for the agreed deficit funding plan. In calculating these provisions the College has estimated that salary expense will increase at 2.5% p.a. and the liability is discounted at a corporate bond rate of 1.55% for OSPS and 1.3% for USS. A sensitivity analysis to changes in salary and discount rate changes is shown towards the end of this note.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

Actuarial valuations

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

	USS	OSPS
Date of valuation:	31/03/2014	31/03/2016
Date valuation results published:	24/07/2015	28/04/2017
Value of liabilities:	£46.9bn	£661m
Value of assets:	£41.6bn	£528m
Funding surplus / (deficit):	(£5.3bn) ^a	(£133m) ^b
Principal assumptions:		
- Investment return	5.2%pa ^c	-
- Rate of interest (periods up to retirement)	-	'Giltis' + 1.2%pa
- Rate of interest (periods up after retirement)	-	'Giltis' + 1.2%pa
- Rate of increase in salaries	RPI + 1%pa ^d	RPI + 1%pa
- Rate of increase in pensions	CPI pa ^d	Average RPI/CPI pa
Mortality assumptions:		
- Assumed life expectancy at age 65 (males)	24.2 yrs	22.4 yrs
- Assumed life expectancy at age 65 (females)	26.3 yrs	24.7 yrs
Funding Ratios:		
- Technical provisions basis	89%	80%
- Statutory Pension Protection Fund basis	82%	67%
- 'Buy-out' basis	54%	42%
- Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% ^e	23% decreasing to 19% from 01/08/2017 ^f
Effective date of next valuation:	31/03/2017	31/03/2019

a. USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustees in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is matched by the employer. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% p.a. of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation as at 31 March 2017 is underway.

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17 PENSION SCHEMES (continued)

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.

d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a.

e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2016. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in-service benefits and the expenses of administering the defined contribution section.

Sensitivity of actuarial valuation assumptions

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

USS		
Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	Increase / reduce by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years' time	Increase / reduce by 0.25%	decrease / increase by £1.1bn
RPI inflation	Increase / reduce by 0.1%	Increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	Increase by £0.5bn

OSPS		
Assumption	Change in assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

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 principle assumptions used in these calculations are tabled below

	OSPS	USS
Finish Date for Deficit Recovery Plan	30/06/2026	31/03/2031
Average Staff Number Increase	0-5.1%	0-7.7%
Average staff salary increase	2.60%	2.50%
Average discount rate over period	1.55%	1.90%
Effect of 0.5% change in discount rate	£9k	£4k
Effect of 1% change in staff growth	£27k	£8k

A provision of £426k has been made at 31 July 2017 (2016 - £427k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

Pension charge for the year

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

Scheme	2017	2016
	£'000	£'000
Universities Superannuation Scheme	8	(2)
University of Oxford Staff Pension Scheme	(9)	(32)
Total	(1)	(34)

Included in other creditors are pensions contributions payable of £25k (2016 £20k).

Copies of the full actuarial valuation reports and other further details on the schemes are available on the relevant websites: www.uss.co.uk, www1.admln.ox.ac.uk/finance/epp/pensions/scheme/ospe/.

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18 TAXATION

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

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

	2017 £'000	2016 £'000
Net Income/(expenditure)	3,419	1,778
Elimination of non-operating cash flows:		
Investment Income	(628)	(588)
(Gains)/Losses In Investments	(1,497)	(665)
Endowment donations	(405)	(550)
Depreciation	344	295
Decrease/(Increase) in stock	6	4
Decrease/(Increase) in debtors	(650)	(230)
(Decrease)/Increase in creditors	(255)	101
(Decrease)/Increase in pension scheme liability	(1)	(34)
Net cash provided by (used in) operating activities	<u>293</u>	<u>110</u>

20 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £'000	2016 £'000
Cash at bank and in hand	410	442
Total cash and cash equivalents	<u>410</u>	<u>442</u>

21 FINANCIAL COMMITMENTS

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

	< 1 year £'000	2-5 years £'000	> 5 years £'000	2017 Total £'000
Land and buildings	28	53	-	79
Other	4	15	-	19
	<u>30</u>	<u>68</u>	<u>-</u>	<u>98</u>

	< 1 year £'000	2-5 years £'000	> 5 years £'000	2016 Total £'000
Land and buildings	51	153	-	204
Other	4	17	2	23
	<u>55</u>	<u>170</u>	<u>2</u>	<u>227</u>

22 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £273k (2016 - £344k).

23 RELATED PARTY TRANSACTIONS

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

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

There were no other related party transactions.

24 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2016.

25 POST BALANCE SHEET EVENTS

In August 2017 an agreement was signed with Barclays Bank for a loan of £1m. The purpose of the loan is to restore cash balances following the purchase of the new student house.