

LINCOLN 2027 TRUST
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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Charity No. 1136816

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

The Trustees submit their annual report and the audited financial statements for the year ended 31 July 2023. 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
Investment managers:	Blackrock Fund Managers Limited 12 Throgmorton Avenue London EC2N 2DL
Investment advisors:	Stanhope Consulting 35 Portman Square London W1H 6LR

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

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 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
 - background information on the Trust, including the history of its origin and formation authorisation documents
 - Charity Commission guidance notes CC3a "The essential Trustee"
 - Minutes of recent Trustees' meetings

LINCOLN 2027 TRUST**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023****Organisational structure of the charity and how decisions are made**

The Trust Deed requires the Trustees to meet at least once per annum. 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 Trustees on the advice of Stanhope Consulting.

Risks

The major risks to which the charity is exposed are reviewed regularly and steps are taken to mitigate those risks. The Trust undertakes risk appropriate for its objective of a high return with no distributions required before 2027.

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.

LINCOLN 2027 TRUST
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2023

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.

FINANCIAL REVIEW

During the year to 31 July 2023, the Trust's assets were invested in the iShares Developed World Fossil Fuel Free Screened Index Fund, a fund managed by Blackrock Fund Managers Limited and invested in equity securities in the developed world.

The Lincoln 2027 Trust funds were invested in the iShares Developed World Fossil Fuel Screened Index Fund with a view to achieving the objective of the Trust in the form of a growing fund of capital to support Lincoln College.

The year to 31 July 2023 was a difficult year in which there was high inflation globally and we saw a substantial rise in interest rates. However, equity markets performed well in the context of these market conditions. The iShares Developed World Fossil Fuel Free Screened Index Fund increased in value by 7.8%.

At year-end the charity's net assets totalled £9,857,163.

The annual audit of the Trust's accounts is undertaken by Critchleys Audit LLP, Beaver House, 23-38 Hythe Bridge Street, Oxford OX1 2EP.

LINCOLN 2027 TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2023

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.

1.2.3 Derivatives

The Investment Manager may use derivative instruments and may undertake currency hedging but has no current intention to do so.

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.

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 2023 (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 is open to receiving additional donations towards its capital funds.

Statement of Trustees' Responsibilities

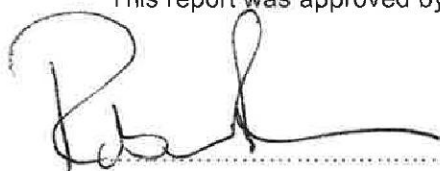
The Trustees are responsible for preparing the Trustees' Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Generally Accepted Accounting Practice).

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 apply 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 9th November 2023



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 2023 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 2023 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

24 November 2023

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

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 2023

		Endowment Funds 2023	Endowment Funds 2022
	Note	£	£
Income and endowments from:			
Investments	2	—	<u>7,854</u>
Total income		—	<u>7,854</u>
Expenditure on			
Raising funds – investment management costs		—	<u>1,952</u>
Total expenditure		—	<u>1,952</u>
Net gains/(losses) on investments		<u>721,260</u>	<u>(239,440)</u>
Net income		721,260	(233,538)
Total funds brought forward		<u>9,135,903</u>	<u>9,369,441</u>
Total funds carried forward		<u>9,857,163</u>	<u>9,135,903</u>


All funds are expendable endowment funds.


LINCOLN 2027 TRUST

BALANCE SHEET
AS AT 31 JULY 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	4	<u>9,857,163</u>	<u>9,135,903</u>
Net assets		<u>9,857,163</u>	<u>9,135,903</u>
Funds:			
Expendable endowment funds		<u>9,857,163</u>	<u>9,135,903</u>

The financial statements on pages 10 to 13 were approved and authorised for issue by the trustees on
9th Nov '23 and signed on their behalf by:


..... Trustee


..... Trustee

LINCOLN 2027 TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 2023 (CONTINUED)

2	INCOME FROM INVESTMENTS	2023	2022
		£	£
	Dividends and interest receivable	<u>-</u>	<u>7,854</u>
		<u>-</u>	<u>7,854</u>
3	TRUSTEES EXPENSES AND REMUNERATION		
	No Trustee received any remuneration or reimbursement of expenses from the charity.		
4	FIXED ASSET INVESTMENTS	2023	2022
		£	£
	Investments (see below)	9,851,242	9,129,982
	Cash held by investment managers	<u>5,921</u>	<u>5,921</u>
		<u>9,857,163</u>	<u>9,135,903</u>
	Movements in investments:		
	At 1 August 2022	9,129,982	9,267,918
	Purchases at cost	-	9,304,589
	Sale proceeds	-	(9,201,057)
	Revaluation gains	<u>721,260</u>	<u>(241,468)</u>
	At 31 July 2023	<u>9,851,242</u>	<u>9,129,982</u>
	Investments consist of:		
	Equities	<u>9,851,242</u>	<u>9,129,982</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).