



Lincoln College

Annual Report and Financial Statements

Year ended 31 July 2017

LINCOLN COLLEGE

Annual Report and Financial Statements

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Governing Body, Officers and Advisers

Year ended 31 July 2017

MEMBERS OF THE GOVERNING BODY

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

| | | (1) FC | (2) ST | (3) DC | (4) PC | (5) SLAC | (6) WC | (7) JRC | (8) H& SC |
|------------------------------|---|-----------|-----------|-----------|-----------|-------------|-----------|------------|-----------------|
| Prof Tadhg Begley | Appointed 1 st January 2017 Left 30 th June 2017 | | | | | | | | |
| Prof Jacobus Boomsma | Appointed 1 st June 2016 Left 30 th November 2016 | | | | | | | | |
| Dr Samuel Brewitt-Taylor | Deputy Fellow for Schools Liaison | | | | | | | | |
| Dr Susan Brigden | Left 30 th September 2016 | | | | | | | | |
| Prof Pedro Carvalho | | | | | | | | | |
| Prof Radu Coldea | | | | | • | | | | |
| Prof Roel Dullens | | | | | • | | | | |
| Professor Catherine de Vries | Left 31 st December 2016 | | | | | | | | |
| Dr Louise Durning | Senior Tutor | • | • | | • | | • | • | |
| Prof Nigel Emptage | | | | | | | | | |
| Prof Stefan Enchelmaier | Associate Fellow for Alumni Relations | • | | | | | | | |
| Prof Matthew Freeman | | | | | | | | | |
| Prof Simon Gardner | | | | | | | | | |
| Dr Perry Gauci | Associate Fellow for Alumni Relations; Harassment Adviser | | | | | | | | |
| Ms Susan Harrison | Development Director | • | | • | • | • | | | |
| Dr Barbara Havelková | Harassment Adviser; Website Fellow | | | | | | | | |
| Prof David Hills | Fellow for Alumni Relations; Car Parking Ombudsman | • | | | | | | | |
| Prof Çiğdem İşsever | Fellow for Schools Liaison | | • | | | | | | |
| Prof Stephen Long | Appointed 1 st July 2017 | | | | | | | | |
| Dr William MacAskill | Appointed 1 st August 2015 Left 16 th September 2016 | | | | | | | | |
| Dr Daniel McCann | Appointed 1 st October 2016 | | | | | | | | |

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| | | | | | | | | | |
|--------------------------|--|---|---|---|---|---|---|---|---|
| Prof Peter McCullough | Steward of Common Room; Fellow Archivist; Garden Master | | | • | • | • | | | |
| Dr Timothy Michael | | | • | | | | | | |
| Dr Matthew Moore | Appointed 1 st July 2017 | | | | | | | | |
| Dr Edward Nye | Welfare Dean | • | • | | • | | • | • | |
| Dr Daniela Omlor | | | | • | | | | | |
| Dr Aleksei Parakhonyak | | • | | | | | | | |
| Prof Nicholas Proudfoot | | | | | | | | | |
| Dr Alexis Radisoglou | Appointed 1 st September 2016 | | | | | | | | |
| Prof Jordan Raff | | | | | | | | | |
| Prof Roland (Bert) Smith | Fellow Librarian | | | | | • | | | |
| Mr Alex Spain | Bursar | • | • | • | • | • | • | • | • |
| Dr Maria Stamatopoulou | Senior Dean | • | • | | | | • | • | |
| Dr Paul Stavrinou | | | | | | | | | |
| Prof Margaret Stevens | | | | | | | | | |
| Dr Philippe Trinh | Left 30 th September 2016 | | | | | | | | |
| Dr Ioannis Vakonakis | | | • | | | | | | |
| Prof David Vaux | Sub-Rector | • | • | | • | | • | • | |
| Dr Dominic Vella | | | • | | | | | | |
| Dr Qian Wang | | • | | | | | | | |
| Dr Mark Williams | Left 30 th September 2016 | | | | | | | | |
| Prof Michael Willis | Senior Treasurer of Amalgamated Clubs | | | • | | | | | |
| Dr Lucy Wooding | Appointed 1 st October 2016 | | | | | | | | |
| Prof Henry Woudhuysen | Rector | • | • | • | • | • | • | • | |

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

1. Finance Committee
2. Senior Tutor's Committee
3. Domestic Committee
4. Planning Committee
5. Senior Library & Archive Committee
6. Welfare Committee
7. Junior Relations Committee
8. Health & Safety Committee

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

Dr Cristina Dondi, Oakeshott Senior Research Fellow in Humanities from 01.04.14 to 31.03.19 (but not a member of the Governing Body), is a member of the Senior Library & Archive Committee.

Dr Robert McNamee, Director of the Electronic Enlightenment Project, Bodleian Library (but not a member of the Governing Body) is a member of the Senior Library & Archive Committee.

COLLEGE STAFF

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

| | |
|-------------------------------|--|
| Mrs Fiona Piddock | Librarian |
| Mrs Celia Harker | Accountant |
| Ms Jemma Underdown | Academic Administrator |
| Ms Lisa Stokes-King | Academic Administrator |
| Mrs Claire White (née Hogben) | Schools Liaison Officer |
| Mr Richard Little | Admissions Officer |
| Mr Michael White | IT Officer |
| Mr Julian Mitchell | Clerk of Works |
| Ms Michele McCartney | Domestic Operations Manager |
| Revd Dr Melanie Marshall | Chaplain & Student Welfare Coordinator |
| Ms Nina Thompson | Human Resources Manager |

ALUMNI REPRESENTATIVES AND ADVISORS

An alumnus of the College attended Governing Body meetings as representative of the College's alumni. This person was Mr Richard Hardie, Senior Adviser to UBS AG in the UK until 14 June, 2017 when Mr Hardie was succeeded by Mr Max Thorneycroft, a partner in the law firm Jones Day, as the alumnus member of the Governing Body. Mr Hardie will continue to be a member of the Planning Committee.

Two alumni of the College served as members of the Finance Committee. In 2016-17 these were Mr Christopher FitzGerald (formerly partner in the legal practice Slaughter and May and then General Counsel to NatWest Group Plc) and Mr Hugh Sloane (co-founder of the investment manager Sloane Robinson).

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In 2016-17, the Chairman of the Remuneration Committee was a former Professorial Fellow, Professor Keith Gull, currently Principal of St Edmund Hall, Oxford. The other members of the Committee were Professor Peter Cook, a former Professorial Fellow, Ms Sheona Wood, alumna and Partner in the legal practice DW Fishburns, Professor Jan Palmowski, alumnus and Pro-Vice Chancellor at Warwick University and Dr Wendy Piatt, alumna and former Director of the Russell Group of UK Universities.

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

51 alumni served as members of the Rector's Council, meeting in June 2017 to receive reports from College officers and to offer strategic advice to the Rector.

COLLEGE ADVISERS

Investment managers

Cerno LLP, 34 Sackville Street, London W1S 3ED

Sandaire Limited, 105 Wigmore Street, London W1U 1QY

Investment property managers

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

Auditor

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

Bankers

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

Solicitors

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

College address

Lincoln College, Turl Street, Oxford, OX1 3DR

Website

www.lincoln.ox.ac.uk

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Report of the Governing Body

Year ended 31 July 2017

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

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

Governing Body

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

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

Recruitment and training of Members of the Governing Body

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

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recruitment process will have been managed entirely by the Rector and Fellows of the College, aided by expert advisers from outside the College.

New Fellows are formally elected to the Governing Body as soon as is practicable after appointment to their Fellowship and they take the College oath at the first available meeting of the Governing Body. Induction into the workings of the College, including Governing Body policy and procedures, is by means of meetings with senior colleagues and by receipt of 'Notes for New Fellows'; this document serves as a manual for senior members of the College. The College Statutes stipulate that new Fellows do not vote at Governing Body meetings during their first year in office: they therefore do not become trustees of the charity until they have been in post for one year. New Trustees are provided with guidance documents issued by the Charity Commission and trustee training sessions are made available to members of the Governing Body.

Remuneration of Members of the Governing Body and Senior College Staff

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

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

Organisational management

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

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

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

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

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

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

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

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

Health and Safety Committee: chaired by the Bursar, convened by the Domestic Operations Manager; membership includes members of staff and student representatives; meets at least three times per annum.

Other committees with specific functions within the College are:

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

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

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

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

Group structure and relationships

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

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

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

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's objects are

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

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

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

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

The College takes very seriously its commitment to provide financial support for its students. In 2016-17 the College maintained an extensive programme of financial support for undergraduate and post-graduate students, in the form both of bursaries (to assist with living costs), hardship support (to assist with unexpected financial difficulties) and scholarships (awarded in recognition of particular academic merit) amounting to more than £760,000. This support from the College was given in addition to any support students may have derived from government-sponsored sources such as the Student Loans Company. Lincoln participated in the University's fee-waiver programme, effectively subsidising undergraduate tuition fees to the extent of £26,000. Fifty-nine undergraduate students received bursaries of up to £5,500 each via the Oxford Bursary Schemes: in total Lincoln students received approximately £151,800 via these Schemes, with the College's contribution to the Scheme amounting to £75,900. The College notes in particular the generosity of alumni that has made possible additional support for undergraduates from less-privileged backgrounds: the first Cuthbert Bursaries were awarded in 2012-13, and they were joined in the following year by three further endowed bursary schemes – the Kingsgate, Henrey and Blackstaffe; in 2014-15 by the Bearley Bursaries and the Mary Kift Legacy; and in 2015-16 by the Millerchip and Featherstone Bursaries.

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Twenty undergraduates received support from these endowed schemes during 2016-17, to a total of £19,150. The College made additional grants and loans totalling £32,311 to undergraduates who experienced varying degrees of financial hardship. Scholarships, prizes and academic grants were awarded to undergraduate students to reward academic excellence and to encourage academic endeavour: in 2016-17, the total awarded was £44,497.

151 post-graduate students were the recipients of scholarships, studentships and bursaries amounting to £512,070. Lincoln now has the most extensive programme of graduate scholarships and grants of any Oxford college. However, it continues to be challenging to provide sufficient funding for graduates in Humanities.

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

Although the primary beneficiaries of the College's work are its resident members, both students and academic staff directly engaged in education, learning and research, other beneficiaries also include: students and academic staff from other colleges and of Oxford University as a whole; visiting academics from other universities; schoolchildren visiting the College for introductory sessions; and alumni of the College and other visitors, including members of the general public, who may attend educational events such as concerts, exhibitions and Chapel services and have access to the gardens and historic buildings. During 2016-17, the College hosted a number of events for the benefit of the wider public, including the annual Wesley lecture and the week-long programme of exhibitions and performances under the auspices of the Turl Street Arts Festival; it participated again in the Oxford Open Doors programme. Regular Chapel services were open to members of the public and the College admitted visitors and tourists without charge. Opening the College to other students, prospective students and academic staff in addition to the public enables the College's facilities to be of benefit to the public.

Outreach

The College maintained its commitment to programmes of outreach designed to improve access to Oxford University. The College has a full-time Schools Liaison Officer, whose role is to encourage applications to Oxford, particularly from our link regions of Lincolnshire, the West of England and the North East.

The Schools Liaison Officer, together with Fellows and Tutors of the College, undertook a programme of events including visits to schools and residential and day visits by school parties to the College during which the Schools Liaison Officer has met 6,250 students. In 2016-17, 78 events were organised in Oxford and in our link regions of Lincolnshire and the west of England; many of these events involved contact with more than one school. The College also hosted a number of participants in the UNIQ summer schools for Year 12 secondary school pupils, took part in several Pathways Programme events alongside other colleges, and participated actively in Open Days organised by the collegiate University. This activity occurred in the final two terms after the Schools Liaison Officer became a full-time employee of the College. Activity will increase in 2016-17 as the Schools Liaison Officer will be active for the complete academic year. In 2016-17, the College's expenditure on activities associated with the admission of new students was £128,529, of which £49,288 was spent specifically on the outreach activities here described.

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

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Activities and Objectives of the College

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

ACHIEVEMENTS AND PERFORMANCE

During the year 2016-17 Lincoln College has registered significant achievements consistent with its two charitable objects.

Students

In conjunction with Oxford University, Lincoln College provides an education, internationally recognised as being of the highest standard, for 613 undergraduate and post-graduate students from all over the world. This education develops students' academic abilities, interpersonal skills and leadership qualities and prepares them for full and effective roles in society. The College provides teaching facilities together with academic, administrative and pastoral support to its undergraduate and post-graduate students.

The College continued in its principal work of preparing students for examination in a range of subjects and at various levels at Oxford University. Undergraduate numbers totalled approximately 297 spread over three or four years of study, in line with Lincoln's long-standing policy of providing full tutorial provision, pastoral care and residential accommodation for this number of students. Much of the education provided to undergraduate students is via the tutorial system, by which students meet their tutors individually or in small groups on a weekly basis during Term for in-depth discussion of pieces of prepared work. In addition to tutorials, the College also provides classes and seminars in conjunction with departments of the University. Seventy-five undergraduate students in their third or fourth year of study completed the Final Honours School in 2017, with sixteen being placed in the First Class and fifty-two being awarded a 2:1 degree. Eighty-five students in their first year of study passed the First Public Examination at Oxford University; nineteen were awarded special merit (that is, a Distinction in Prelims or a First Class in Moderations).

Post-graduate students also numbered approximately 316 throughout the year, with students evenly divided between those undertaking lengthy programmes of research (leading, for example, to doctorate-level degrees) and those undertaking shorter, structured courses of tuition leading to examination. Each post-graduate student is assigned a College advisor who provides academic advice and pastoral support; and the College-appointed Tutor for Graduates maintains overall oversight of post-graduates' welfare and academic progress. Fifty students were awarded the degree of DPhil during the year; and of the seventy-two students who passed

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examinations for their post-graduate qualifications in the summer of 2016, twenty-two achieved special merit (Distinction).

The College continued to encourage education in its broadest sense, supporting its student members in a wide range of cultural and sporting activities and in service to others. Thirty-two members of College received awards from the College's Blues Fund, which not only rewards students for representing University teams, but helps them to fulfil their aspirations in sports, including rowing, tennis, rugby, badminton, cycling and swimming, to name but a few. On the river the men's and women's crews had a successful year with the second crews of both moving up to Division IV. The College also fielded teams in inter-collegiate football, rugby, netball, cricket, lacrosse, tennis and volleyball. The Turl Street Arts Festival, now in its 20th year, saw a variety of cultural events. Lincoln's student-run charity, VacProj, organised and paid for holidays for under-privileged Oxfordshire children: this was its 47th year of operation. Many of these activities received financial support from the Annual Fund Working Group of students, College Officers and Trustees of the Old Members' Exhibition Trust, which distributed just over £35,000 of alumni donations to support students' activities during the year.

Fellows and Lecturers

The College advances research by:

- Paying stipends to Fellows and supporting the costs of their research through sabbatical and special leave;
- Making funds available to Fellows for attendance at international and national conferences, for research trips and for research materials; and hosting academic conferences and lectures in the College;
- Sponsoring visits by academic researchers from all over the world;
- Providing research fellowships to outstanding (mainly) young academics to enable them to establish a research profile as a prelude to obtaining a permanent academic (teaching, research and administrative) post.

At the start of the academic year, the College appointed new Fellows in History, German and English: Dr Lucy Wooding was appointed the Langford Fellow and Tutor in History, Dr Alexis Radisoglou was appointed the DAAD-Montgomery Fellow and Tutor in German Studies and Dr. Daniel McCann commenced teaching as the Simon and June Li Darby Fellow in English literature. In January 2017 Dr. Matthew Moore joined the College as the Darby Fellow in Applied Mathematics.

The College was able to strengthen its teaching and research in Politics, Philosophy and Economics ("PPE") with new appointments in each discipline: Dr. Alexander Prescott-Couch was appointed as Tutorial Fellow in Philosophy. Dr. Jody LaPorte was elected as the Gonticas Fellow in Politics and International Relations, a new post made possible by a generous donation in 2016-17. Dr. LaPorte will also have the role of Director of Studies in PPE. Mr Jan Kvasnicka was elected to a Career Development Fellowship in Economics. All these new Fellows will take up their appointments in September 2017.

Senior members of the College combined their teaching and educational duties with research work of the highest quality in 2016-17. There follows a representative list of notable research achievements by Fellows and academic researchers associated with the College:

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Fellows' Research and Teaching News

Peter Atkins (Chemistry) published the seventh edition of his *Elements of physical chemistry* (OUP) and is currently working on two other books. He continues to lecture worldwide, and this year as well as other more conventional places he has lectured in India, Tatarstan, Siberia and North Borneo.'

Sam Brewitt-Taylor (History) had his article offering a revisionist account of Britain's "sexual revolution" published by the *Historical Journal* in June 2017. He has completed the manuscript of his first book, entitled *The Hope of a World Transformed*, which provides the first full history of Sixties' radicalism in the Church of England, and its contribution to Britain's wider cultural upheavals during that decade. Dr Brewitt-Taylor also joined Lincoln's schools liaison team and held a special outreach day for potential history candidates in June 2017.

Stephan Chambers (Business Studies) joined the Marshall Institute at the London School of Economics and Political Science (LSE) as its inaugural Director, but remains a Senior Research Fellow at Lincoln. The Marshall Institute is dedicated to research and teaching in the broad areas of private action for public good, and he will develop a Masters degree that integrates social purpose and social impact with the highest level of business and management training.

Radu Coldea (Physics) Over the past academic year Professor Coldea's research on quantum materials using neutron scattering has revealed new types of topological effects in the quantum dynamics of frustrated quantum magnets with strong spin-orbit coupling, leading to two publications in *Physical Review Letters* and one in *Nature Physics*. He has given invited lectures on those results to the American Physical Society in New Orleans, the Max-Planck Institute for Complex Systems in Dresden, the Perimeter Institute for Theoretical Physics in Waterloo, Canada, and the Kavli Institute for Theoretical Physics at the University of California in Santa Barbara.

Cristina Dondi (History) held a Seminar in Hilary Term 2017 on the History of the Book organised by the 15cBOOKTRADE project and hosted by the Centre for the Study of the Book in the Weston Library. In July 2017 she ran the second Summer School in the History of Libraries in Lincoln College. To date, the Material Evidence in Incunabula (MEI) Database, which she created, includes over 31,000 records of incunabula, outlining the history of their movements and former owners, contributed by 350 European and American libraries and created by over 100 editors. The project received grants from the Helen Hamlyn Trust and the Rothschild Foundation Hanadiv Europe respectively to catalogue in MEI incunabula in two Venetian libraries (Fondazione Cini and Museo Correr) and Hebrew incunabula from several European libraries and Israel.

Prof Roel Dullens (Chemistry) was awarded an ERC Consolidator to continue his research on the optical manipulation of interfaces in colloidal materials. In addition, he unravelled the long-outstanding issue of how a crystal of two-dimensional hard spheres melts, and the findings were published in *Physical Review Letters*. He also published articles on a range of other topics, including diffusion, chain formation in magnetic systems, synchronisation and impurities in crystalline materials and has given a number of talks, including a plenary talk at the 10th Liquid Matter Conference in Ljubljana and a seminar at Harvard University.

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Nigel Emptage (Medical and Biomedical Sciences) is Head of the Department of Pharmacology. He has a particular interest in synaptic transmission, modulation and plasticity with the central nervous system and calcium signalling at central synapses. This year Professor Emptage had two papers published in the flagship neuroscience journal *Neuron*: *Activity-dependent exocytosis of lysosomes regulates the structural plasticity of dendritic spines* and *Synaptic Transmission Optimization Predicts Expression Loci of Long-Term Plasticity*. He was also awarded a Teaching Excellence award by the Medical Sciences Division.

Stefan Enchelmaier (Law) has published three contributions to books: a commentary on three pieces of European competition legislation, namely Block Exemption Regulation (EU) on Vertical Agreements, on Research and Development Agreements, and on Specialisation Agreements, all of which were included in Werner Berg & Gerald Mäscher (eds), *Deutsches und Europäisches Kartellrecht* (German and European Competition Law). He has completed a work: “Stranded: German Ltds post-Brexit” which is to be published in the *Liber Amicorum* for Laurence Gormley. Another article originated from a conference “A doctrine at sea – on a jet ski: Recent developments in the ECJ’s case-law on goods and services”, and was published in Mads Andenas (ed.), *The reach of free movement*. Lastly, “Horizontality: The Application of the Four Freedoms to Restrictions Imposed by Private Parties” appeared in Koutrakos and Snell (eds): *Research Handbook on the Law of the EU’s Internal Market*.

He delivered lectures in three international series: at the Summer School on European Intellectual Property Law at the Academy of European Law (ERA) in Trier in June; on “Competition Law as Internal Market Law”, at Koç University, Istanbul, in March; and on “European Economic Law”, for the University of Georgia Oxford Law Programme, Oxford, in January/February.

In March 2017 Professor Enchelmaier became the University of Oxford Assessor, an office complementing the Senior and Junior Proctors and concerned primarily with student welfare.

Simon Gardner (Law) Simon has continued to lecture on land law and the beneficiary principle in trusts (and other issues connected with this: unincorporated associations and charities). He has also been researching the rules regarding ethical investment by trustees.

Perry Gauci (History) has contributed to an article on the commercial politics of the Interregnum period which appeared in a Festschrift and has completed an article on the building of Blackfriars Bridge, for the forthcoming *Revisiting the Polite and Commercial People*, which will celebrate the life and work of Paul Langford, former Rector of Lincoln College.

Adam Grieve (Medical Sciences) is the Jones and Anson Junior Research Fellow at Lincoln College. He has been examining how cells communicate with one another (a process called cell-cell signalling) and has focused on signalling by the rhomboid-like clan. This year his group published a paper on the investigation of one these pseudoproteases, called iRhom2, in the journal *eLife*.

Andrew (Bass) Hassan (Medical Sciences) as both a clinician and a scientist is interested in cancers that are rare, from all aspects, from the scientific basis to their clinical treatment. He is currently focusing on sarcomas. These lethal cancers of bone and soft tissue have unmet needs, and they require specialist research groups and clinical teams to develop new molecular diagnostic and therapeutic approaches. The new focus for this year has been the translational development of a therapeutic protein called IGF2-TRAP that his group developed for the treatment of cancer.

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He has also continued with the completion of an important biomarker directed clinical trial in Ewing sarcoma (LINES) that he ran from the Oxford Cancer centre. So far the biopsy data is pointing the group in a direction they had started to investigate some years ago in the lab, and this coming together of results has been incredibly exciting. One of the proteins that seems to be de-regulated in Ewing sarcoma is that of a transcription factor normally implicated in brain development, and new funding has been obtained to try and establish the molecular basis of this factor, and how to manipulate it in the lab and the clinic.

David Hills' research interests are in the mechanics of contact and problems related to what is popularly called metal fatigue. Professor Hills is the director of the Rolls-Royce University Technology Centre in Solids Mechanics which has been in existence for 28 years. The Centre has (with the Universities of Nottingham and Imperial College) just been awarded a £14 million grant to work on a number of structural integrity related problems, particularly to help with the development of Rolls-Royce's next generation of engines. He was awarded the Institution of Mechanical Engineers' Donald Julius Groen prize this year for contribution to the field of tribology .

Barbara Havelková (Law) finished her monograph 'Gender Equality in Law: Uncovering the Legacies of Czech State Socialism' which was published by Hart/Bloomsbury in June 2017. Dr Havelkova has given numerous book talks in the past months, including at the European University Institute in Florence, the NYU, and the University of Michigan. She has also spoken to various Czech and German media on the topic of her book. Over the summer, she received a John Fell Fund Award for her international collaborative project on 'Anti-Discrimination Law in Civil Jurisdictions'. The project will bring together scholars from the European continent and common lawyers for a workshop at Lincoln College in March 2018. A subsequent volume is expected to come out in 2019.

Cigdem Issever (Physics) In addition to teaching and organising the physics courses at the College, Professor Issever received a Science and Technology Facility Council (STFC) Small Public Engagement Award (£10,000) to fund an outreach project to build her experiment (ATLAS) and the Large Hadron Collider (LHC) in Minecraft. In collaboration with the University of Birmingham, the Institute for Research in Schools (IRIS), and students from four local secondary schools, she is creating the "ATLAScraft" world, an interactive museum of particle physics in Minecraft.

Professor Issever continued her research on searches for new particles in di-Higgs final states. In addition to her experimental data analysis activities, she is continuing to work with phenomenologists on sensitivity studies on the di-Higgs to four b-quark final states and the Higgs self-coupling measurement. The Higgs self-coupling is an important property of the Higgs boson and is key to understanding the underlying cause of how elementary particles acquire mass. The di-Higgs process allows her also to search for new physics beyond our current understanding of particle physics. She was awarded an Associateship with the Institute of Particle Physics Phenomenology (IPPP) in Durham that will allow her to collaborate with theorists and phenomenologists on the di-Higgs process in 2017 and 2018. She has also invested in improving the experimental methods to reconstruct Higgs bosons that decay into b-quark pairs, and published the performance of these new tools in the form of ATLAS reports: *ATL-PHYS-PUB-2017-010* and *ATL-PHYS-PUB-2016-013*.

Nick Jelley (Physics) has written *A Dictionary of Energy Science* for OUP that was published online in January 2017. He has also produced with his co-author John Andrews a third edition of their textbook *Energy Science*, which was published by OUP in June 2017. Development of the solar concentrator that he was working on with colleagues in the Engineering Department has been taken up by the company FuturEnergy:

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possible uses for the concentrator are in cooking, process heating and desalination.

Stephen Long (Visiting) joined Lincoln as Newton-Abraham Visiting Professor, working with the Department of Plant Sciences. His research focuses on photosynthesis. With the support of the Bill & Melinda Gates Foundation, 2016-17 saw a major breakthrough, for his research group demonstrating that by intervening at three points in the process they could modify a crop to achieve a 20% increase in crop yield in the field, sustainably. This was the first demonstration that through multiple changes they could increase the efficiency of photosynthesis, opening a new way to increase crop yields sustainably. The work was published in *Science* at the end of 2016 and featured on the front page of the *New York Times* and was listed by the *Guardian* as “One of the Twelve Scientific Moments of 2016”. He will present this and related work on Food Security at a Public Lecture at the Maths Institute in November.

Daniel McCann (English) joined has completed his first monograph, *Soul Health: Therapeutic Reading in Late Medieval England*. It is the culmination of a Leverhulme Early Career Fellowship he won in 2012. In addition, he submitted an article on medieval lyrics that deals with devotion to the Holy Name of Jesus, entitled ‘Blood and Chocolate: Affective Layering in “Swete Ihesu, now wil I synge”’. He has also submitted a volume of essays he co-edited on the topic of fear in the medical and literary imagination and travelled to Germany for a medieval conference in Bochum.

Timothy Michael (English) will have an essay, on “Keats and Uneasiness” published in December 2017. In addition to the usual academic conference settings, he has spoken at a number of events designed to reach a non-academic audience: on “Literature and the Public Good” as part of a TORCH event, on the Romantic political sonnet at Grendon Prison, and on ‘Semantics and the Resurgence of Populism’ as part of the “Lincoln Leads” initiative. In the English Faculty, he served for a second year as co-convenor of the 1700-1830 MSt strand, and continues to supervise a talented group of doctoral students. Timothy will in 2017-18 assume the duties of Senior Dean in the College.

Aleksei Parakhonyak (Economics) in addition to Microeconomics Prelims has started to teach the Core Microeconomics and Game Theory option. In his primary research area, consumer search, Dr Parakhonyak is focused on two projects: how search frictions explain the existence and size distribution of marketplaces and the role of limited capacity in markets with search frictions. He also joined the College’s Finance Committee.

Angela Moncada Pazos (Biomedical Sciences) has in the last year continued her study of a rhomboid-like group of proteins. Starting from very scarce preliminary information, her group has now built the cellular story of this protein: they have discovered it is part of an essential pathway regulating lipid production in all animal cells, being indispensable for balancing fat levels in humans and other organisms. Also, as a result of collaborations with other research groups, she has co-authored two articles in the journals *Nature Communications* and *Oncotarget*.

Matthew Moore (Mathematics) joined Lincoln at the start of Hilary Term 2017 as the new Darby Fellow in Applied Mathematics. He published a paper alongside co-workers from Imperial in the *Journal of Fluid Mechanics* on the formation of ice on aircraft wings.

Dr Alexis Radisoglou (Modern Languages) has published last year on the role of ghosts in the work of German-Jewish author Wolfgang Hildesheimer. Two additional articles – one on “*Aesthetics for the Anthropocene*” in contemporary literature and visual art, the other on figurations of the globe in the fiction of Austrian writer Christoph Ransmayr – will be published in 2017-18. Both of these form part of a larger research project, “*Globe and Planet in Contemporary Aesthetics*”. He has also presented his research at three

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conferences in Germany and the Netherlands and has recently been invited to give a lecture on the work of the writer and filmmaker Alexander Kluge at Cornell University in the United States.

Bert Smith (Classical Archaeology) directed in the Summer of 2017 his 27th season of research and excavation at Aphrodisias in South-West Turkey, accompanied again by Lincoln classical archaeology graduate students. The site continues to produce important finds, resulting in the publication of no less than six articles and chapters in the last year (and with more to follow). He also prepared a new website for the Aphrodisias project: <http://aphrodisias.classics.ox.ac.uk/>.

Paul Stavrinou joined Lincoln in April 2016 as a Tutor in Engineering Science. His research interests span the development of materials (organic and inorganic) for photonic applications and optoelectronic devices; the common theme involving light-matter interactions and the flow of light in materials. Over the last year, several of his publications have reported on photo-physical studies and application of a variety of intriguing organic semiconducting materials (synthesised by collaborators from Imperial College London, ETH Zurich and NanjingTech). He is also co-investigator for newly established Oxford Suzhou Centre for Advanced Research (OSCAR) in Suzhou, China and is currently involved in setting up laboratories and recruiting staff.

Joshua Thomas (Classical Archaeology) commenced teaching at Lincoln in October 2016. He has spent much of his time revising his doctoral thesis into a monograph entitled *Taxonomy and Zoology in Hellenistic Art and Society*, which tackles the question of how advances in scientific knowledge were manifested in art and visual culture during the Hellenistic period.

John Vakonakis (Biochemistry) is focusing on the malaria parasite *Plasmodium falciparum*, which is responsible for over 90% of deaths by this disease. *P. falciparum*, as its name is abbreviated, leads to severe malaria cases especially among children as a result of blood vessel blockage by infected cells. His group in the Department of Biochemistry has been working for several years on understanding the *P. falciparum* proteins responsible for this parasite behaviour. Their work on this parasite system was very recently published (Cutts et al., *PLOS Pathogens*, 2017, <https://doi.org/10.1371/journal.ppat.1006552>).

David Vaux (Medical Sciences) Several recent publications from Professor Vaux's lab have described the formation of invaginating channels within the nuclei of mammalian cells, and have laid the groundwork for understanding how this process is regulated. This research has become clinically relevant as they now know that they can make young cells age and become senescent just by driving them to make this nucleoplasmic reticulum structure. The medical implications are far-reaching, not just for our understanding of rare genetic premature ageing syndromes, but for understanding the chronic inflammation that accompanies the normal ageing process in many tissues.

His research interest in the mechanisms underlying the loss of brain cells in neurodegenerative diseases like Alzheimer's has continued, reinforced by the granting of key patents covering novel inhibitors and much-needed translational funding to prepare for a collaboration with a drug company to embark on the next stage of development.

Dominic Vella (Mathematics) Professor Vella's research group has been working on elastic instabilities. They have shown that snap through (think of the inversion of an umbrella on a windy day) can happen surprisingly slowly, while also understanding how the pattern of wrinkles on curved objects depends on the degree of curvature. Their results have been published in papers in *Nature Physics* and the *Proceedings of the National Academy of Sciences* among others. He has also edited a special issue of the *Philosophical*

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Transactions of the Royal Society on instabilities in fluid and elastic media.

Michael Willis (Chemistry) has continued his research in the general area of new catalysts and reagents for organic synthesis. An exciting development from this year is that a collection of sulfinate reagents that they have developed at Oxford are being commercialised by a major chemical supplier. They have also presented their work at the Royal Society of Chemistry's 25th Symposium on Synthesis in Organic Chemistry, which this year took place in Oxford.

Nigel Wilson (Classics) has now completed his presidency of the Oxford Bibliographical Society, to be succeeded by the Rector. A second edition of *From Byzantium to Italy* has been published; and he has completed a catalogue of the Greek manuscripts belonging to Magdalen College.

Lucy Wooding (History) has been working on her book for Yale, *Tudor England*, which integrates her own research on religion, politics and culture with a synthesis of recent work on Tudor England more generally. She has published a piece on early Tudor translations of works by Erasmus, and finished another on the role of imagery in Bible learning in the fifteenth and sixteenth centuries. She has also completed her contribution to the history of Manchester's collegiate church and cathedral that is due to be published to mark the anniversary of its founding in 1421. Her continuing research into the relationship between image, text, memory and emotion in early modern England has given rise to several lectures and talks.

Henry Woudhuysen (English) has been responsible as General Editor for three plays published in the Arden Shakespeare series: *The Comedy of Errors*, edited by Kent Cartwright; *A Midsummer Night's Dream*, edited by Sukanta Chaudhuri; and *Edward III*, edited by Richard Proudfoot and Nicola Bennett. He succeeded Nigel Wilson as President of the Oxford Bibliographical Society and gave talks at the Huntington Library in California on Evelyn Waugh as a book collector and in Oxford on Walter Oakeshott and the Winchester Bible.

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

The Chapel

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

Support for the worshipping life of the College is provided by the Choir and Organists. Five Choral Scholarships (for Lincoln members) and two Choral exhibitions (for students of other Colleges) were awarded for the academic year 2016-17. Members of the Choir receive professional singing lessons, helping maintain

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its reputation as one of Oxford's best mixed-voice student Choirs. In 2017, the Choir toured to Prague and to London, Ely Cathedral and Brighton. In 2016-17, the shortfall in undergraduate Organ Scholar applications was redressed by the appointment of two Chapel Precentors, one-year posts awarded to musically experienced graduate students. This represented a substantial increase in the College's financial commitment to Chapel music. For the year 2017-18, two undergraduate organ scholars will be in post as usual, at a reduced cost compared with the last two years.

The Chapel is due for major renovation and to this end a survey of its fabric was undertaken during July/August 2016. Renovation works commence in September 2017 and are expected to continue throughout 2018.

Premises

The College has continued to pay considerable attention to the maintenance and enhancement of its physical resources so as to contribute to the achievement of its charitable objects. However, due to certain works being delayed, the College's total spending on repairs & renewals was £0.75m, as compared with the previous year (2016: £0.9 million); this category of expenditure still represents a significant proportion (8%) of the College's total annual spending.

The College's recent development of the Berrow Foundation Building won several awards this year from the Royal Institute of British Architects and other similar bodies and appeared in a Channel 4 TV programme on Great Restorations.

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

During the year, the College began a project to renovate student accommodation in the Mitre, Turl Yard and in four of the Turl Street houses. The College aims to start construction in the summer of 2018.

Development and Fund-raising

Legacies and donations contributed £4.173 million to the College's funds in 2016-17 (2015-16: £4.806 million). In addition, the College received pledges to the value of £6.761 million. Funding for the Gonticas Fellowship in International Relations was established for five years with a pledge and initial cash gift totalling £353,100. A new Fellowship in Chinese Art will be established from 2019, as a result of a £2 million pledge from June and Simon Li. Student bursary and scholarship funds continued to attract support, with over £385,000 being received in endowments, and a further £534,903 contributed to spend-down awards. This included a number of new scholarships for Masters students, most of which cover both fees and living expenses thanks to matched funding opportunities. The David Goldey Graduate Scholarship in Politics also received a further £69,057 towards its endowment. The Annual Fund received unrestricted donations of £227,000 during the year; the Fund is used to support projects benefiting current students, including the refurbishment of student accommodation. A further £126,795 was donated through the same appeal for student hardship support, teaching and heritage projects. In total, 20% (2015-16: 18.7%) of all alumni made a donation in the financial

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year 2016-17. New regulations relating to contacting individuals may constrain annual unrestricted fund-raising in future.

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

FINANCIAL REVIEW

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

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

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

In 2016-17 the total income was £13.028 million (2016: £13.370 million) of which £4.173 million was in the form of donations and legacies (2016: £4.806 million).

The College spends money on five areas of activity:

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

In 2016-17, the total expenditure was £9.934 million (2016: £9.316 million). Therefore, the total of net income before investment gains was £3.094 million (2015: £4.054 million).

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

In 2016-17 income in the form of tuition fees showed a slight decline to £1.986 million (2016: £2.081 million) due partially to a normalisation in graduate student fees. The College continued to benefit from privately sourced funds in support of student scholarships, with substantial and generous donations from the Sloane Robinson Foundation, the Keith Murray Award Fund, the Polonsky Foundation, the Berrow Foundation and the Lord Crewe Trust.

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Income from domestic activities declined by 1% to £3.105 million, partially due to higher remuneration costs as the College increased its minimum wage and paid additional social security and pension benefits. Within this total, conference income increased by £100,000 (15%) to £750,000. The College has a provision on its balance sheet of £1.442 million (2016: £1.552 million) for deficits in its USS and OSPS pension plan. The College will make annual incremental payments to the USS and OSPS pension plans which will reduce the provision over time.

Endowment total return allocated to income was £2.701 million in 2016-17 (£2.493 million in 2016). In addition certain unrestricted and restricted donations may fund operating expenditure.

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; to allow the College to be managed efficiently; and to provide a buffer that would ensure uninterrupted services.

Total funds of the College and its subsidiaries at the year-end amounted to £146.626 million (2016: £137.080 million). This includes endowment capital of £115.941 million and unspent restricted income funds totalling £3.475 million (2016: £3.106 million). Free reserves at the year-end amounted to £4.389 million (2016: £3.993 million), representing retained unrestricted income reserves excluding an amount of £23.275 million for the book value of tangible fixed assets less associated funding arrangements and £0.988 million of designated reserves.

Free reserves at the year-end were £4.389 million (2016: £3.993 million). This amount represents approximately 5 months' expenditure and is in line with the College's policy on reserves.

Risk management

The College has on-going processes, which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking its activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Rector or the Bursar. Financial and investment risks are assessed and monitored by the Finance Committee. In addition, the Domestic Operations Manager and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

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

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

| Risk | Description | Management of Risk |
|--------------------------------|--|--|
| Reputation | Impairment of College's standing amongst academic institutions | The College undertakes regular strategic planning, maintains highest academic standards |
| Statutory and Regulatory risks | Impact of governmental, regulatory and University bodies on the College's activities | The College is actively involved with the Conference of Colleges to participate in policy-making. It is vigilant in corporate governance |
| Compliance with Regulation | There is substantially increased regulation including Prevent, GDPR (from May 2018), Public Sector Equality Duty and Health & Safety | The College is careful and diligent in its compliance. The Governing Body is responsible for ensuring compliance. Senior officers review and implement policies. External advisers are retained where appropriate. |
| Funding and financial risks | Impact of external developments on research funding, impact of market movements on financial returns and endowment funding of operational activities | The College maintains high academic standards to protect research funding. Diversification of investments and monitoring of prudent risk parameters reduces risks in financial returns |
| IT risks | Disruption of activities and loss of data due to impairment of IT capability | Effective integration with University IT infrastructure. Additional measures are being undertaken in 2017-18 to strengthen information security |
| Other operational risks | Operational risks including security and human resources and risk of recession impacting conference income | Regular review of operational plans, specialist external advice, compliance with established procedures as well as investment in resources |
| Insurance risks | Impact of unexpected events on the College | Comprehensive annual review of insurance policies |

Investment policy, objectives and performance

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

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

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

At end-July 2017 the Group's long-term investments, combining the property assets and the pool of securities and other investments, totalled £124.791 million (2016: £115.560 million) of which £8.659 million comprised the independently constituted Lincoln 2027 Trust and £1.610 million the Lincoln College Michael Zilkha Trust.

The rate of return on the College's investments (that is, income plus capital gain less management fees) was +7.9% (2016: +7.4%). This return comprised:

| | Property Investments | Securities and Other Investments | Total |
|-------------|----------------------|----------------------------------|--------|
| Net returns | + 4.6% | + 11.7% | + 7.9% |

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

Day-to-day management of the Securities and Other Investments was delegated to a number of external investment managers of which the two principal organisations are listed on page 5. The College decided in 2017 to appoint Partners Capital as the sole manager of its securities portfolio, with effect from September 2017.

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

FUTURE PLANS

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

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

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

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

First, as has been observed in previous Governing Body Reports, the College is mindful of the fact that the present reductionist trend in government funding for higher education is very unlikely to be reversed. The College believes that its pursuit of academic excellence (and in particular the maintenance of the intensive undergraduate teaching style represented by the tutorial system) will best be safeguarded by the College becoming more reliant on its own resources and less on funding from official channels. To this end, the College has put in place and will continue to pursue measures designed to increase the size of the investment funds from which it can fund its activities. This is to be achieved through a combination of fund-raising, prudent investment management and the management of current operations so as not to incur operating deficits after taking into account the drawdown from the endowment. The review of investment management arrangements in 2017 that resulted in the decision to appoint Partners Capital and the establishment in 2009 of the Lincoln 2027 Trust as a separate capital-accumulation investment vehicle, were and will continue to be, important components of this programme. The College will also maintain its commitment to its fund-raising efforts with a number of targeted fund-raising initiatives.

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

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

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

LINCOLN COLLEGE

Report of the Governing Body

Year ended 31 July 2017

Fifthly, the College will maintain its focus on the enhancement of the quality of the physical resources it is able to deploy in pursuit of its charitable objects. The renovation of the Mitre will modernise a significant portion of the undergraduate accommodation.

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

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

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

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

LINCOLN COLLEGE

Report of the Governing Body

Year ended 31 July 2017

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

Approved by the Governing Body on 8 November 2017 and signed on its behalf by:

Henry Woudhuysen

Rector

LINCOLN COLLEGE

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

Opinion

We have audited the financial statements of Lincoln College (the "Charity") for the year ended 31 July 2017 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and 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

LINCOLN COLLEGE

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities, set out on page 25, 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 LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

1. Scope of the financial statements

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

2. Basis of accounting

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

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

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

3. Accounting judgements and estimation uncertainty

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

The College participates in two multi-employer defined benefit pension plans. In the judgement of the Governing Body there is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 22).

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

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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.

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

4. Income recognition

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

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

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

b. Income from donations, grants and legacies

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

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

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

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

c. Investment income

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

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

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

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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

5. Expenditure

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

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

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

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

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

6. Tangible fixed assets

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

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

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

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

7. Depreciation

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

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

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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. Heritage Assets

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

9. Investments

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

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

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

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

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

Other financial instruments

a. Cash and cash equivalents

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

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors (excluding any amounts that are classed as concessionary loans) and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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. Total Return investment accounting

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

13. Fund accounting

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

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

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

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

LINCOLN COLLEGE

Statement of Accounting Policies

Year ended 31 July 2017

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 its discretion determine to spend all or part of the capital.

14. Pension costs

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

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.

Lincoln College
Consolidated 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 | | 5,506 | - | - | 5,506 | 5,679 |
| Other Trading Income | 3 | 252 | - | - | 252 | 187 |
| Donations and legacies | 2 | 427 | 1,830 | 1,916 | 4,173 | 4,806 |
| Investments | | | | | | |
| Investment income | 4 | 358 | 76 | 2,663 | 3,097 | 2,698 |
| Total return allocated to income | 14 | 1,822 | 879 | (2,701) | - | - |
| Other income | | - | - | - | - | - |
| Total income | | <u>8,365</u> | <u>2,785</u> | <u>1,878</u> | <u>13,028</u> | <u>13,370</u> |
| EXPENDITURE ON: | | | | | | |
| 5 | | | | | | |
| Charitable activities: | | | | | | |
| Teaching, research and residential | | 6,784 | 1,573 | 30 | 8,387 | 7,975 |
| Generating funds: | | | | | | |
| Fundraising | | 615 | - | - | 615 | 572 |
| Trading expenditure | | 242 | - | - | 242 | 181 |
| Investment management costs | | 189 | 11 | 490 | 690 | 588 |
| Total Expenditure | | <u>7,830</u> | <u>1,584</u> | <u>520</u> | <u>9,934</u> | <u>9,316</u> |
| Net Income/(Expenditure) before gains | | <u>535</u> | <u>1,201</u> | <u>1,358</u> | <u>3,094</u> | <u>4,054</u> |
| Net gains/(losses) on investments | 11, 12 | (150) | 332 | 6,270 | 6,452 | 6,021 |
| Net Income/(Expenditure) | | <u>385</u> | <u>1,533</u> | <u>7,628</u> | <u>9,546</u> | <u>10,075</u> |
| Transfers between funds | 18 | 1,164 | (1,164) | - | - | - |
| Net movement in funds for the year | | <u>1,549</u> | <u>369</u> | <u>7,628</u> | <u>9,546</u> | <u>10,075</u> |
| Fund balances brought forward | 18 | 25,661 | 3,106 | 108,313 | 137,080 | 127,005 |
| Funds carried forward at 31 July | | <u>27,210</u> | <u>3,475</u> | <u>115,941</u> | <u>146,626</u> | <u>137,080</u> |

Lincoln College
Consolidated and College Balance Sheets
As at 31 July 2017

| | Notes | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|--|-------|------------------------|------------------------|--------------------------|--------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | 27,275 | 27,348 | 27,275 | 27,348 |
| Heritage assets | 10 | - | - | - | - |
| Property investments | 11 | 57,813 | 57,255 | 57,813 | 57,255 |
| Other Investments | 12 | 66,798 | 58,305 | 56,531 | 48,684 |
| Total Fixed Assets | | 151,886 | 142,908 | 141,619 | 133,287 |
| CURRENT ASSETS | | | | | |
| Stocks | | 141 | 142 | 141 | 142 |
| Debtors | 15 | 1,799 | 1,623 | 1,849 | 1,868 |
| Investments (bank deposits) | | 17,000 | - | 17,000 | - |
| Cash at bank and in hand | | 8,586 | 5,742 | 8,531 | 5,615 |
| Total Current Assets | | 27,526 | 7,507 | 27,521 | 7,625 |
| LIABILITIES | | | | | |
| Creditors: Amounts falling due within one year | 16 | 1,214 | 1,680 | 1,211 | 1,800 |
| NET CURRENT ASSETS | | 26,312 | 5,827 | 26,310 | 5,825 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 178,198 | 148,735 | 167,929 | 139,112 |
| CREDITORS: falling due after more than one year | 17 | 30,130 | 10,103 | 30,130 | 10,103 |
| NET ASSETS BEFORE PENSION ASSET OR LIABILITY | | 148,068 | 138,632 | 137,799 | 129,009 |
| Defined benefit pension scheme liability | 22 | (1,442) | (1,552) | (1,442) | (1,552) |
| TOTAL NET ASSETS | | 146,626 | 137,080 | 136,357 | 127,457 |
| FUNDS OF THE COLLEGE | | | | | |
| Endowment funds | 18 | 115,941 | 108,313 | 105,672 | 98,690 |
| Restricted funds | 18 | 3,475 | 3,106 | 3,475 | 3,106 |
| Unrestricted funds | 18 | | | | |
| Designated funds | | 24,263 | 23,220 | 24,263 | 23,220 |
| General funds | | 4,389 | 3,993 | 4,389 | 3,993 |
| Pension reserve | 22 | (1,442) | (1,552) | (1,442) | (1,552) |
| | | 146,626 | 137,080 | 136,357 | 127,457 |

The financial statements were approved and authorised for issue by the Governing Body of Lincoln College on 8 November 2017

Trustee:

Trustee:

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

| | Notes | 2017 £'000 | 2016 £'000 |
|---|-------|-----------------|---------------|
| Net cash provided by (used in) operating activities | 24 | <u>(1,965)</u> | <u>(739)</u> |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 3,097 | 2,698 |
| Proceeds from the sale of property, plant and equipment | | - | - |
| Purchase of property, plant and equipment | | (632) | (1,904) |
| Proceeds from sale of investments | | 652 | 5,683 |
| Purchase of current asset investments | | (17,000) | - |
| Purchase of fixed asset investments | | (3,251) | (7,462) |
| Net cash provided by (used in) investing activities | | <u>(17,134)</u> | <u>(985)</u> |
| Cash flows from financing activities | | | |
| Repayments of borrowing | | (3) | (11) |
| Cash inflows from new borrowing | | 20,030 | - |
| Receipt of endowment | | 1,916 | 2,702 |
| Net cash provided by (used in) financing activities | | <u>21,943</u> | <u>2,691</u> |
| Change in cash and cash equivalents in the reporting period | | <u>2,844</u> | <u>967</u> |
| Cash and cash equivalents at the beginning of the reporting period | | 5,742 | 4,775 |
| Cash and cash equivalents at the end of the reporting period | 25 | <u>8,586</u> | <u>5,742</u> |

Lincoln 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 | 1,451 | 1,528 |
| Tuition fees - Overseas students | 535 | 553 |
| Other fees | 81 | 55 |
| Other HEFCE support | 214 | 209 |
| Other academic income | 120 | 197 |
| College residential income | 3,105 | 3,137 |
| Total Teaching, Research and Residential | 5,506 | 5,679 |

The above analysis includes £1,358k received from Oxford University from publicly accountable funds under the CFF Scheme (2016: £1,422k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £15k (2016: £28k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

| | 2017 £'000 | 2016 £'000 |
|-------------------------------|---------------|---------------|
| Donations and Legacies | | |
| Unrestricted funds | 427 | 260 |
| Restricted funds | 1,830 | 1,844 |
| Endowed funds | 1,916 | 2,702 |
| | 4,173 | 4,806 |

3 INCOME FROM OTHER TRADING ACTIVITIES

| | 2017 £'000 | 2016 £'000 |
|-----------------------------------|---------------|---------------|
| Subsidiary company trading income | 252 | 187 |
| | 252 | 187 |

4 INVESTMENT INCOME

| | 2017 £'000 | 2016 £'000 |
|--|---------------|---------------|
| Unrestricted funds | | |
| Commercial rent | 222 | 252 |
| Other property income | 104 | - |
| Equity dividends | 22 | 18 |
| Bank interest | 10 | 6 |
| | 358 | 276 |
| Restricted funds | | |
| Equity dividends | 76 | 68 |
| | 76 | 68 |
| Endowed funds | | |
| Agricultural rent | 185 | 172 |
| Commercial rent | 2,025 | 1,727 |
| Other property income | 146 | 133 |
| Equity dividends | 262 | 198 |
| Income from fixed interest stocks | 45 | 114 |
| Interest on fixed term deposits and cash | - | 10 |
| Bank interest | - | - |
| | 2,663 | 2,354 |
| Total Investment income | 3,097 | 2,698 |

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

| | | | |
|----------|--|--------------|--------------|
| 5 | ANALYSIS OF EXPENDITURE | 2017 | 2016 |
| | | £'000 | £'000 |
| | Charitable expenditure | | |
| | Direct staff costs allocated to: | | |
| | Teaching, research and residential | 3,710 | 3,604 |
| | Other direct costs allocated to: | | |
| | Teaching, research and residential | 2,739 | 2,792 |
| | Support and governance costs allocated to: | | |
| | Teaching, research and residential | 1,938 | 1,579 |
| | Total charitable expenditure | 8,387 | 7,975 |
| | Expenditure on raising funds | | |
| | Direct staff costs allocated to: | | |
| | Fundraising | 375 | 372 |
| | Trading expenditure | 155 | 101 |
| | Investment management costs | - | - |
| | Other direct costs allocated to: | | |
| | Fundraising | 206 | 169 |
| | Trading expenditure | 87 | 80 |
| | Investment management costs | 595 | 476 |
| | Support and governance costs allocated to: | | |
| | Fundraising | 34 | 31 |
| | Trading expenditure | - | - |
| | Investment management costs | 95 | 112 |
| | Total expenditure on raising funds | 1,547 | 1,341 |
| | Total expenditure | 9,934 | 9,316 |

The 2016 resources expended of £9,316k represented £7,395k from unrestricted funds, £1,430k from restricted funds and £491k from endowed funds.

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

The teaching and research costs include College Contribution payable of £66k (2016 - £66k).

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Notes to the financial statements
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6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| | Generating Funds £'000 | Teaching and Research £'000 | 2017 Total £'000 |
|--------------------------------|------------------------------|--------------------------------------|------------------------|
| Financial administration | 19 | 473 | 492 |
| Domestic administration | - | 185 | 185 |
| Human resources | - | 54 | 54 |
| IT | 14 | 127 | 141 |
| Depreciation | - | 705 | 705 |
| Loss/(profit) on fixed assets | - | - | - |
| Bank and loan interest payable | 94 | 325 | 419 |
| Other finance charges | - | 31 | 31 |
| Governance costs | 2 | 38 | 40 |
| | 129 | 1,938 | 2,067 |

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

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 | 27 | 24 |
| Auditor's remuneration - tax advisory services | 13 | 6 |
| | 40 | 30 |

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.

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

| 7 | GRANTS AND AWARDS | 2017 £'000 | 2016 £'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 | 22 | 26 |
| | Bursaries and hardship awards | 78 | 82 |
| | Total unrestricted | 100 | 108 |
| | Restricted funds | | |
| | Grants to individuals: | | |
| | Scholarships, prizes and grants | 566 | 519 |
| | Bursaries and hardship awards | 118 | 105 |
| | Total restricted | 684 | 624 |
| | Total grants and awards | 784 | 732 |

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £78k (2016: £82k).

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

| 8 | STAFF COSTS | 2017 £'000 | 2016 £'000 |
|---|---|---------------|---------------|
| | The aggregate staff costs for the year were as follows. | | |
| | Salaries and wages | 3,904 | 3,729 |
| | Social security costs | 348 | 284 |
| | Pension costs: | | |
| | Defined benefit schemes - contribution paid in the year (note 22) | 715 | 644 |
| | Defined benefit schemes - movement in provision (note 22) | (141) | (91) |
| | Other benefits | 109 | 100 |
| | | 4,935 | 4,666 |
| | The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows. | | |
| | | 2017 | 2016 |
| | Tuition and research | 15 | 14 |
| | College residential | 67 | 67 |
| | Fundraising | 5 | 5 |
| | Support | 13 | 13 |
| | Total | 100 | 99 |
| | The average number of employed College Trustees during the year was as follows. | | |
| | | | |
| | University Lecturers | 14 | 15 |
| | CUF Lecturers | 10 | 10 |
| | Other teaching and research | 5 | 6 |
| | Other | 4 | 4 |
| | Total | 33 | 35 |

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

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) exceeded £60,000

Lincoln College
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9 TANGIBLE FIXED ASSETS

| Group and College | Leasehold land and buildings £'000 | Freehold land and buildings £'000 | Plant and machinery £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|------------------------------------|---|--|---------------------------------|---|----------------|
| Cost | | | | | |
| At start of year | 4,612 | 27,526 | - | 1,427 | 33,565 |
| Additions | - | 597 | - | 35 | 632 |
| Disposals | - | - | - | - | - |
| At end of year | 4,612 | 28,123 | - | 1,462 | 34,197 |
| Depreciation and impairment | | | | | |
| At start of year | 276 | 4,689 | - | 1,252 | 6,217 |
| Depreciation charge for the year | 93 | 527 | - | 85 | 705 |
| Depreciation on disposals | - | - | - | - | - |
| Impairment | - | - | - | - | - |
| At end of year | 369 | 5,216 | - | 1,337 | 6,922 |
| Net book value | | | | | |
| At end of year | 4,243 | 22,907 | - | 125 | 27,275 |
| At start of year | 4,336 | 22,837 | - | 175 | 27,348 |

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

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

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

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

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

Lincoln College
Notes to the financial statements
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11 PROPERTY INVESTMENTS

| Group and College | Agricultural £'000 | Commercial £'000 | Other £'000 | 2017 Total £'000 | 2016 Total £'000 |
|--|-----------------------|---------------------|----------------|------------------------|------------------------|
| Valuation at start of year | 13,593 | 33,677 | 9,985 | 57,255 | 53,812 |
| Additions and improvements at cost | - | 411 | - | 411 | 1,471 |
| Disposals | - | - | - | - | (156) |
| Transfer to tangible fixed assets | - | - | - | - | (600) |
| Transfer from tangible fixed assets | - | - | - | - | 1,560 |
| Revaluation gains/(losses) in the year | (703) | 840 | 10 | 147 | 1,168 |
| Valuation at end of year | 12,890 | 34,928 | 9,995 | 57,813 | 57,255 |

Property valuations at 31 July 2016 have been provided by Cluttons, Carter Jonas, Breckon & Breckon or the College's external land agent (FRICS) from Laws & Fiennes on the basis of market value. These valuations were updated to 31 July 2017 by the College's external land agent (FRICS) from Laws & Fiennes.

12 OTHER INVESTMENTS

All investments are held at fair value.

| | 2017 | 2016 | | | | |
|---|---------------------------------|----------------------------|------------------------|---------------------------------|----------------------------|------------------------|
| | £'000 | £'000 | | | | |
| College investments | | | | | | |
| Valuation at start of year | 48,682 | 44,734 | | | | |
| New money invested | 2,518 | 5,607 | | | | |
| Amounts withdrawn | (413) | (5,373) | | | | |
| Reinvested income | 267 | 340 | | | | |
| Investment management fees | (223) | (128) | | | | |
| (Decrease)/increase in value of investments | 5,698 | 3,502 | | | | |
| External investments at end of year | 56,529 | 48,682 | | | | |
| Investment in subsidiaries | 2 | 2 | | | | |
| College investments at end of year | 56,531 | 48,684 | | | | |
| Group investments | | | | | | |
| Valuation at start of year | 58,305 | 52,988 | | | | |
| New money invested | 2,518 | 5,607 | | | | |
| Amounts withdrawn | (429) | (5,399) | | | | |
| Reinvested income | 322 | 384 | | | | |
| Investment management fees | (223) | (128) | | | | |
| (Decrease)/increase in value of investments | 6,305 | 4,853 | | | | |
| Group investments at end of year | 66,798 | 58,305 | | | | |
| Group 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 | 2,562 | 14,140 | 16,702 | 1,114 | 19,933 | 21,047 |
| Global multi-asset funds | - | 32,683 | 32,683 | - | 17,437 | 17,437 |
| Fixed interest stocks | 169 | 2,486 | 2,655 | - | 3,380 | 3,380 |
| Alternative and other investments | 7,023 | 5,264 | 12,287 | 5,963 | 5,421 | 11,384 |
| Fixed term deposits and cash | - | 2,471 | 2,471 | 172 | 4,885 | 5,057 |
| Total group investments | 9,754 | 57,044 | 66,798 | 7,249 | 51,056 | 58,305 |

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13 PARENT AND SUBSIDIARY UNDERTAKINGS

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

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

| | Parent College | Lincoln College Trading Ltd | Lincoln College Enterprises | Lincoln 2027 Trust | Lincoln College Michael Zilkha Fund |
|-------------------------------------|-----------------|-----------------------------|-----------------------------|--------------------|-------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Income | 12,861 | 252 | 1,193 | 63 | 19 |
| Expenditure | (9,874) | (242) | (1,135) | (8) | (35) |
| Investment gains/losses | 5,845 | - | - | 447 | 180 |
| Donation to College under gift aid | 68 | (10) | (58) | - | - |
| Result for the year | 8,900 | - | - | 502 | 144 |
| Total assets | 169,140 | 41 | 112 | 8,659 | 1,610 |
| Total liabilities | (32,783) | (40) | (111) | - | - |
| Net funds at the end of year | 136,357 | 1 | 1 | 8,659 | 1,610 |

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2013. The investment return to be applied as income is calculated as 3% (2016: 3%) of the average of the year-end values of the relevant investments at the end of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value in 1 August 2002 together with all subsequent endowments valued at date of gift.

| | Total return not applied | Permanent Endowment Trust for Investment | Permanent Endowment Unapplied Total Return | Expendable Endowment | Total Endowments |
|--|--------------------------|--|--|----------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At the beginning of the year: | | | | | |
| Gift component of the permanent endowment | | 35,478 | | 35,478 | 35,478 |
| Unapplied total return | | | 49,025 | 49,025 | 49,025 |
| Funds not subject to total return | 460 | | | 460 | 460 |
| Expendable endowment | | | | 23,350 | 23,350 |
| Total Endowments | 460 | 35,478 | 49,025 | 23,350 | 108,313 |
| Movements in the reporting period: | | | | | |
| Gift of endowment funds | | 1,318 | | 598 | 1,916 |
| Investment return: total investment income | | | 2,401 | 262 | 2,663 |
| Investment return: realised and unrealised gains and losses | (120) | | 4,296 | 2,094 | 6,270 |
| Less: Investment management costs | | | (429) | (61) | (490) |
| Other transfers | | | - | - | - |
| Total | (120) | 1,318 | 6,268 | 2,893 | 10,359 |
| Unapplied total return allocated to income in the reporting period | | | (2,317) | (384) | (2,701) |
| Expendable endowments transferred to income | | - | (2,317) | (30) | (30) |
| Net movements in reporting period | (120) | 1,318 | 3,951 | 2,479 | 7,628 |
| At end of the reporting period: | | | | | |
| Gift component of the permanent endowment | | 36,796 | - | 36,796 | 36,796 |
| Unapplied total return | | | 52,976 | 52,976 | 52,976 |
| Funds not subject to total return | 340 | | | 340 | 340 |
| Expendable endowment | | | | 25,829 | 25,829 |
| Total Endowments | 340 | 36,796 | 52,976 | 25,829 | 115,941 |

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15 DEBTORS

| | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|---|------------------------|------------------------|--------------------------|--------------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 495 | 531 | 461 | 452 |
| Amounts owed by College members | 24 | 8 | 24 | 8 |
| Amounts owed by Group undertakings | - | - | 16 | 140 |
| Loans repayable within one year | - | 1 | - | 1 |
| Prepayments and accrued income | 354 | 268 | 422 | 452 |
| Other debtors | - | - | - | - |
| Amounts falling due after more than one year: | | | | |
| Loans | 926 | 815 | 926 | 815 |
| | <u>1,799</u> | <u>1,623</u> | <u>1,849</u> | <u>1,868</u> |

16 CREDITORS: falling due within one year

| | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|------------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Trade creditors | 457 | 201 | 457 | 174 |
| Amounts owed to College Members | - | - | - | - |
| Amounts owed to Group undertakings | - | - | - | 731 |
| Taxation and social security | 22 | 331 | 34 | 19 |
| College contribution | - | 57 | - | 57 |
| Accruals and deferred income | 349 | 648 | 334 | 376 |
| Other creditors | 386 | 443 | 386 | 443 |
| | <u>1,214</u> | <u>1,680</u> | <u>1,211</u> | <u>1,800</u> |

17 CREDITORS: falling due after more than one year

| | 2017 Group £'000 | 2016 Group £'000 | 2017 College £'000 | 2016 College £'000 |
|-----------------|------------------------|------------------------|--------------------------|--------------------------|
| Bank loans | 10,000 | 10,003 | 10,000 | 10,003 |
| Notes | 20,030 | - | 20,030 | - |
| Other creditors | 100 | 100 | 100 | 100 |
| | <u>30,130</u> | <u>10,103</u> | <u>30,130</u> | <u>10,103</u> |

£10,000,000 (2016 £10,000,000) of the bank loans is repayable in 2041. This loan is unsecured. This loan is included at amortised cost as they are classified as basic financial instruments.

On January 12, 2017 the College issued Notes for an aggregate principal amount of £20,000,000. The Notes pay interest semi-annually at a fixed rate of 0.9% per annum for the first two years and thereafter at a fixed rate of 2.78% per annum. The Notes are due for repayment on 12 January, 2057. The Notes are measured at amortised cost under the effective interest method.

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18 ANALYSIS OF MOVEMENTS ON FUNDS

| | At 1 August 2016 £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2017 £'000 |
|---|------------------------------|-----------------|----------------------|--------------------|-----------------------------|-----------------------------|
| Endowment Funds - Permanent | | | | | | |
| General Endowment | 50,261 | 1,953 | (310) | (1,438) | 1,650 | 52,116 |
| Montgomery Estate | 750 | 10 | (3) | (21) | 69 | 805 |
| Nuffield Research Trust Fund | 1,512 | 20 | (5) | (43) | 164 | 1,648 |
| Paul Shuffrey Bequest | 9,262 | 121 | (32) | (255) | (53) | 9,043 |
| Other Fellowships | 14,752 | 1,054 | (51) | (410) | 1,601 | 16,946 |
| Polonsky (Hansard) | 460 | | | | (120) | 340 |
| Student Support | 7,665 | 557 | (27) | (146) | 833 | 8,882 |
| Others | 301 | 4 | (1) | (4) | 32 | 332 |
| Endowment Funds - Expendable | | | | | | |
| General Endowment | 6,296 | 82 | (22) | (178) | 804 | 6,982 |
| Bequests and legacies | 7,431 | 696 | (26) | (206) | 683 | 8,578 |
| Total Endowment Funds - College | 98,690 | 4,497 | (477) | (2,701) | 5,663 | 105,672 |
| Endowment funds held by subsidiaries | | | | | | |
| Lincoln 2027 Trust | 8,157 | 63 | (8) | | 447 | 8,659 |
| Lincoln College Michael Zilkha Fund | 1,466 | 19 | (35) | | 160 | 1,610 |
| Total Endowment Funds - Group | 108,313 | 4,579 | (520) | (2,701) | 6,270 | 115,941 |
| Restricted Funds | | | | | | |
| Income - endowment funds | 90 | 36 | (915) | 879 | - | 90 |
| Scholarship and grants | - | 489 | (489) | - | - | - |
| Berrow Foundation Building | 349 | 5 | | (164) | 38 | 228 |
| EPA Dame Louise Johnson Building | - | 1,000 | | (1,000) | - | - |
| Other restricted funds | 2,667 | 376 | (180) | - | 294 | 3,157 |
| Total Restricted Funds - College and Group | 3,106 | 1,906 | (1,584) | (285) | 332 | 3,475 |
| Unrestricted Funds | | | | | | |
| General | 3,993 | 6,494 | (7,207) | 1,354 | (245) | 4,389 |
| Fixed asset designated | 22,348 | - | (705) | 1,632 | - | 23,275 |
| Other designated | 872 | 49 | (28) | - | 95 | 988 |
| Pension reserve | (1,552) | - | 110 | - | - | (1,442) |
| Total Unrestricted Funds - College and Group | 25,661 | 6,543 | (7,830) | 2,986 | (150) | 27,210 |
| Total Funds - Group | 137,080 | 13,028 | (9,934) | - | 6,452 | 146,626 |

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

General Endowment A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the College; includes the foundation capital of the College.

Montgomery Estate A fund established by Mrs Gertrude Montgomery in 1977 where income, but not capital, can be used to fund the teaching of Classics and/or German.

Nuffield Research Trust Fund A fund established by Viscount Nuffield in 1948 where income, but not capital, can be used to support medical research, specifically to fund the emoluments payable to the College's nominated medical research Fellow(s).

Paul Shuffrey Bequest A fund established by Paul Shuffrey in 1955 where income, but not capital, can be used to fund the study of Architecture, Classics, History of Art or similar areas of study at the discretion of the Rector of the College.

Other Fellowships A consolidation of gifts and donations where income, but not capital, can be used to support a number of named Fellowships dedicated to research and teaching at Lincoln College.

Student Support A consolidation of gifts and donations where income, but not capital, can be used to fund scholarships, exhibitions, prizes and other forms of support for students at Lincoln College.

Endowment Funds - Expendable:

General Endowment A consolidation of gifts and donations where either income or income and capital can be used for the general purposes of the College.

Legacies and Bequests A consolidation of legacies and bequests made over to Lincoln College, of which either income or income and capital can be used for the general purposes of the College.

Lincoln 2027 Trust

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An independent charity (registered no.1136816) established by Trust Deed dated 18th December 2009 with the object of raising, investing and accumulating funds to provide new and substantial support to Lincoln College.

Lincoln College Michael Zilkha Fund

An independent charity (registered no. 1095113) established by Trust Deed in 2002 whose object is to support the educational and/or research activities of the Fellows of Lincoln College.

Restricted Funds:

Income, Endowment funds

Income generated by endowment funds which can be used for the specific purposes for which the endowment funds were established.

Berrow Foundation Building

Funds received for the Berrow Foundation Building. Amounts are transferred to the fixed asset designated fund once they have been expended on the building.

EPA Dame Louise Johnson Building

Donations received for the building which has already been constructed. The amounts are then transferred to the designated fixed asset fund

Scholarships and grants

Funds received for scholarships and other forms of support for students that have been expended during the year.

Designated Funds

Fixed asset designated

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

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2017 Total £'000 |
|-----------------------|--------------------------------|------------------------------|-----------------------------|------------------------|
| Tangible fixed assets | 27,275 | - | - | 27,275 |
| Property investments | 7,047 | - | 50,766 | 57,813 |
| Other investments | 988 | 3,385 | 62,425 | 66,798 |
| Net current assets | 23,472 | 90 | 2,750 | 26,312 |
| Long term liabilities | (31,572) | - | - | (31,572) |
| | 27,210 | 3,475 | 115,941 | 146,626 |
| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2016 Total £'000 |
| Tangible fixed assets | 27,348 | 0 | 0 | 27,348 |
| Property investments | 6,972 | 0 | 50,283 | 57,255 |
| Other investments | 872 | 3,016 | 54,417 | 58,305 |
| Net current assets | 2,124 | 90 | 3,613 | 5,827 |
| Long term liabilities | (11,655) | 0 | 0 | (11,655) |
| | 25,661 | 3,106 | 108,313 | 137,080 |

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21 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

Head of House
 Professorial Fellow
 Official Fellow
 Darby Fellow
 Research Fellow

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

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

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

Remuneration paid to trustees

| Range | 2017 | | 2016 | |
|-------------------|----------------------------|---|----------------------------|---|
| | Number of Trustees/Fellows | Gross remuneration, taxable benefits and pension contributions £ | Number of Trustees/Fellows | Gross remuneration, taxable benefits and pension contributions £ |
| £1,000-£1,999 | 1 | 1,056 | 1 | 1,957 |
| £2,000-£2,999 | | | 1 | 2,295 |
| £3,000-£3,999 | | | 1 | 3,839 |
| £4,000-£4,999 | 1 | 4,322 | | |
| £5,000-£5,999 | 1 | 5,561 | | |
| £6,000-£6,999 | 2 | 12,787 | 1 | 6,018 |
| £8,000-£8,999 | | | | |
| £9,000-£9,999 | | | 1 | 9,691 |
| £10,000-£10,999 | 4 | 42,030 | 1 | 10,225 |
| £11,000-£11,999 | 1 | 11,794 | | |
| £16,000-£16,999 | | | 1 | 16,352 |
| £20,000-£20,999 | 1 | 20,919 | | |
| £21,000-£21,999 | | | 1 | 21,056 |
| £22,000-£22,999 | 2 | 45,053 | 3 | 66,975 |
| £23,000-£23,999 | 3 | 70,891 | 4 | 93,238 |
| £24,000-£24,000 | 1 | 24,585 | 2 | 48,562 |
| £25,000-£25,999 | 2 | 51,241 | 1 | 25,204 |
| £27,000-£27,999 | 1 | 27,600 | 1 | 27,009 |
| £29,000-£29,999 | | | 1 | 29,746 |
| £33,000-£33,999 | | | 1 | 33,756 |
| £34,000-£34,999 | | | 1 | 34,072 |
| £38,000-£38,999 | 1 | 38,903 | 1 | 38,110 |
| £39,000-£39,999 | | | 2 | 78,829 |
| £40,000-£40,999 | | | 1 | 40,945 |
| £41,000-£41,999 | 1 | 41,558 | | |
| £43,000-£43,000 | 1 | 43,263 | | |
| £44,000-£44,999 | | | 1 | 44,429 |
| £45,000-£45,999 | 1 | 45,228 | | |
| £46,000-£46,999 | | | 1 | 46,770 |
| £50,000-£50,999 | 1 | 50,511 | | |
| £53,000-£53,999 | | | 1 | 53,924 |
| £54,000-£54,999 | | | 3 | 163,908 |
| £55,000-£55,999 | 1 | 55,524 | | |
| £57,000-£57,999 | 1 | 57,240 | | |
| £58,000-£58,999 | 2 | 117,207 | | |
| £63,000-£63,999 | | | 1 | 63,522 |
| £81,000-£81,999 | | | 1 | 81,954 |
| £83,000-£83,999 | 1 | 83,285 | | |
| £92,000-£92,999 | | | 1 | 92,475 |
| £94,000-£94,999 | 1 | 94,576 | | |
| £102,000-£102,999 | 1 | 102,600 | | |
| £128,000-£128,999 | 1 | 128,519 | | |
| £130,000-£139,000 | | | 1 | 130,732 |
| Total | 33 | 1,176,253 | 36 | 1,265,593 |

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

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

Other transactions with trustees

No fellow claimed any expenses for work as a trustee.

See also note 28 Related Party Transactions

Key management remuneration

The total key management compensation (including employers' national insurance) was £521k (2016: £468k).

Key management are considered to be the Rector, Bursar, Development Director, Senior Tutor and Domestic Operations Manager.

22 PENSION SCHEME PROVISIONS

The College is a member of the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS"), these are multi-employer pension schemes both of which are in deficit. The College has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme, in calculating these provisions the College has estimated that salary expense will increase at 2.4-4.4% p.a. and the liability is discounted at a 15 year corporate bond rate of 1.55% (2016: 1.4%). A sensitivity analysis to changes in salary and discount rate changes is shown below.

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 Comprehensive Income represents the contributions payable to the schemes in respect of this accounting period.

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

However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

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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) | - | 'Gifts' + 1.2%pa |
| • Rate of interest (periods up after retirement) | - | 'Gifts' + 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% |
| 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 Trustee in July 2015 following the Employer's 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 forward 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% pa of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of a least 2.1% pa of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation as at 31 March is underway.

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% pa less an inflation risk premium) less RPI/CPI gap of 0.8% pa.

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 2018. 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:

| Assumption | USS 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 |

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

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Deficit Recovery Plans

In line with FRS 102 paragraph 28. 11A, the University 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 | 30/06/2027 | 31/03/1931 |
| Average staff number increase | 2.4-4.4% | 2.4-4.4% |
| Average staff salary increase | 2.00% | 2.00% |
| Average discount rate over period | 1.40% | 1.75% |
| Effect of 0.5% change in discount rate | £1.4m | £5.8m |
| Effect of 1% change in staff growth | £2.9m | £12.5m |

A provision of £1,442,000 has been made at 31 July 2017 (2016: £1,552,000) 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 (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: www.uss.co.uk, www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps

Other schemes

Contribution of £9k (2016 - £6k) were paid to other schemes

23 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

| | 2017 Group £'000 | 2016 Group £'000 |
|---|------------------------|------------------------|
| Net income/(expenditure) | 9,546 | 10,075 |
| Elimination of non-operating cash flows: | | |
| Investment income | (3,097) | (2,698) |
| (Gains)/losses in investments | (6,452) | (6,021) |
| Endowment donations | (1,916) | (2,702) |
| Depreciation | 705 | 697 |
| (Surplus)/loss on sale of fixed assets | - | - |
| Decrease/(Increase) in stock | 1 | 5 |
| Decrease/(Increase) in debtors | (176) | (123) |
| (Decrease)/Increase in creditors | (466) | 87 |
| (Decrease)/Increase in provisions | - | - |
| (Decrease)/Increase in pension scheme liability | (110) | (59) |
| Net cash provided by (used in) operating activities | (1,965) | (739) |

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £'000 | 2016 £'000 |
|--------------------------------------|---------------|---------------|
| Cash at bank and in hand | 4,086 | 5,742 |
| Notice deposits (less than 3 months) | 4,500 | |
| Total cash and cash equivalents | 8,586 | 5,742 |

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26 FINANCIAL COMMITMENTS

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

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2016 - £903k).

28 RELATED PARTY TRANSACTIONS

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

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

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

| | 2017 £'000 | 2016 £'000 |
|------------------------|---------------|---------------|
| Dr Radu Coldea | 108 | 108 |
| Dr Roel Dullens | 108 | 108 |
| Dr Maria Stamatopoulou | 110 | 110 |
| Dr Dominic Vella | 108 | 108 |
| Prof Michael Willis | 117 | 117 |
| Prof C Issever | 118 | 118 |
| Dr D Omlor | 117 | 117 |
| Dr A Parakhonyak | 120 | - |

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

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

| | | |
|-------------------------|---|---|
| Dr Radu Coldea | - | 1 |
| Prof Catherine de Vries | - | 1 |
| Dr Roel Dullens | 3 | 2 |
| Prof S Gardener | - | 4 |
| Prof David Hills | - | 2 |
| Dr D McCann | 1 | - |
| Dr Frank Payne | - | 2 |
| Dr Edward Nye | 1 | - |
| Dr Timothy Michael | 1 | 2 |
| Dr Philippe Trinh | - | 1 |
| Prof David Vaux | 1 | 2 |
| Dr Dominic Vella | - | 1 |
| Prof Michael Willis | 2 | 2 |

Expenditure in the College includes fees from David A Hills Limited of £nil (2016 - £18k). David Hills (a Trustee) controls David A Hills Limited. These fees are not included in the Trustees' remuneration table in note 21.

29 CONTINGENT LIABILITIES

The College has no material contingent liabilities

30 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

Lincoln College
Notes to the financial statements
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31 FINANCIAL INSTRUMENTS

The financial statements include the following items

| | Total Group £'000 | 2017 Gains / (losses) £'000 | Interest (expense) £'000 | Total Group £'000 | 2016 Gains / (losses) £'000 | Interest (expense) £'000 |
|--|-------------------------|--------------------------------------|--------------------------------|-------------------------|--------------------------------------|--------------------------------|
| <i>Financial assets measured at fair value through statement of financial activities</i> | | | | | | |
| Fixed assets: other investments | 66,798 | 6,305 | | 57,813 | 4,853 | |
| <i>Financial liabilities measured at amortised cost</i> | | | | | | |
| Creditors: amounts falling due after more than one year | 30,130 | | (419) | 10,103 | | (171) |