

COMMONWEALTH 2022



Lincoln College
UNIVERSITY OF OXFORD





RECTOR'S REPORT

"We have been building on the magnificent donations of time, expertise, and money from our alumni during the pandemic to continue to increase support for our students and to endow our Fellowships."

It is apparently to the economists that we owe that unlovely formula the 'new normal', first recorded by the *Oxford English Dictionary* from the *Quarterly Journal of Economics* in 1922 ('The abnormal situation may persist until it becomes a new normal'). Although the *OED* slightly sniffily indicates that it is 'chiefly *North American*', its use raged in this country throughout the pandemic; we heard that things would never be the same again, that the old normal would never return, and that the new normal was now the (new) normal. Time will tell, and perhaps it is too soon to say whether those predictions will prove correct.

Certainly, at the start of this academic year life seemed to return in Lincoln more or less to what it was like before Covid's arrival. If anything, life has been even more as it used to be or, at least, more intense than it was before the pandemic than might have been expected. The general appreciation of what goes on in Lincoln, especially on the social side, is greater than it had been. Student attendance at Formal Hall has made it full on most nights of the week; the Lincoln Society Garden Party was enthusiastically embraced; the crowds descending from a neighbouring college to drink ivy ale were welcomed on Ascension Day by equally large numbers from our own one.

We have been building on the magnificent donations of time, expertise, and money from our alumni during the pandemic to continue to increase support for our students and to endow our Fellowships. Both are going well, and our gratitude to all our donors is deep and heartfelt. The return of our annual celebration of our donors and supporters, Lord Crewe's Supper, in February was warmly welcomed; the tercentenary of the great man's death was marked with appropriate and exuberant gravity. The munificence of the bequests in his will is as valued at the southern end of the Turl as it is in the two dioceses, County Durham and Northumberland, in the North East.

The familiar theme of these catching-up meetings is that nothing much changes at Lincoln, except that quite a lot does. We always want to make the College as good as it can be for everyone and to hand it down to our successors in a better shape than it is now. Changes – both relatively small, such as the creation of Study Skills Advisors, who joined the College to help students whose education at school had suffered during the course of the pandemic, and larger ones, such as the renovation of the Mitre – help us to do that. The extraordinary help we get from our supporters, the readers of *Commonwealth*, allows us to keep what is good here as it is and to do our best to make it better.

H.R. Woudhuysen
Rector

DEVELOPMENT DIRECTOR'S REPORT

Below my office window, a marquee is being dismantled; the first College Ball in three years took place at the weekend, and revellers enjoyed wonderful weather and a host of delights on the 'kaleidoscope' theme. This was one more indication that we are returning to a more normal life, and resuming our usual activities.

While this year has not been particularly easy from an administrative perspective – Covid continues to affect staff absences, and the economic outlook is not encouraging – it has been enormously better for our students, who have put on plays, musicals, participated in sports, won blades (Mens 1st VIII), organised talks and visits, and generally made the most of their time here.

As usual, all this has been supported by funds raised from alumni. The Lincoln Annual Fund has also helped in other ways, for example by allowing Lincoln to employ Study Skills Advisors over the past year. These post-holders, one each in the sciences, social sciences, and humanities, provided academic support and guidance for students, and found themselves much in demand over the course of the year; so much so, that we hope to continue this programme.

The past year proved to be a very strong one for fundraising at Lincoln; indeed, the headline figure was by some distance the largest sum raised in my time as Development Director, and took us to the top of the leaderboard of fundraising across all colleges (and to second place overall over the past 10 years of cumulative fundraising). This is a great achievement for a 'small' college, and is only made possible by the commitment of our alumni, both in lifetime donations and in some cases through legacies.

However, headline figures, cheering as they are, are mainly meaningful in terms of helping us to achieve our goals. As noted last year, one of our great successes over the past 10 years has been the tremendous increase in scholarships and bursaries, making us one of the most generous colleges on these measures.

Our fundraising has also ensured that we do not need to dip into our endowments to fund building and refurbishment projects, and it also supports the endowment through the funding of Fellowships, which are one of our principal areas of expenditure. Over the past year, we have been able to support new and existing Fellowships through extremely generous donations from the Berrow Foundation and Berrow Lord Florey Foundation, and a number of bequests. These will, we hope, help us to navigate what will undoubtedly be a difficult financial environment in the year ahead.

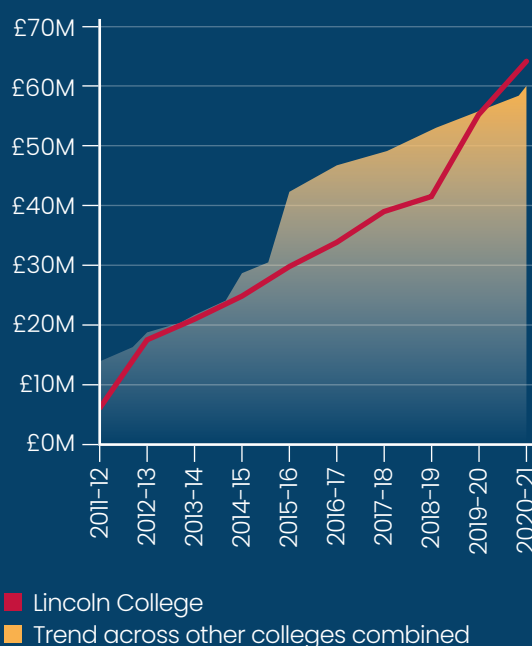
We are truly grateful to all of you for your support, and look forward to seeing you at one of our events over the next year.

Susan Harrison
Director of Development



CUMULATIVE NEW FUNDS RAISED BY OXFORD COLLEGES

Comparison with other colleges over 10 years



PARTICIPATION SINCE THE START OF THE ROAD TO 2027 CAMPAIGN

Goal: 50%
To date: 39%





BURSAR'S REPORT

In the May sunshine, the College's students, Fellows, and staff are delighted to be back to normal, largely now free from the spectre of Covid that has dominated the last two academic years. We have just had the first College Ball since 2018, which was a great success. All are delighted to be able to teach, dine, and socialise without interruption or special measures.

The College emerged from the pandemic financially healthy. Through a combination of a temporarily increased draw from the endowment, support from the government through the furlough scheme, variable cost reductions, and reductions in capital expenditure, the College was able to achieve a small surplus over the course of the two years of the pandemic, as illustrated by chart 3.

In a difficult pandemic year, alumni and friends of the College remained exceptionally generous with donations for student support, Fellowships, and for the renovation of the Mitre. Donors contributed £6 million of the £16 million cost of the Mitre renovation. Overall, donations more than doubled compared with the previous year, as indicated on chart 1.

However, while this is a normal academic year, we have experienced a difficult financial year since August 2021. Earlier in the year, economies were suffering from the pandemic-related supply shocks and increased costs of energy and commodities. For the first time in more than 15 years we are having to weather the adverse impact of inflation. Interest rates are now rising and of course there is the disruption arising from the war in Ukraine.

In our operations we are exposed to inflation because our UK undergraduate tuition fees are frozen and do not increase with inflation. Our residential income, however, does increase with inflation. In this context, it is a concern that students will be receiving less support from the government with an effective cut in government maintenance loans next year when adjusted for inflation. Supporting students in this very difficult financial environment is our priority. We are fortunate to be able to offer generous alumni-supported bursaries to many of our students, hardship awards for those whose circumstances change suddenly, and in addition have a range of vacation residence grants, travel grants, and book grants to ease living expenses. However, in this inflationary environment we will be looking to augment all of these areas.

Our investment portfolio is well-positioned to address the investment challenges. We have 40% of our long-term investments in core property, an asset class that has been historically resilient in times of inflation. In our securities portfolio, representing 60% of our endowment, the impact of interest rate increases is modified by our inflation-linked government bonds, our hedge funds, and our very short duration¹ of just one year.

CHART 1:
INCOME (£M)

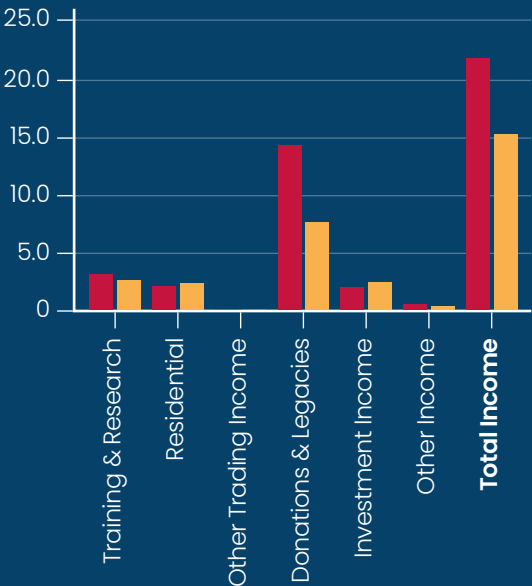
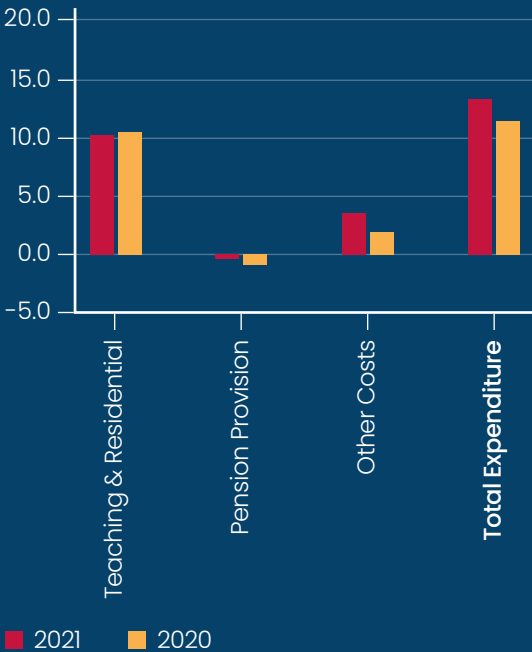


CHART 2:
EXPENDITURE AND SURPLUS (£M)



■ 2021 ■ 2020



At the same time, we recognise that to achieve our target return on investment of 4% above CPI inflation² we need to have equity risk. Currently our long-term securities portfolio has a 75% equity-risk equivalent³.

After a 19% return last year, our securities endowment portfolio increased just 0.6% in value between the start of our academic year, 1 August 2021 and 31 March 2022. Investment markets continue to be difficult. With CPI inflation above 7%, our target of 4% above inflation is very challenging this year. Fortunately, in the last five years we have had an average return of 11.2% per annum, 8.7% above inflation, so we have built up some reserves above our target in the good years of the last decade.

Our current portfolio is as set out in chart 4.

OUTLOOK

Increased operating deficits arising from inflation combined with low investment returns result in a challenging financial outlook. However, we are back to normal teaching and residential provision, and our conference business will resume this summer. The College is performing well academically. It has a strong endowment to support it, with generous alumni and friends increasing that support. We expect the College to weather this adverse economic environment and to continue the academic excellence it has pursued over the last 600 years.

CHART 3:
NET IMPACT OF PANDEMIC 2019-21 (£000s)

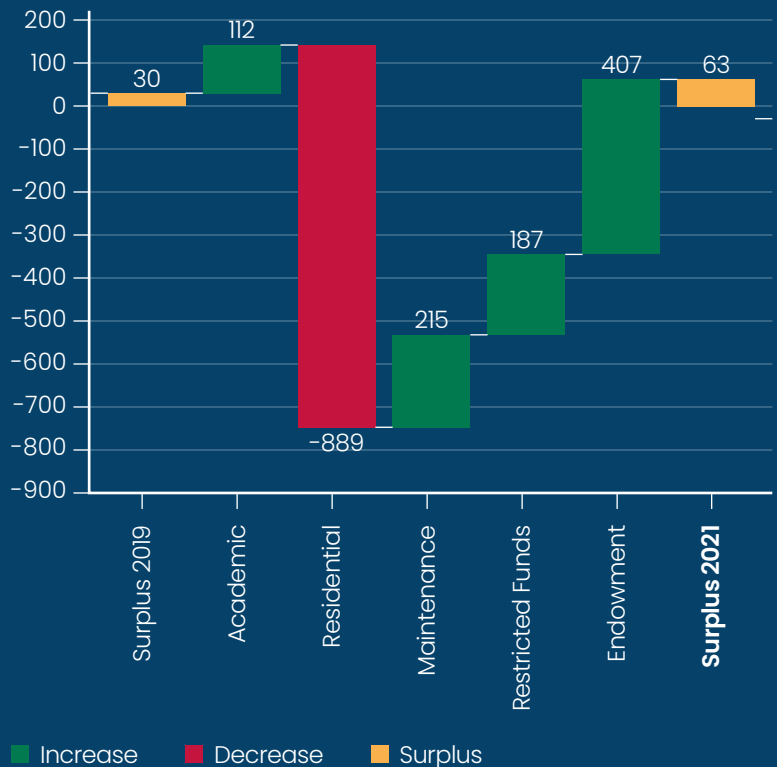
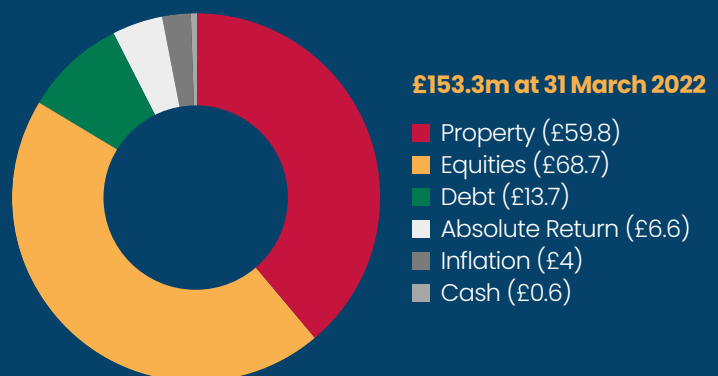


CHART 4:
INVESTMENT PORTFOLIO



1. Duration is a measure of change in value for a given change in interest rates. In very broad terms a five-year duration would mean a 5% decline in value for every 1% increase in interest rates.
2. CPI is Consumer Price Index, a common measure of inflation.
3. We expect our portfolio to rise or fall by 75% of a rise or fall in the equity markets globally.



REACH OXFORD: A LINCOLN STORY

The University and colleges have a huge number of scholarships and bursaries available, all intended to increase access to an Oxford education for those facing financial difficulties. One such scheme is the Reach Oxford Scholarship (formerly known as the JCR/Oxford Student Scholarship) which is intended to help students from low-income countries who, for political or financial reasons, or because suitable educational facilities do not exist, cannot study for a degree in their own countries. One of the main features of the scholarship is that it is fully-funded, with the University waiving the tuition fees and the college covering the student's living expenses. At Lincoln we are pleased to have the support of the JCR for this initiative, and each year members of the JCR make a donation to a fund (this year it was £9 each) to help support the Reach Scholar.

So far Lincoln has welcomed three undergraduate scholars through the Reach Oxford initiative. I caught up with Zain Iqbal (2008), the first recipient of the new-style Reach Oxford Scholarships at Lincoln, to find out what the programme means to him.

'Growing up in Pakistan, coming to Oxford was always a dream,' Zain tells me. 'I was always inspired by the endless list of Oxford alumni, from political figures like Indira Gandhi, Benazir Bhutto, and Imran Khan, to scientists like Stephen Hawking. I grew up reading these incredible stories, in awe that some of these people even came from my own region. I felt that it was not an impossibility for me to become part of the Oxford community, and I always believed that everyone has the right to dream and aspire for the best.' As he headed towards his final year of high school, Zain decided to pursue his Oxford dream and made an application to study Engineering Science

at undergraduate level. 'I can still remember how most of my friends and family branded me a hopeless dreamer once they heard about my application. They thought it was never going to happen as it is only meant to be for the elites of the country,' he says with a laugh. Zain applied to Oxford, as well as five other UK universities, but unfortunately his Oxford application was unsuccessful. 'Despite the setback, I continued setting challenges and targets for myself during the final year at high school, all this time still visualising myself on Oxford grounds. I won the award for best student in the whole country at A-level, out of more than a hundred thousand students.' Deciding to try again the following year, Zain took a different approach with his second application. Ahead of time, he contacted several people in admissions at Oxford to seek advice, and thoroughly researched the financial support and scholarships available from the University and colleges. As an overseas student from a humble background facing high tuition fees, it was crucial for Zain to secure funding. It was then that he came across the Reach Oxford Scholarship: a fully-funded scholarship that covered both tuition fees and living expenses. 'I applied again for Engineering Science and this time I was accepted,' Zain recalls. 'I then had to apply for the Reach Scholarship by March. At the time they only awarded the scholarship to three people across the University. I felt incredibly lucky to be selected and was so grateful to Lincoln for participating in the scheme.'

A few months later, Zain left Pakistan for the first time, something he describes as a 'huge culture shock'. Despite this, Zain was excited to get to Lincoln and quickly settled into College life, no doubt helped by the warm welcome he received from the JCR. 'I had the most amazing time at Lincoln. I was strong at engineering so I initially tried



making some friends by offering help to other engineers. Dr Frank Payne told me that I am one of the best students he has ever taught during his 30-year teaching career! I was also part of Lincoln's first XI cricket team which helped me gain popularity, and I made some great friendships that really changed my life.' In his second year, Zain ran for JCR Secretary and, in his election speech, he focused on how much the JCR had done for him by supporting the Reach Oxford Scholarship. He adds, 'by running for JCR Secretary, I saw an opportunity to serve and give back to the Lincoln undergraduate community that had done so much for me.'

Zain completed his Engineering Science degree and was awarded first class honours, placing fifth in his year across the whole university. He credits his tutors, Professor David Hills and Dr Frank Payne, as well as Senior Tutor Louise Durning, for their role in his success. After graduation, Zain went into finance and has been working for various renowned hedge funds in London for the past 10 years. Looking back over the 14 years since matriculation, Zain reflects: 'Lincoln and the Reach Scholarship were truly life-changing for me. I wouldn't be where I am today without the opportunities they provided. It has been such a special and rewarding journey. The best thing I have learnt from it is the great importance of perseverance and believing in one's own ability.'

Lincoln is proud of its ongoing relationship with the Reach Scholarship. It is evidence of the power of the whole community to work together here, and the potential of scholarships to change lives. We continue to seek funds for a wide range of scholarships and bursaries, and if you are interested in supporting a student in this way, please get in touch with Susan Harrison (susan.harrison@lincoln.ox.ac.uk).

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Zain Iqbal

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