



LMH

Lady Margaret Hall

Lady Margaret Hall

Annual Report and Financial Statements

Year ended 31 July 2011

LADY MARGARET HALL
Annual Report and Financial Statements
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Governing Body, Officers and Advisers

Year ended 31 July 2011

MEMBERS OF THE GOVERNING BODY

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

During the year, the activities of the Governing Body were carried out through ten main committees. The current membership of these committees is also shown below for each Fellow.

- (1) Finance Committee
- (2) Investment Committee
- (3) Academic Policy Committee
- (4) Development Committee
- (5) Remuneration Committee
- (6) Strategy Committee
- (7) Equality Committee
- (8) Garden Committee
- (9) Buildings Committee
- (10) Statutes Committee

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dr Frances Lannon, Principal		•	•	•	•		•	•	•	•	•
Dr Robert Adlington											
Professor David Andrews				•							
Professor Nigel Arden											
Dr Helen Barr											
Dr Jo Begbie											
Dr Alexandra Braun	(elected 1 Sept 2010)										
Professor Michael Broers											
Dr Dana Brown	(resigned 31 Aug 2010)										
Dr Garry Brown		•									
Dr Ann Childs											
Professor John Day											
Dr Xon de Ros				•							
Rev'd Dr Allan Doig				•			•		•		
Professor Sionaidh Douglas-Scott				•							•

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Governing Body, Officers and Advisers

Year ended 31 July 2011

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dr Nicholas Fawcett	(resigned 31 Aug 2011)	•									
Professor Antony Galione											
Dr Christine Gerrard										•	
Professor Vincent Gillespie										•	
Dr José Goicoechea				•							
Professor Bob Griffiths	(retired 30 Sept 2011)										
Dr Nicholas Hankins											
Professor Li He											
Dr Clive Holmes	(retired 30 Sept 2011)						•				
Dr Todd Huffman											
Professor Richard Jenkyns	(retired 30 Sept 2010)										
Dr Marie-Chantal Killeen											
Dr Jochen Koenigsmann											
Dr Christina Kuhn											
Professor David Macdonald											
Dr Mary MacRobert											
Dr Judith Mank											
Dr Gunther Martin	(resigned 30 Sept 2010)										
Dr Michael Monoyios			•								
Professor Anant Parekh											
Miss Gillian Peele					•						
Dr Penny Probert Smith		•		•	•		•	•		•	•
Professor Christopher Shields		•			•						
Mr Richard Sommers		•	•	•	•		•	•	•	•	•
Dr Fiona Spensley		•		•			•	•			
Professor Guy Stroumsa											
Professor Adrian Thomas		•							•		
Professor Alain Viala									•		
Mr Peter Watson		•			•				•		
Professor Susan Wollenberg											

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Governing Body, Officers and Advisers

Year ended 31 July 2011

Professor Christine Wong			•																
Dr Christina Goldschmidt	(elected 1 Sept 2011)																		
Dr Natalie Quinn	(elected 1 Sept 2011)																		
Dr Grant Tapsell	(elected 1 Oct 2011)																		

Investment Committee, Development Committee, Strategy Committee, Buildings Committee and Garden Committee have appropriately qualified external members. The Remuneration Committee consists of three individuals, only one of whom can be a Fellow who does not receive pecuniary emolument from the College, and at least two external members who receive no remuneration of any kind from the College.

COLLEGE SENIOR STAFF

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

A Dr Frances Lannon	<i>Principal</i>
B Dr Penny Probert Smith	<i>Vice-Principal</i>
C Mr Richard Sommers	<i>Treasurer</i>
D Dr Fiona Spensley	<i>Senior Tutor</i>
E Rev'd Dr Allan Doig	<i>Tutor for Graduates</i>
F Mr Bartholomew Ashton	<i>Domestic Bursar</i>
G Mr Peter Watson	<i>Development Director</i>

COLLEGE ADVISERS

Auditor

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford

OX1 1BE

Bankers

Barclays Bank plc
54 Cornmarket Street
Oxford
OX1 3HB

Solicitors

Mills & Reeve LLP
Francis House
112 Hills Road
Cambridge
CB2 1PH

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Governing Body, Officers and Advisers

Year ended 31 July 2011

Surveyors

Carter Jonas

Anchor House

269 Banbury Road

Summertown

Oxford

OX2 7LL

College address

Norham Gardens

Oxford

OX2 6QA

Website

www.lmh.ox.ac.uk

LADY MARGARET HALL
Report of the Governing Body
Year ended 31 July 2011

The Members of the Governing Body present their Annual Report for the year ended 31 July 2011 under the Charities Act 1993 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Principal and Fellows of the College of the Lady Margaret in the University of Oxford, which is known as Lady Margaret Hall, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded as Lady Margaret Hall Oxford in 1878 by a group led by the Reverend Edward Talbot. It was incorporated in 1913 under the Companies Acts and later, in response to a petition dated 17 March 1926 from Cyril Bailey and Lynda Grier, under a Royal Charter of His Majesty King George V.

The College registered with the Charities Commission on 6 July 2011 (registered number 1142759).

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 2-5.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter of 17 March 1926 and Supplemental Charters of 31 December 1953, 23 December 1960 and 1 June 1978 and Statutes last amended 14 February 2001.

Governing Body

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

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

Recruitment and training of Members of the Governing Body

New Members of the Governing Body, apart from the Principal, Treasurer, Development Director, Senior Tutor and Tutor for Graduates, are elected on the basis of the association of a College Fellowship with a post in the Collegiate University. They are inducted into the workings of the College, including Governing Body policy and procedures, by the Principal, Senior Tutor and Treasurer.

Members of the Governing Body attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Organisational management

The members of the Governing Body meet at least 7 and up to 9 times a year. The work of developing their policies and monitoring the implementation of these is carried out by ten main Committees:

Finance Committee – advises on the financial administration of the College.

Investment Committee – advises on all business relating to the College's endowment and investments (including those of trust funds).

Academic Policy Committee – advises on:

- a) academic policy, general teaching needs, admissions policy, and elections to professorial and supernumerary fellowships;
- b) the filling of tutorial and research fellowships.

Development Committee – is responsible for implementing, monitoring, and reviewing the College's fund-raising aims and alumni relations aims and advises on their revision. It provides guidance to the Development Office on priorities in achieving these aims, and keeps under review the resources necessary, including staff and finances, to achieve them.

Remuneration Committee - acts as an independent body to review and make recommendations to Governing Body on proposed changes to the level of remuneration and direct and indirect benefits for the Principal and Fellows of the College.

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Strategy Committee – advises on major strategic issues, especially those which do not fall within the remit of any one other main committee.

Equality Committee – advises on the development, implementation, monitoring, prioritisation and review of policies, procedures and practice to support the College's Equality Policy in relation to staff, students, visitors, and others closely associated with the College.

Garden Committee - advises on all matters concerning the College gardens.

Buildings Committee - advises on all matters concerning new buildings.

Statutes Committee - advises on all matters concerning the College Charter and Statutes.

The day-to-day running of the College is delegated to the Principal, supported by College senior staff. The Principal attends all meetings of the Governing Body's main committees, apart from Remuneration Committee.

Group structure and relationships

The College also administers many special trusts, as detailed in Notes 17 and 18 to the financial statements.

The College also has three wholly owned non-charitable subsidiaries: LMH Hospitality Services Limited, Lady Margaret Hall Properties Limited and Lady Margaret Hall Trading Limited. LMH Hospitality Services Limited is the vehicle for trading activities of the College, Lady Margaret Hall Trading Limited is the vehicle for managing new capital building projects, and Lady Margaret Hall Properties Limited was the vehicle for managing the letting of rooms in the College's properties but has been dormant since 1 August 2010. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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.

Risk management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

Various committees of Governing Body are specifically charged with monitoring policy developments in respect of teaching provision, academic standards, facilities and provisions, access, financial projections, the development programme, uses of the site, human resources, equality issues, health and safety and security. The extent of insurance cover was reviewed during the year with the assistance of the College's broker and appropriate levels of cover continue to be in place.

It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Object is: "To provide for men and women who are members of the University of Oxford the protection and training of an Academic House, conducted according to the principles of the Church of England, but with full provision for the liberty of those who are not members of that Church...."

This wording is felt to be outdated and an application has been submitted to the Privy Council Office, to amend the object clause, while retaining the same intended meaning, to:

"To advance education and research, in particular by providing for members of the University of Oxford a college conducted according to the principles of the Church of England, but with full provision for the liberty of those who are not members of that Church."

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

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

The College's future plans as agreed by the Governing Body are set out in the LMH 2010-2015 Vision and Strategy document. This sets out key goals for the 5 year period. The College's overarching aim is to provide a collegiate educational experience that is the best of its kind in the world.

Activities of the College

The College's principal activity is the advancement of Education & Research.

The College provides, in conjunction with the University of Oxford, an education for some 400 undergraduate and 180 graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their communication and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities, individual or small-group tuition, as well as academic support through its tutorial and graduate advisory systems;
- IT and other administrative support and welfare services, including the availability of the Chaplain to assist every member of the College of every religious belief and none; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- providing Research Fellowships to outstanding academics predominantly at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its Fellows, lecturers and students through promoting interaction within and across disciplines, by such means as providing seminar rooms and common rooms in which researchers can exchange ideas; and providing facilities and grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging the dissemination of research undertaken by members of the College to other academics and the general public through the publication of papers in academic journals and books, through presentation at conferences, through media appearances and press articles and other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College. On a discretionary basis, the College makes its library available to members of other Colleges and the University of Oxford more widely, external scholars and researchers.

Public benefit

The College remains committed to providing public benefit with the members of the College, both students and academic staff, who are directly engaged in education and/or research, being the primary beneficiaries.

Beneficiaries also include: students and academic staff from other Colleges in Oxford and the University of Oxford more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College and use its facilities. The general public are also able to attend various educational activities in the College such as exhibitions in

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Year ended 31 July 2011

the library, and benefit from the general research output from members of College eg in Medicine, Science, Public Policy, Arts and Culture.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 27 years old;
- to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the college, the College operates an extensive outreach programme as part of University-wide initiatives to widen access;
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

Students fees, grants and outreach

The College charges the following fees:

- a) College fees to undergraduates entitled to Student Support at externally regulated rates and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to Overseas undergraduates and any Home/EU undergraduates not studying for their first degree; and
- b) Accommodation and meal charges at reasonable rates.

In order to assist undergraduates entitled to Student Support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. For the academic year 2010-11, the number of awards made was 99, out of a Home/EU undergraduate population of 330, with a total value of £246,000. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships of £45,000 in the academic year 2010-11. There are further funds to supplement fees and living costs, that is, 'top-up' funding to fill shortfalls in students' financial packages.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship and provides access to hardship schemes operated by the University.

The College's outreach programme includes an extensive programme of visits by schools to the College, open days and summer schools, admissions symposia for teachers, as well as visits to schools and guidance and information on the College website for prospective applicants. In agreement with the other Oxford colleges as an outreach initiative, the College has particular links with prospective applicants from the London Borough of Haringey and Gloucestershire, Herefordshire, Ceredigion, Monmouthshire and Powys.

ACHIEVEMENTS AND PERFORMANCE

The College's achievements in 2010-2011 towards its key goals were:

Key Goals 2010-2015	Achievements 2010-2011
Excellence in undergraduate and postgraduate education	<ul style="list-style-type: none"> • In top half of Colleges for undergraduates achieving Firsts and Upper Seconds combined in Finals in 2011, but not in top half of Norrington table. • 18 University Prizes awarded to LMH undergraduate and graduate students for excellence in University examinations in 2011. • Initiated a subject review of teaching provision and undergraduate recruitment and performance. • Sustained high-level academic appointments and monitored tutorial feedback from undergraduate students. • Monitored percentage of first-choice postgraduate applicants. • Established the Beaufort series of lectures and seminars to foster intellectual exchange between all sectors of the College.
Supporting innovative research throughout the LMH academic community	<ul style="list-style-type: none"> • Appointed non-stipendiary Research Fellows across wide subject range. • Agreed to host International Gender Studies as a research centre at, and in association with, LMH. • Subject clusters within the graduate community and tutors, professors, and research fellows have been encouraged.
Completing the LMH site masterplan	<ul style="list-style-type: none"> • Set milestones for design, construction, fundraising and logistics of Phase 2 of the building work, comprising a dedicated Graduate Centre, and new front entrance. • Reached and surpassed milestone of £3.25m to authorise detailed design work for Phase 2 of new buildings. • Developed a 'three-pillar' fundraising strategy to include Phase 2 of the new buildings.

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<p>Developing all human resources, facilities and services</p>	<ul style="list-style-type: none"> • With Investors in People certification achieved, commenced working towards higher level certification. • Fostered an excellent working and living environment for the College community through setting objectives across all departments. • Completed refurbishment of 8 Fyfield Road, and decorated Eleanor Lodge 1st and 2nd floor bedrooms, and Deneke 2nd floor rooms, kitchens and bathrooms as part of the programme to redecorate or refurbish all residential areas within 10 years. • Identified and implemented priorities for the Environmental Statement to reduce the College's impact on the environment.
<p>Developing all financial resources</p>	<ul style="list-style-type: none"> • Exceeded income & expenditure budget for the year. • Achieved target of £1.1m gross income for conference and events business. • Achieved over £2m in philanthropic giving: <ul style="list-style-type: none"> ○ Fundraising strategy launched under the University Teaching Fund initiative for fellowship joint appointments in Economics and in French. £119k raised in gifts and pledges for Economics. ○ Raised £281k cash via the new Annual Fund for unrestricted purposes. ○ Total raised via Annual Fund, including gifts for student support and year group appeals was £464k. • Legacy campaign yielded 54 new pledges. (Total at 31 July: 215 pledges)
<p>Supporting equality, diversity and fairness</p>	<ul style="list-style-type: none"> • Spent £246k on Oxford Opportunity Bursaries. • Spent £119k on other financial support for students. • Initiated outreach and access strategy. • Developed a scheme for student use of Simpkins Lee Theatre: first two productions booked for Michaelmas term 2011. • Two Wellness weeks run by students (with support) held during the year.
<p>Inspiring the LMH community worldwide</p>	<ul style="list-style-type: none"> • New members have joined the LMHA Committee for 2010-11, headed by a new President, to support and help implement new Alumni relations strategy. • Alumni web pages upgraded. • Alumni reunions in Los Angeles, San Francisco, New York, and Paris as well as in UK.
<p>Careful and responsive governance</p>	<ul style="list-style-type: none"> • Achieved Charity Commission registration in July 2011. • Agreed changes to LMH Charter and Statutes to clarify charitable objects of the College. (awaiting Privy Council approval).

FINANCIAL REVIEW

The College has had a good year financially. It has seen its total funds grow 9% to £39.8m.

Reserves policy

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

Investment policy, objectives and performance

The College’s Statement of Investment Principles was updated during the year.

The College’s investments as a whole are held to generate income and capital gains to support expenditure for specific and general purposes.

Investments are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College Statutes allow the College to invest endowment funds, restricted funds, and designated capital funds within unrestricted funds, to maximise the related total return and to make available for expenditure each year an appropriate proportion of the total return.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College’s long term investments totalled £25.8m. The total investment return was 14.1% in the year to 30 June 2011 which compared to the relevant benchmark return of 14.9% and exceeded the target total return of 9.2%.

Under the total return accounting basis, it is the Governing Body’s policy to extract as income up to 4% of the value of the relevant investments. However a formula is applied to smooth and moderate the amounts withdrawn.

The equivalent of 3.5% of the opening value of the investments was extracted as income on the total return basis in the year. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College’s activities.

FUTURE PLANS

Specific objectives have been agreed for the academic year 2011-12 across the College in order to move towards achievement of the key goals for 2010-2015:

Key Goals 2010-2015	Objectives 2011-2012
Excellence in undergraduate and postgraduate education	<ul style="list-style-type: none"> • Target set at 95% of students to achieve 2.1 or higher, and to be in the top half of the Norrington table. • Complete subject review of teaching provision and undergraduate recruitment and performance. • Recruit excellent academics to Classics, English and Economics Fellowships. • Continue to maintain a high quality visiting students programme of 25 full-time equivalents. • Increase the number of postgraduate scholarships.

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Report of the Governing Body
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Supporting innovative research throughout the LMH academic community	<ul style="list-style-type: none"> • Develop both a funded and a non-stipendiary Visiting Fellowship programme. • Establish a new Junior Research Fellowship in Forced Migration Studies. • Integrate International Gender Studies Centre into the College community. • Develop themed seminars to further encourage subject clusters. • Hold an LMH Research Fair.
Completing the LMH site masterplan	<ul style="list-style-type: none"> • Progress the design of Phase 2 building work. • Raise £750k in new gifts and pledges to enable LMH to reach the next milestone (Tender Stage) of Phase 2.
Developing all human resources, facilities and services	<ul style="list-style-type: none"> • Improve facilities and resources available in our teaching rooms. • Improve information about facilities and services for all users. • Review support staff's accessibility to students, e.g. core working hours, lunchtime availability. • Improve gym facilities and their use in consultation with all users. • Introduce new marketing and promotional initiatives to continue growth in Hospitality Services for 2012 (Olympic year) and 2013. • Redecorate Old Old Hall, Eleanor Lodge ground floor, and 5 Fyfield Road. • Update five-year maintenance plan. • Produce strategy for energy use/production to reach beyond 2020.
Developing all financial resources	<ul style="list-style-type: none"> • Deliver 2011-12 budget or better. • Keep long-term financial viability of the College under review. • Achieve target of £1.25m for conference and events business. • Raise £1.25m in gifts and pledges for the University Teaching Fund initiative for the joint appointments in Economics and in French. • Under the Annual Fund, raise £280k in unrestricted income.
Supporting equality, diversity and fairness	<ul style="list-style-type: none"> • Develop strategy for undergraduate Access and Recruitment. • Recruit an Outreach Officer; develop outreach working group. • Under the Annual Fund, raise £100k for student support. • Advertise financial support for students. • Support and integrate non-UK students. • Develop Wellness weeks and round-year guidance.

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Inspiring the LMH community worldwide	<ul style="list-style-type: none">• Develop a new alumni relations strategy, seeking to attract and include greater numbers of alumni.• Organise a one-day conference for LMH alumni working in secondary education.• Launch new range of merchandise.• Keep in regular touch with alumni worldwide.
Careful and responsive governance	<ul style="list-style-type: none">• Communicate changes to LMH Charter and Statutes, emphasising charitable objects throughout the College.
Providing a collegiate educational experience that is the best of its kind in the world	<ul style="list-style-type: none">• Develop and promote within LMH and beyond the core values that define and inspire the College.

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Report of the Governing Body
Year ended 31 July 2011

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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 30 November 2011 and signed on its behalf by:

Dr Frances Lannon
Principal

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Report of the Auditor to the Members of the Governing Body of Lady Margaret Hall

We have audited the financial statements of Lady Margaret Hall for the year ended 31 July 2011 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 the related notes numbered 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to 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 and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2011 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

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 1993 requires us to report to you if, in our opinion:

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; 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.

Critchleys LLP
Statutory Auditor
Oxford
Date:

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

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Statement of Accounting Policies
Year ended 31 July 2011

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 Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiaries LMH Hospitality Services Limited, Lady Margaret Hall Trading Limited and Lady Margaret Hall Properties Limited. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiaries as included in the consolidated income, expenditure and results of the College are disclosed in note 12.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises, including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

4. Incoming resources from donations and legacies

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is 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 otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories 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.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

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

7. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings, together with expenditure on equipment, costing more than £5,000 is capitalised and carried in the balance sheet at historical cost.

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

LADY MARGARET HALL
Statement of Accounting Policies
Year ended 31 July 2011

8. Depreciation

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

Freehold properties, including major extensions	40 years
Building improvements	10 - 40 years
Equipment	3 - 10 years

Freehold land is not depreciated. The costs of maintenance are charged in the Statement of Financial Activities in the period in which it is incurred.

9. Investments

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

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

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

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 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 capital supplement to the preserved ('frozen') value of the permanent endowment.

The Governing Body has decided that it is in the best interests of the College to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital.

For the carrying value of the preserved (frozen) permanent capital, the Governors have taken its open market value as at 31 July 2003, together with the original gift value of all subsequent endowments received.

13. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. 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 earmarked funds for specific purposes. 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 that the capital be maintained and the income used for specific purposes.

LADY MARGARET HALL
Statement of Accounting Policies
Year ended 31 July 2011

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

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

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 in accordance with the requirements of FRS 17. The College's contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable.

Lady Margaret Hall
Consolidated Statement of Financial Activities
For the year ended 31 July 2011

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
INCOMING RESOURCES						
Resources from charitable activities						
Teaching and research	1	5,379	0	0	5,379	5,252
Resources from generated funds						
Legacies and donations		433	1,411	210	2,054	1,011
Trading income	2	760	0	0	760	535
Investment income	3	41	0	209	250	306
Bank and other interest	4	11	0	0	11	9
		<u>1,245</u>	<u>1,411</u>	<u>419</u>	<u>3,075</u>	<u>1,861</u>
Other incoming resources		77	0	0	77	94
Total Incoming Resources		<u>6,701</u>	<u>1,411</u>	<u>419</u>	<u>8,531</u>	<u>7,207</u>
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising	5	307	0	0	307	293
Trading expenditure		589	0	0	589	515
Investment management costs		12	0	64	76	105
		<u>908</u>	<u>0</u>	<u>64</u>	<u>972</u>	<u>913</u>
Charitable activities	5	5,691	539	0	6,230	6,186
Teaching and research						
Governance costs	8	38	0	0	38	28
Total Resources Expended		<u>6,637</u>	<u>539</u>	<u>64</u>	<u>7,240</u>	<u>7,127</u>
Net incoming/(outgoing) resources before transfers		64	872	355	1,291	80
Transfers between funds						
Total return transfer	17	288	388	(676)	0	0
Other transfers	17	100	(52)	(48)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>452</u>	<u>1,208</u>	<u>(369)</u>	<u>1,291</u>	<u>80</u>
Investment gains/(losses)		311	0	1,585	1,896	3,392
Net movement in funds for the year		<u>763</u>	<u>1,208</u>	<u>1,216</u>	<u>3,187</u>	<u>3,472</u>
Fund balances brought forward	17	16,228	569	19,803	36,600	33,128
Funds carried forward at 31 July	17	<u>16,991</u>	<u>1,777</u>	<u>21,019</u>	<u>39,787</u>	<u>36,600</u>

Lady Margaret Hall
Consolidated and College Balance Sheets
As at 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
FIXED ASSETS					
Tangible assets	10	17,791	18,068	17,791	18,068
Securities and other investments	11	25,790	24,337	25,794	24,341
		43,581	42,405	43,585	42,409
CURRENT ASSETS					
Stocks		124	115	124	115
Debtors	14	737	619	668	656
Deposits and other short term investments		249	813	249	813
Cash at bank and in hand		2,808	535	2,805	531
		3,918	2,082	3,846	2,115
CREDITORS: falling due within one year	15	1,327	2,172	1,259	2,209
NET CURRENT ASSETS/(LIABILITIES)		2,591	(90)	2,587	(94)
TOTAL ASSETS LESS CURRENT LIABILITIES		46,172	42,315	46,172	42,315
CREDITORS: falling due after more than one year	16	6,385	5,715	6,385	5,715
Provisions for liabilities and charges		0	0	0	0
NET ASSETS		39,787	36,600	39,787	36,600
FUNDS OF THE COLLEGE					
	17				
Endowment funds		21,019	19,803	21,019	19,803
Restricted funds		1,777	569	1,777	569
Unrestricted funds					
Designated funds		15,574	16,179	15,574	16,179
General funds		1,417	49	1,417	49
		39,787	36,600	39,787	36,600

The financial statements were approved and authorised for issue by the Governing Body of Lady Margaret Hall on 30 November 2011

Trustee:

Trustee:

Lady Margaret Hall
Consolidated Cash Flow Statement
For the year ended 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000
Net cash inflow/(outflow) from operations	23	<u>541</u>	<u>774</u>
Returns on investments and servicing of finance			
Income from investments		261	315
Finance costs paid		(67)	(55)
		<u>194</u>	<u>260</u>
Capital expenditure and financial investment			
New endowment capital received		210	177
Payments for tangible fixed assets		(496)	(4,284)
Proceeds from sales of tangible fixed assets		174	317
Payments for investments		(621)	(1,402)
Proceeds from sales of investments		1,066	1,874
		<u>333</u>	<u>(3,318)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		<u>564</u>	<u>828</u>
Financing			
New bank loans		1,000	1,789
Bank loans repaid		(359)	(122)
		<u>641</u>	<u>1,667</u>
Increase/(decrease) in cash in the year		<u>2,273</u>	<u>211</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		2,273	211
Transfers to/(from) term deposits and current investments		(564)	(828)
(Increase)/decrease in loan and lease finance		(641)	(1,667)
Change in net funds		<u>1,068</u>	<u>(2,284)</u>
Net funds at 1 August		<u>(4,636)</u>	<u>(2,352)</u>
Net funds at 31 July	24	<u>(3,568)</u>	<u>(4,636)</u>

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Teaching and research					
Tuition fees - UK and EU students	1,555	0	0	1,555	1,636
Tuition fees - Overseas students	515	0	0	515	462
Other fees	285	0	0	285	272
Other HEFCE support	91	0	0	91	72
Other academic income	455	0	0	455	534
College residential income	2,478	0	0	2,478	2,276
	5,379	0	0	5,379	5,252

The above analysis includes £1,640k received from the University of Oxford under the CFF Scheme, net of College fees received directly (2010 - £1,714k).

2 TRADING INCOME

	2011 £'000	2010 £'000
Subsidiary company trading income	760	535

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Equity dividends	9	0	44	53	203
Income from fixed interest stocks	7	0	41	48	0
Interest on fixed term deposits and cash	2	0	8	10	3
Other investment income	23	0	116	139	100
	41	0	209	250	306

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	9	0	0	9	5
Other interest	2	0	0	2	4
	11	0	0	11	9

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Fundraising	170	137	0	307	293
Trading expenditure	287	140	162	589	515
Investment management costs	0	76	0	76	105
Total costs of generating funds	457	353	162	972	913
Charitable expenditure					
Teaching and research	3,099	1,905	1,226	6,230	6,186
Total charitable expenditure	3,099	1,905	1,226	6,230	6,186
Governance costs	0	38	0	38	28
Total resources expended	3,556	2,296	1,388	7,240	7,127

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. Contribution is calculated annually in accordance with regulations made by the Council. The teaching and research costs include College Contribution payable of £nil (2010 - £nil).

Charitable expenditure include non-governance auditors' remuneration for other services amounting to £9k (2010: £nil).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2011 Total £'000	2010 Total £'000
Financial and domestic admin	79	401	480	503
Human resources	0	30	30	25
IT	0	163	163	139
Depreciation	83	565	648	477
Loss/(profit) on fixed assets	0	0	0	0
Bank interest payable	0	66	66	54
Other finance charges	0	1	1	1
	162	1,226	1,388	1,199

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs are attributed according to the estimated use made of the underlying assets.

IT costs are attributed according to estimated usage of the IT resource.

Interest and other finance charges are attributed according to the purpose of the related financing.

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	0	74	74	77
Bursaries and hardship awards	246	48	294	329
	<u>246</u>	<u>122</u>	<u>368</u>	<u>406</u>

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

8 GOVERNANCE COSTS

	2011 £'000	2010 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	18	18
Auditor's remuneration - other services	14	0
Legal and other fees on constitutional matters	6	10
	<u>38</u>	<u>28</u>

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.

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

9 STAFF COSTS

	2011	2010
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,352	3,364
Social security costs	243	229
Pension costs	435	394
	<u>4,030</u>	<u>3,987</u>

	2011	2010
The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	16	16
College residential	51	52
Fundraising	3	3
Support	9	9
Total	<u>79</u>	<u>80</u>

The average number of employed College Trustees during the year was as follows.

University Lecturers	17	18
CUF Lecturers	11	12
Other teaching and research	2	3
Other	5	5
Total	<u>35</u>	<u>38</u>

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

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.

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

10 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost				
At start of year	20,128	260	678	21,066
Additions	425	38	33	496
Disposals	(150)	0	0	(150)
At end of year	20,403	298	711	21,412
Depreciation				
At start of year	2,529	169	300	2,998
Charge for the year	508	28	112	648
On disposals	(25)	0	0	(25)
At end of year	3,012	197	412	3,621
Net book value				
At end of year	17,391	101	299	17,791
At start of year	17,599	91	378	18,068

The College has substantial long-held historical 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 works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, comprising 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.

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

11 SECURITIES AND OTHER INVESTMENTS

	2011 £'000	2010 £'000
Group investments		
Valuation at start of year	24,337	21,417
New money invested	279	251
Amounts withdrawn	(896)	(924)
Reinvested income	250	306
Investment management fees	(76)	(105)
(Decrease)/increase in value of investments	1,896	3,392
Group investments at end of year	25,790	24,337
Investment in subsidiaries	4	4
College investments at end of year	25,794	24,341

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2011 Total £'000	2010 Total £'000
Equity investments	0	14,598	14,598	13,536
Global multi-asset funds	1,032	0	1,032	990
Property funds	0	1,496	1,496	1,529
Fixed interest stocks	1,332	0	1,332	1,236
Alternative and other investments	2,473	2,670	5,143	4,243
Fixed term deposits and cash	0	2,189	2,189	2,803
Total group investments	4,837	20,953	25,790	24,337

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

12 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in LMH Hospitality Services Limited, a company providing conference and accommodation services, 100% of the issued share capital in Lady Margaret Hall Trading Limited, a company providing design and build construction services to the College and 100% of the issued share capital of Lady Margaret Hall Properties Limited, a company which acted as a property agent to the College up until 31 July 2010.

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

	LMH Hospitality Services Ltd £'000	Lady Margaret Hall Trading Ltd £'000	Lady Margaret Hall Properties Ltd £'000
Turnover	2,492	138	0
Expenditure	(2,360)	(133)	0
Donation to College under gift aid	(132)	(5)	0
Result for the year	0	0	0
Total assets	153	128	1
Total liabilities	(149)	(128)	(1)
Net funds at the end of year	4	0	0

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

13 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 August 2005.

The investment return to be applied as income is calculated according to the sustainable spending rule, as follows:

(a) Income on funds held for general purposes

This currently permits the transfer in each year of up to: (70% of the previous financial year's endowment income + 3%) + (30% of 4% of the value of the endowments as at close of business on 31 July in the previous year).

(b) Income on funds held for specific purposes

This currently permits the transfer in each year of up to: (70% of the previous financial year's endowment income + 3%) + (30% of 4% of the value of the endowments as at close of business on 31 July in the previous year), only to the extent expended for that purpose in the period.

The preserved (frozen) value of the invested endowment capital represents its open market value in July 2003 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	106	102	208
Capital gains/losses	810	776	1,586
Investment management costs	(32)	(31)	(63)
Total return for the year	<u>884</u>	<u>847</u>	<u>1,731</u>
Amount applied as income for spending	<u>(340)</u>	<u>(336)</u>	<u>(676)</u>
Net increase in Unapplied Total Return in the year	544		
Unapplied Total Return at start of year	1,249		
Unapplied Total Return at end of year	<u>1,793</u>		
Preserved value of original permanent endowments	<u>8,933</u>		

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

14 DEBTORS

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	423	339	289	196
Amounts owed by College members	75	67	75	21
Amounts owed by Group undertakings	0	0	80	288
Prepayments and accrued income	226	187	211	141
Other debtors	13	26	13	10
	<u>737</u>	<u>619</u>	<u>668</u>	<u>656</u>

15 CREDITORS: falling due within one year

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	300	359	300	359
Trade creditors	230	386	230	196
Amounts owed to Group undertakings	0	0	128	905
Taxation and social security	157	108	141	128
Accruals and deferred income	610	1,289	430	591
Other creditors (including other loans)	30	30	30	30
	<u>1,327</u>	<u>2,172</u>	<u>1,259</u>	<u>2,209</u>

16 CREDITORS: falling due after more than one year

	2011	2010	2011	2010
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	6,325	5,625	6,325	5,625
Other loans	60	90	60	90
	<u>6,385</u>	<u>5,715</u>	<u>6,385</u>	<u>5,715</u>

Details of the loans are as follows:

Bank loans

- (a) An unsecured new buildings bank loan which is repayable over 20 years from February 2010. The interest option agreed in February 2010 was 0.25% p.a. above bank base rate or bank fixed rate. Since the balance sheet date, £2m of the loan has been converted into a fixed rate interest of 3.7% p.a. for the remainder of the loan term.
- (b) A second unsecured loan of £1m was drawn down in June 2011. This is a bullet loan where the entire capital balance falls due in June 2016. Interest is currently charged at LIBOR + 1% and is payable quarterly.

Other loans

An unsecured loan of £300k was received from the College Contributions Committee in 2004 and is repayable over 10 years. It bears interest at one-third of the prevailing Bristol & West plc standard variable rate.

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

17 FUNDS OF THE COLLEGE - MOVEMENTS

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2011 £'000
Endowment Funds - Permanent						
General purpose funds	4,104	43	(13)	(154)	326	4,306
Tutorial and research fellowship funds	4,352	110	(14)	(144)	351	4,655
Student support funds	1,462	15	(5)	(35)	116	1,553
Other purpose funds	202	2	(1)	(7)	16	212
Endowment Funds - Expendable						
General purpose funds	3,583	37	(11)	(134)	285	3,760
Tutorial and research fellowship funds	2,789	31	(9)	(151)	219	2,879
Student support funds	2,962	175	(10)	(87)	244	3,284
Other purpose funds	349	6	(1)	(12)	28	370
Total Endowment Funds	19,803	419	(64)	(724)	1,585	21,019
Restricted Funds						
Buildings funds	287	1,280	0	(100)	0	1,467
Tutorial and research fellowship funds	72	9	(15)	0	0	66
Student support funds	41	23	(7)	0	0	57
Other restricted funds	169	99	(81)	0	0	187
Transfers from specific purpose endowments for spending:						
<i>Applied total return</i>	0	0	(388)	388	0	0
<i>Other transfers</i>	0	0	(48)	48	0	0
Total Restricted Funds	569	1,411	(539)	336	0	1,777
Unrestricted Funds						
General	49	6,542	(6,625)	1,451	0	1,417
Fixed asset designated fund	11,994	118	0	(947)	0	11,165
Designated capital funds	3,904	41	(12)	(146)	311	4,098
Other designated funds	281	0	0	30	0	311
Total Unrestricted Funds	16,228	6,701	(6,637)	388	311	16,991
Total Funds	36,600	8,531	(7,240)	0	1,896	39,787

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2011

18 FUNDS OF THE COLLEGE - DETAILS

The following is a summary of the origins and purposes of each of the fund categories:

Endowment Funds - Permanent:

<i>General purpose funds</i>	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity
<i>Tutorial and research fellowship funds, student support funds and other purpose funds</i>	Capital balance of past donations where related income, but not the original capital, can be used for named specific purposes

Endowment Funds - Expendable:

<i>General purpose funds</i>	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity
<i>Tutorial and research fellowship funds, student support funds and other purpose funds</i>	Capital balance of past donations where related income, or income and capital, can be used for named specific purposes

Restricted Funds:

<i>Buildings funds</i>	Gifts and donations that must be applied to specific fixed asset projects are included within these funds. The closing balance represents gifts and donations to be applied to future projects.
<i>Tutorial and research fellowship funds, student support funds and other restricted purpose funds</i>	Funds where both income and capital can be used for named restricted purposes

Designated Funds

<i>Fixed asset designated fund</i>	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
<i>Designated capital funds</i>	Unrestricted Funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities
<i>Other designated funds</i>	Unrestricted Funds allocated by the Trustees for other 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

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	17,791	0	0	17,791
Securities and other investments	4,531	240	21,019	25,790
Net current assets	1,054	1,537	0	2,591
Long term liabilities	(6,385)	0	0	(6,385)
	<u>16,991</u>	<u>1,777</u>	<u>21,019</u>	<u>39,787</u>

20 TRUSTEES' REMUNERATION

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

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. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

The College has a Remuneration Committee. The role of the Committee is to act as an independent body to review and make recommendations to Governing Body on proposed changes to the level of remuneration and direct and indirect benefits for the Principal and Fellows of the College. The Committee consists of three individuals, only one of whom can be a Professorial Fellow, Supernumerary Fellow or other Fellow who does not receive pecuniary emolument from the College and at least two external members of the College whom the College's Governing Body believes would be suitable members of the Committee and who receive no remuneration of any kind from the College.

Trustees of the college fall into the following categories:

- Principal
- Official Fellows
- Professorial Fellows
- Supernumerary Fellows
- Domus Fellows

There are four trustees (Principal, Treasurer, Development Director and Senior Tutor) who work full time on management and fundraising.

Some trustees are eligible for college housing schemes. Ten trustees lived in college accommodation in the year. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Five trustees live in houses owned jointly with the college (see note 27).

Some trustees receive additional allowances for additional work carried out as part time college officers (for example, Vice-Principal, Dean). These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,092,244 (2009-10 £1,111,794). The total of pension contributions is £170,523 (2009-10 £167,952).

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20 TRUSTEES' REMUNERATION (continued)

Range	2010-2011		2009-2010	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£7,000 - £7,999	1	7,984		
£8,000 - £8,999	1	8,956	2	17,511
£10,000 - £10,999	2	21,440	4	41,970
£11,000 - £11,999	1	11,896	1	11,185
£12,000 - £12,999	1	12,591		
£14,000 - £14,999			2	28,681
£15,000 - £15,999	1	15,001		
£16,000 - £16,999	1	16,075	2	32,836
£18,000 - £18,999	8	149,424	5	93,026
£19,000 - £19,999	1	19,486	3	57,668
£23,000 - £23,999			1	23,818
£24,000 - £24,999	1	24,981	1	24,793
£31,000 - £31,999	1	31,011		
£40,000 - £40,999			1	40,070
£42,000 - £42,999	1	42,431		
£43,000 - £43,999	1	43,594		
£44,000 - £44,999	2	88,629		
£45,000 - £45,999			1	45,720
£46,000 - £46,999			2	92,606
£47,000 - £47,999	1	47,882	2	95,530
£48,000 - £48,999	4	194,103	2	97,269
£49,000 - £49,999			1	49,553
£50,000 - £50,999				
£51,000 - £51,999			1	51,908
£52,000 - £52,999	1	52,676		
£58,000 - £58,999	1	58,417		
£59,000 - £59,999			1	59,880
£60,000 - £60,999	1	60,861	1	60,678
£61,000 - £61,999	1	61,185		
£63,000 - £63,999			1	63,460
£66,000 - £66,999	1	66,620	1	66,163
£68,000 - £68,999	1	68,619	1	68,148
£71,000 - £71,999			1	71,805
£72,000 - £72,999	1	72,299		
£85,000 - £85,999			1	85,468
£86,000 - £86,999	1	86,606		
	<u>36</u>	<u>1,262,767</u>	<u>38</u>	<u>1,279,746</u>

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

All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Trustee expenses

No fellow claimed any expenses for work as a trustee.

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21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds.

Both 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, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

In September 2005 the government introduced legislation that an employer may not withdraw from a multi-employer scheme without funding (to a specified level) its share of any pension liability in the scheme. The funding level specified is the amount required to buy-out the liabilities with an insurance company, and is commonly known as the 'buy-out debt' or 'section 75 debt'. The buy-out debt is a more onerous funding requirement than the scheme's own cautious assumptions and the sums involved can be very substantial.

The latest actuarial valuation of the USS was carried out at 31 March 2008 and published in February 2009. This valuation showed the scheme assets to represent 103% of the scheme liabilities at that date. Based on this valuation the actuary recommended an employer contribution rate of 16% with an employee contribution rate of 6.35%. The full valuation is available on the USS website, http://www.uss.co.uk/Actuarial%20Valuation/actuarial_valuation_2008.pdf. The next actuarial valuation of the USS is due to take place at 31 March 2011 and should be published early in 2012. In addition, a national review of the future of the USS is currently underway.

The latest actuarial valuation of the OSPS was carried out at 31 March 2010 and showed that this scheme had a deficit of approximately £82m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employer since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027.

In light of the actuarial deficit, and in order to ensure that the scheme remains sustainable in the long term, the University is working with the participating Colleges and the scheme's trustees to identify what changes need to be made to OSPS.

The pension charge for the year includes contributions payable to the USS of £233k (2010 - £215k) and contributions payable to the OSPS of £196k (2010 - £164k).

22 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.

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

	2011 £'000	2010 £'000
Net incoming resources for the year	1,291	80
Elimination of non-operating cash flows:		
- Investment income	(261)	(315)
- Endowment donations	(210)	(177)
- Financing costs	67	55
Depreciation	648	477
(Surplus)/loss on sale of fixed assets	(49)	(50)
Decrease/(Increase) in stock	(9)	(5)
Decrease/(Increase) in debtors	(120)	(115)
(Decrease)/Increase in creditors	(816)	824
(Decrease)/Increase in provisions	0	0
Net cash inflow/(outflow) from operations	541	774

24 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	535	2,273	2,808
Deposits and other short term investments	813	(564)	249
Bank loans due within one year	(359)	59	(300)
Bank loans due after one year	(5,625)	(700)	(6,325)
	<u>(4,636)</u>	<u>1,068</u>	<u>(3,568)</u>

25 FINANCIAL COMMITMENTS

At 31 July 2011 the College had no significant annual commitments under non-cancellable operating leases.

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26 CAPITAL COMMITMENTS

The College had no significant contracted commitments at 31 July 2011 for future capital projects (2010 - £123k).

27 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 FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, 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 College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

	2011	2010
	£'000	£'000
Prof C Shields	125	129
Dr N Hankins	131	135
Dr BT Huffman	136	136
Dr MF Spensley	159	164
Dr J Goicoechea	161	165
Prof M Broers	0	128

All joint equity properties are subject to sale on the departure of the trustee from the College.

28 CONTINGENT LIABILITIES

There are no contingent liabilities which require disclosure.

29 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.