

LINCOLN 2027 TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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Charity No. 1136816

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Trustees submit their annual report and the audited financial statements for the year ended 31 July 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity no.	1136816
Registered Office:	Lincoln College Turl Street Oxford OX1 3DR
Chairman of Trustees:	Robert Pickering
Other Trustees:	Prof. Henry Woudhuysen Richard Williams
Secretary to the Trustees:	Alex Spain
Auditors:	Critchleys Audit LLP Statutory Auditor 23-38 Hythe Bridge Street Oxford OX1 2EP
Custodian and Investment Manager:	UBS Wealth Management 1 Curzon Street London W1J 5UB
Investment advisors:	Sloane Robinson LLP 20 St Dunstan's Hill London EC3R 8ND

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is governed by a Declaration of Trust, dated 18 December 2009. Charity Commission registration was obtained on 12 July 2010.

Policies and procedures for the induction and training of Trustees

1. The Trust Deed states the following procedure for the selection of trustees:
"Future Trustees shall be nominated in writing by the Trustees to the College and (if the College in its absolute discretion thinks fit) shall be appointed by resolution of the College for such term of office as the College specifies in its appointment" (Trust Deed 5.6)
2. Trustees are appointed initially for a fixed period or, if no period is stated, for 5 years. The terms of the Trust Deed allow for renewals of appointment.
3. The schedule for the appointment or renewal of a Trustee is:
 - The Secretary monitors forthcoming changes to the composition of the Trustee body occasioned by resignations, enforced turnover, etc
 - At the semi-annual meeting prior to a forthcoming change the Secretary advises the Trustee body of the need to appoint a new Trustee and/or renew the appointment of an existing Trustee. Where there is a need for a new appointment, the Trustees consider potential candidates and make recommendations to the College via the Secretary.
 Existing Trustees may declare their willingness to serve for a further term of office, as permitted by the terms of the Trust Deed. The remaining Trustees consider the question of a renewal of appointment, the candidate for renewal absents him/herself from this discussion.
 - Prior to consideration by the Governing Body the Rector of the College ascertains the willingness of the potential candidate to serve as a Trustee, should the Governing Body invite him or her to do so.
 - The Governing Body considers the recommendation(s) of the Trustees and decides on an appointment/renewal. The Governing Body's approval, if granted, is recorded in the minutes of its meetings.
 - The Secretary writes to each new or renewing Trustee, asking them to confirm in writing their willingness to serve, for a specified period of time.
 - That confirmation having been received, the Secretary informs the Charity Commission of the appointment. The new/renewed Trustee is invited to the next Trustees' meeting.
4. The Secretary sends to each new Trustee a pack of information on the Trust, to include:
 - the Trust Deed
 - the Investment Management Agreement
 - background information on the Trust, including the history of its origin and formation (as per the pack sent to Trustees in April 2010)
 - authorisation documents from the custodian (as available and as required)
 - Charity Commission guidance notes CC3a "The essential Trustee"
 - Minutes of recent Trustees' meetings

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

Organisational structure of the charity and how decisions are made

The Trust Deed requires the Trustees to meet at least once per annum. In practice the Trustees have decided to meet semi-annually, to review the operations of the Trust in general and the investment programme in particular. Details of the Trustees' *modus operandi* are given in the Trust Deed.

Day-to-day administration of the Trust is carried out by the Secretary to the Trustees from the Bursary at Lincoln College.

Investment management decisions are made by the Investment Advisor, Sloane Robinson LLP. Execution of investment transactions is by the Trust's Custodian and Investment Manager, UBS. Sloane Robinson has, however, given notice that it will cease its operations as an Investment Advisor from 31 December, 2020.

Risks

The major risks to which the charity is exposed are reviewed regularly and steps are taken to mitigate those risks.

OBJECTIVES AND ACTIVITIES

The Trustees intend to raise and accumulate funds to provide new and substantial support (in manner charitable at law) for the Warden or Rector and Scholars of the College of the Blessed Mary and All Saints, Lincoln, in the University of Oxford (Lincoln College) in celebration of the 600th anniversary of Lincoln College's foundation.

The objects of the Trust are to foster the purpose of education for the benefit of the public and to that end to promote and support all or any of the charitable purposes promoted from time to time by Lincoln College in accordance with the Trust Deed.

During the period under review the Trust's assets were invested in accordance with the investment guidelines agreed between the Trustees and the Investment Advisor with a view to achieving the objective of the Trust in the form of a growing fund of capital to support Lincoln College.

The Trustees met on 16 December 2019 and on 8 July 2020. At the 16 December 2019 meeting they reviewed matters relating to the governance and administration of the Trust and received a report on investment activity from the Investment Advisor. At the 8 July, 2020 meeting the Trustees discussed future action in the light of the Investment Advisor's decision to cease its investment advisory activities from 31 December 2020.

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

Public benefit

The Trustees have complied with the duty within the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE

The Trust's assets are invested under the direction of Sloane Robinson LLP, the Trust's Investment Advisor. The return on investments during the year was 1.6%.

FINANCIAL REVIEW

The Trust's assets are invested in a portfolio of investments under the oversight of Sloane Robinson LLP. Advice of transactions as implemented and monthly statements of asset valuation are provided by UBS (the Trust's Custodian and Investment Manager) to the Secretary to the Trustees at Lincoln College. At year-end the charity's net assets totalled £8,509,168.

Annual audit of the Trust's accounts is undertaken by Critchleys Audit LLP, Oxford.

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

Investment Policy and Guidelines

1.1 Investment Objectives

The objective of the Portfolio is appreciation of the total capital value of the assets. Capital value may be increased by (a) appreciation in the capital value of investments; and (b) the reinvestment in the Portfolio of income earned from investments and from cash.

The ultimate purpose of the Portfolio is that the total capital sum will be transferred to and added to the endowment assets of Lincoln College at a future date to be determined by the Trustees and likely to be in the period 2027-2030. There is no requirement for income regularly to be drawn down from the Portfolio to fund the activities of the Trust or for any other purpose in the interim.

1.2 Any investment restrictions

1.2.1 Investment holdings

The Portfolio may invest only in those assets (or assets of a type similar to those) which comprise the investment portfolios of Lincoln College.

1.2.2 Diversification

The Portfolio will retain a reasonable level of diversification taking into account the diversification characteristics of funds held for the Portfolio. The approval of the Trustees should be obtained prior to the execution of any transaction which would leave the Portfolio with either fewer than 5 different fund holdings or more than 25% of the Portfolio invested in funds managed directly by Sloane Robinson LLP and its affiliates.

1.2.3 Derivatives

The Investment Manager may use derivative instruments in a manner consistent with the Risk Warnings described in Schedule 3 paragraph 2 of the Investment Management Agreement.

1.3 Any lending restrictions

Assets in the Portfolio may be lent subject to the provision of suitable collateral in line with standard market practices for securities lending

1.4 Any borrowing restrictions

Borrowing of moneys on the security of the Portfolio or any part of the Portfolio for the purpose of investment of the Portfolio's assets or for any other purpose is permitted as per the Risk Warnings described in Schedule 3 paragraph 4 of the Investment Management Agreement.

Expendable endowment

There are no specific restrictions on spending capital but the intention is for the Trust to raise, invest and accumulate funds in the medium term. In accordance with the Declaration of Trust any income not expended will be added to the capital of the Trust. The funds of the Trust are therefore treated as being an expendable endowment.

Reserves policy

As noted above the trust consists solely of an expendable endowment. There are therefore no free reserves. The Trustees consider it appropriate not to have any free reserves as the endowment is expendable. If there is a shortfall in income in any particular period, capital can be expended to cover the expenditure.

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

PLANS FOR THE FUTURE

The Trust intends to continue to work towards its stated charitable objective. To this end it will pursue the investment programme described above and will seek to obtain additional donations towards its capital funds.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state and affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then applied them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and which enable them to ensure that the financial statements comply with The Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 18 February, 2021

 Trustee

 Trustee

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LINCOLN 2027 TRUST

Opinion

We have audited the financial statements of Lincoln 2027 Trust (the Charity) for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2020 and of its 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 of 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF LINCOLN 2027 TRUST (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement [set out on page 6], the trustees 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 trustees 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 trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with section 145 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 Charity's trustees 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 Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Critchleys Audit LLP

Critchleys Audit LLP
Statutory Auditor

Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Date: 1 March 2021

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

LINCOLN 2027 TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2020

		Endowment Funds 2020	Endowment Funds 2019
	Note	£	£
Income and endowments from:			
Investments	2	<u>69,983</u>	<u>93,877</u>
Total income		<u>69,983</u>	<u>93,877</u>
Expenditure on			
Raising funds – investment management costs		<u>27,029</u>	<u>21,370</u>
Total expenditure		<u>27,029</u>	<u>21,370</u>
Net gains/(losses) on investments		<u>88,797</u>	<u>(971,607)</u>
Net income		131,751	(899,100)
Total funds brought forward		<u>8,377,417</u>	<u>9,276,517</u>
Total funds carried forward		<u>8,509,168</u>	<u>8,377,417</u>

All funds are expendable endowment funds.


LINCOLN 2027 TRUST

BALANCE SHEET
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	4	<u>8,509,168</u>	<u>8,377,417</u>
Net assets		<u>8,509,168</u>	<u>8,377,417</u>
Funds:			
Expendable endowment funds		<u>8,509,168</u>	<u>8,377,417</u>

The financial statements on pages 9 to 12 were approved and authorised for issue by the trustees on 18 February, 2021 and signed on their behalf by:

 Trustee

 Trustee

LINCOLN 2027 TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 ACCOUNTING POLICIES

a) General Information

Lincoln 2027 Trust meets the definition of a public benefit entity under FRS 102. It is an unincorporated entity with its registered office at Lincoln College, Turl Street, Oxford OX1 3DR.

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) [Charities SORP (FRS 102)], the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

c) Investments

Investments are included at market value at the balance sheet date. The change in market value is reflected in the Statement of Financial Activities.

d) Investment income

Investment income is recognised when it is received.

e) Foreign exchange transactions and balances

Income and expenditure in foreign currencies is converted into sterling at the rate of exchange as at the time of the transaction. Assets, classed as investment assets, denominated in foreign currencies are converted into sterling at the rate of exchange at the balance sheet date. Any exchange differences are included within gains/(losses) on investments assets within the Statement of Financial Activities.

f) Expendable endowment

The funds of the Trust are represented by an expendable endowment. It is the intention that any surplus income is added to the value of the expendable endowment fund.

g) Donations

Donations are recorded in the Statement of Financial Activities when it is received. No value is attributed to the costs of services met by Lincoln College (see note 5).

h) Expenditure

These are included on an accruals basis and are included under the appropriate category for the type of expense.

LINCOLN 2027 TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020 (CONTINUED)

2	INCOME FROM INVESTMENTS	2020 £	2019 £
	Dividends and interest receivable	<u>69,983</u>	<u>93,877</u>
		<u>69,983</u>	<u>93,877</u>

3 TRUSTEES EXPENSES AND REMUNERATION

No Trustee received any remuneration or reimbursement of expenses from the charity.

4	FIXED ASSET INVESTMENTS	2019 £	2018 £
	Investments (see below)	7,569,371	8,241,785
	Cash held by investment managers	<u>939,797</u>	<u>135,632</u>
		<u>8,509,168</u>	<u>8,377,417</u>

Movements in investments:

At 1 August 2019	8,241,785	8,824,463
Purchases at cost	14,194,694	7,942,584
Sale proceeds	(15,256,489)	(7,767,973)
Revaluation gains/(losses)	<u>389,381</u>	<u>(757,289)</u>
At 31 July 2020	<u>7,569,371</u>	<u>8,241,785</u>

Investments consist of:

Equities	4,617,372	5,505,793
Hedge funds	1,527,429	1,939,545
Precious Metals & Commodities Investments	173,833	208,501
Bonds	174,511	500,291
Asset allocation funds	<u>1,076,226</u>	<u>87,655</u>
	<u>7,569,371</u>	<u>8,241,785</u>

5 RELATED PARTY TRANSACTIONS

Lincoln College, Oxford is a related party by virtue of the objects of the Trust and Lincoln College's ability to control the Trustees of the Trust. Lincoln College, Oxford (charity number 1139261) is an Oxford University College and produces consolidated financial statements.

Lincoln College meets the costs of governance of the charity (including audit and legal and professional fees).