

Lady Margaret Hall

Annual Report and Financial Statements

Year ended 31 July 2016

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

Year ended 31 July 2016

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 membership of these committees for the academic year 1 October 2015 to 30 September 2016 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)
Mr Alan Rusbridger, Principal		•	•	•	•		•	•	•	•	•
Dr Aziz Aboobaker											
Professor Anna Sapir Abulafia	(from 1 Apr 2015)										
Dr Robert Adlington											
Professor Nigel Arden											
Professor Helen Barr		•		•	•		•	•		•	•
Dr Jo Begbie				•							
Professor Brian Bell			•								
Dr Amin Benaissa				•							
Professor Philip Biggin		•									
Professor Sanja Bogojevic	(from 1 Sept 2016)										
Professor Alexandra Braun					•						
Professor Michael Broers											
Dr Dana Brown	(resigned 1 Mar 2016)										
Dr Ann Childs											

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Governing Body, Officers and Advisers
Year ended 31 July 2016

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Professor Paul Chleboun	(from 1 Sept 2016)										
Dr Xon de Ros											
Rev'd Dr Allan Doig				•				•		•	
Professor Antony Galione											
Professor Christine Gerrard		•							•	•	
Professor Vincent Gillespie											
Professor José Goicoechea											
Dr Christina Goldschmidt											
Dr Gianluca Gregori											
Professor Nicholas Hankins										•	
Professor Robin Harding											
Professor Li He											
Professor Todd Huffman					•						
Professor Kyle Jaros	(from 1 Sept 2016)										
Dr Marie-Chantal Killeen											
Dr Jochen Koenigsmann											
Professor Christina Kuhn											
Mr Andrew Macdonald	(from 18 Apr 2016)	•	•	•	•		•	•		•	•
Professor David Macdonald											
Dr Mary MacRobert											
Professor Michael Monoyios			•								
Professor Pawan Mudigonda											
Professor Jill O'Reilly	(from 1 Nov 2015)										
Professor Gascia Ouzounian	(from 19 Sept 2016)										
Professor Gillian Peele	(retired 30 Sept 2016)										
Mr Tim Pottle	(from 18 Apr 2016)	•			•						
Dr Elizabeth Price	(resigned 30 Sept 2016)										
Dr Sophie Ratcliffe											
Professor Hiram Samel									•		

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Governing Body, Officers and Advisers

Year ended 31 July 2016

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Professor Dominic Scott											
Mr Richard Sommers	(retired 31 Mar 2016)	•	•	•	•		•	•		•	•
Dr Fiona Spensley		•		•			•	•			
Professor Robert Stevens											•
Dr James Studd											
Dr Grant Tapsell					•						
Professor Adrian Thomas		•							•		
Professor Alain Viala	(retired 30 Sept 2015)								•		
Mr Peter Watson	(retired 11 Jan 2016)	•			•						
Dr Jan Westerhoff											
Professor Susan Wollenberg	(retired 30 Sept 2016)										

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 Mr Alan Rusbridger	<i>Principal</i>
B Prof Helen Barr	<i>Vice-Principal</i>
C Mr Richard Sommers (until 31 Mar 2016) Mr Andrew Macdonald (from 18 Apr 2016)	<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 (until 11 Jan 2016) Mr Tim Pottle (from 18 Apr 2016)	<i>Development Director</i>

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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

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

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Report of the Governing Body
Year ended 31 July 2016

The Members of the Governing Body present their Annual Report for the year ended 31 July 2016 under the Charities Act 2011 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, 1 June 1978 and 7 June 2012 and Statutes last amended 15 February 2012.

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.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body, who are primarily Fellows, are teaching and research employees of the College (and University, in some cases) and receive no remuneration or benefits from their trusteeship of the College. Those trustees who are also employees of the College receive remuneration for their work as employees of the College, which is set based on the advice of the College’s Remuneration Committee, members of which are Fellows not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University’s academic staff, and other criteria include: other colleges’ policies on remuneration; principles of equality and fairness; and trends in remuneration in other academic institutions in the UK and internationally and in the relevant levels of the UK public and private sector;

The remuneration of senior College staff is proposed by the College’s Salaries Committee, taking account as far as possible remuneration levels in other Oxford colleges, reviewed by the Remuneration Committee and then approved by Governing Body.

Organisational management

The members of the Governing Body meet at least 6 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:

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Finance Committee - is responsible for the financial administration of the College.

Investment Committee - considers all business relating to the College's 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 objectives and alumni relations objectives. It provides guidance to the Development Office on priorities in achieving these objectives, 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.

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

Equality Committee - is responsible for 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 18 and 19 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 the 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.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Object is: "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 has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's aims for the public benefit are the same as its overall aims:

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- to provide a collegiate educational experience that is the best of its kind in the world for students meeting its high academic requirements from any part of or social group in the UK and across the world, of any age, of any faith or none.
- to provide Research Fellowships to outstanding academics predominantly at the early stages of their careers.
- to support research work pursued by its Fellows, lecturers and students and to encourage visits from outstanding academics from abroad.
- to encourage the dissemination of research undertaken by members of the College to other academics and the general public.
- to maintain and make available to students and Fellows of the College its extensive Library (including important special collections). 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.

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 the library or Conversations with the Principal, and benefit from the general research output from members of the College including 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, in line with the University and other colleges in the University of Oxford.

The College uses a range of measures to monitor its success, including:

- Number at each level of undergraduate degree passes, aiming at least for 2.1.
- Number and level of graduate degree passes, both doctorates and taught courses.
- Proportion of undergraduates and graduates applying to LMH as their first choice college.
- Awards for academic staff.

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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 2015-16, the number of awards made was 97, out of a Home/EU undergraduate population of 352, with a total value of £287,000, of which £110,000 was provided by the College. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

The College also has various scholarships and prizes available to reward undergraduate academic excellence and provided £44,000 for this purpose in 2015-16.

To support the costs of graduate students, the College provides substantial financial assistance. This includes scholarships of £217,000 in the academic year 2015-16.

The College also makes awards for academic development and provided £12,000 in academic development grants, covering both graduates and undergraduates, in 2015-16.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship and provided £14,000 under this heading in 2015-16. The College also 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.

In 2016, the College set up a Foundation Year pilot project. This is a one year academic and personal preparation for up to 12 students from any part of the UK who may not otherwise have the opportunity to undertake degree course studies for socio-economic reasons. The aim is for these students to make an application for an undergraduate degree course at the University of Oxford during the Foundation Year, though progression to the degree course is not automatic. Students who have achieved well academically in a disadvantaged context and entirely within the state sector are the targets for the programme and students are selected on the basis of a range of financial, social and cultural indicators. The Foundation Year pilot will last for four years initially.

Activities and objectives of the College

The College's overarching objective is to provide a collegiate educational experience that is the best of its kind in the world. The objectives set for the College's subsidiaries are to help finance the achievement of the College's aims as above. The College's principal activity is the advancement of education and 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

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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 organising a research fair; allowing paid sabbatical leave for its tutors; and providing facilities and grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad by providing academic associations with the College; 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.

ACHIEVEMENTS AND PERFORMANCE

2015-16 was Alan Rusbridger's first year as Principal of LMH. The College also recruited a new Treasurer, Andrew Macdonald, to replace Richard Sommers, and a new Development Director, Tim Pottle, to replace Peter Watson. The new Treasurer and Development Director both joined the College on 18 April 2016.

LMH launched the Foundation Year Pilot during the year. This separately funded scheme is a one-year academic and personal preparation course for up to 12 students from any part of the UK who may not otherwise have the opportunity to undertake degree course studies for socio-economic reasons. The aim is for these students to make an application for an undergraduate degree course at The University of Oxford during the Foundation Year.

In 2015-16, the College continued with Phase II of its long-term buildings project and started the refurbishment of the kitchens. Both projects are scheduled to finish in 2016-17.

Against this background, the College's achievements in 2015-16 towards its key goals were:

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Key Goals	Achievements 2015-2016
Excellence in undergraduate and postgraduate education	<ul style="list-style-type: none"> • Undergraduate degree results: 36 firsts, 70 upper seconds, 8 lower seconds and a third, which equals the University average of 93% 2.1 or better. • Graduate degree results: 22 doctorates completed, and 10 Distinctions awarded to taught graduates. • Awards for academic staff: Four tutors were made full professors of the University in the recognition of distinction exercise: Helen Barr, Jose Goicoechea, Phil Biggin and Alexandra Braun. Dr Jill O'Reilly received an outstanding graduate supervisor award by OUSU. Prof Antony Gallione was elected a Fellow of the Royal Society. • Recruited just under the targets of 125 undergraduate students and 100 graduate students to maintain quality of intake. • The proportion of undergraduates choosing LMH as a first choice College was disappointingly still 40%. • Established Communications team including website editor. • Redefined role and recruited new outreach officer. • New communications with applicants through the use of videos and participation with 'The Student Room'. • MCR held sessions to support JCR students. • Academic standards review carried out by a group of Fellows. • Improved web pages for Visiting Students and recruited 25 for 2015/16. • Completed fund-raising for Frances Lannon Graduate Scholarship in History; £205k raised.
Supporting innovative research throughout the LMH academic community	<ul style="list-style-type: none"> • Recruited new Fellows and Tutors in Law and in Music, and a Fellow in Political Economy of China. • Appointed 11 new Visiting Fellows. • Reviewed administrative support for Fellows. • Held the annual LMH Research Fair. • Recruited a new librarian who is working to improve communications with Tutors. • Ran extensive external speakers programme, including 'conversations' between the Principal and new visiting fellows.

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<p>Completing the LMH site masterplan</p>	<ul style="list-style-type: none"> • Clore Graduate Centre and Donald Fothergill Buildings prepared to allow new graduate students to occupy ahead of academic year 2016-17. • Landscaping plans approved ready for completion of the new buildings in academic year 2016-17. • Opening ceremony planned for academic year 2016-17. • Reached £8m fund-raising target for Phase II.
<p>Developing all human resources, facilities and services</p>	<ul style="list-style-type: none"> • Significantly strengthened core ICT networks to provide better quality and more resilient wifi and LAN connectivity. • Planned and started on major overhaul of the main kitchens in Deneke. • Decorated over 100 student study bedrooms. • Developed a People Development Plan ahead of Investors in People re-accreditation in 2016-17. • Set out changes of use to various areas in the College ahead of completing the new graduate accommodation buildings. • Achieved Gold Award in the Oxford Green Impact competition.
<p>Developing all financial resources</p>	<ul style="list-style-type: none"> • Implemented marketing and business plans for conferences and events and the target of £1.6m income achieved. • Secured £3m additional funding from Barclays Bank for cash flow and kitchen refurbishment project purposes. • Commenced work on new overall fundraising priorities and strategy. • Raised £1.67m in new gifts and pledges for all projects. • Substantially achieved the £600k fund-raising target for the new Politics Fellowship to mark the retirement of Prof. Peele, completed in September 2016. • Raised £588k in cash from Annual Fund sources.

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Supporting equality, diversity and fairness	<ul style="list-style-type: none"> • Established the LMH Foundation Year, having raised funds to cover nearly all of the budgeted costs of the first two years of operation. • Held Equality Week with various events, including 'World at LMH'. • Design improvements made to common rooms and Bar for both JCR and MCR. • Continued to promote information for both welfare and grants funding, and reviewed priorities for awarding grants. • Initiated planning to mark 40 years of going mixed (1979-2019), and link to student recruitment, access, diversity, and integration. • Piloted an academic writing programme in English – provided both classes and individual study skills support. • Received £372k in gifts for student support.
Inspiring the LMH community worldwide	<ul style="list-style-type: none"> • Talks given by students at Advisory Council meetings, the Gaudy, and other alumni events. • Continued to develop an extended programme of alumni anniversary events. • Held subject reunions in Law and Politics. • Held alumni reunions in New York and Washington. • Continued leavers' fundraising initiatives via the JCR.

FINANCIAL REVIEW

The financial results for 2015-16 show a net movement in funds of £2.673m, increasing the Funds of the College to £59.315m.

Total Incoming Resources were £9.983m, including donations of £2.037m and investment income of £0.865m. Incoming resources excluding these two items came to £7.081m, an increase of 3.8% on the previous year. Academic income and residential income from members was up 2.1% year-on-year, while a strong performance from conferences saw trading income grow 14%.

The resources expended in achieving this income of £7.081m were £9.171m, being Total Resources Expended of £9.317m, less investment management expenses of £0.146m. These resources expended were 4.1% higher than the previous year's equivalent figure.

Scholarships, prizes and grants awarded to students rose to £0.273m, up 14%, while bursaries and hardship awards fell to £0.123m, down 17%. Expenditure on maintaining the College's buildings saw the completion of redecoration of parts of the Eleanor Lodge building, roof improvements to three of our Fyfield Road houses and further improvements to our wired and wireless networks.

The incoming resources of £7.081m, less the resources expended of £9.171m, gives an "operating deficit" of £2.09m. The College covers this deficit in three ways: (1) using donations to Unrestricted Funds of £0.296m; (2) drawing on Endowment Funds and designated capital funds within Unrestricted Funds under a sustainable spending rule for £1.308m; and (3) drawing on Restricted Funds, where both income and capital are available for spending, for £0.367m.

After these draw downs, the deficit is reduced to £0.119m. The College considers that it needs a surplus of around £0.3m each year to provide adequate funds to cover its plans for capital expenditure on maintaining the College's buildings and ICT infrastructure over the medium term.

The deficit is reached after a depreciation charge of £0.676m. Adding back this non-cash item gives an "operating cash flow" of £0.557m, which was adequate to cover 97% of loan repayments of £0.3m and net

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capital expenditure on existing infrastructure of £0.275m during the year. Capital expenditure of £6.575m on the final phase of the master plan, which will see the completion of the Clore Graduate Centre and the Donald Fothergill building, as well as a new front entrance and front quad, was funded separately. The kitchen refurbishment project, which incurred £0.393m of capital expenditure, was also funded separately.

In 2015-2016 the “total return” achieved on investments was £2.726m, net of investment expenses of £0.145m, which was more than sufficient to cover the amounts withdrawn of £1.308m.

The net movement in funds of £2.673m comprises the deficit of £0.119m, the “total return” on investments of £2.725m, new donations received for Endowment Funds of £0.232m and for Restricted Funds of £1.509m, less amounts withdrawn from Endowments of £1.308m and from Restricted funds of £0.367m.

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.

Total funds of the College and its subsidiaries at the year-end amounted to £59.315 m (2015: £56.642m). This includes endowment capital of £33.350 m and unspent restricted income funds totalling £1.339m. Free reserves at the year-end amounted to £24.626m (2015: £23.217m), representing retained unrestricted income reserves excluding an amount of £30.778m for the book value of tangible fixed assets less associated funding arrangements and funds designated at the year-end amounting to £24.137m (2015: £24.826m).

Designated reserves at the year-end comprised £17.758m in the Fixed Asset designated fund, £6.353m in the designated capital fund, and £0.026m in the Other designated fund.

At the year end, general Unrestricted Funds stood at £1.639m and there was a cash balance of £2.6m, which represents around two months of expenditure. The College considers this an acceptable position, both because its revenue streams are highly unlikely to experience a sudden shortfall, and also because the College would be able to remove the “capital funds” designation from part of its Unrestricted Funds, thereby freeing such funds to cover any shortfall.

Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities.

When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal or one of the Bursars. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

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

The principal risks and uncertainties faced by the College and its subsidiaries that have been identified are categorised as follows:

- Governance risks – e.g. inappropriate organisational structure, difficulties recruiting trustees with relevant skills, conflict of interest;
- Operational risks - e.g. service quality and development, contract pricing, employment issues; health and safety issues; fraud and misappropriation; loss of equipment; protection of personal data;
- Financial risks - e.g. accuracy and timeliness of financial information, adequacy of reserves and cash flow, diversity of income sources, investment management;

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- External risks - e.g. public perception and adverse publicity, demographic changes, government policy; and
- Compliance with law and regulation- e.g. breach of trust law, employment law, and regulative requirements of particular activities such as fund-raising.

Strategies for managing the risks identified by the College as described above include, for example:

- Establishing the appropriate committees responsible for formulating recommendations to Governing Body;
- Providing appropriate training to all members of staff and at the induction of new Fellows;
- Ensuring accountability of College Officers to the appropriate committee and for the committees in turn to be accountable to the Governing Body;
- Developing and implementing key policies across the main areas of activity of the College, including, for example, admissions policy, health & safety policy, and information security policy; and
- Ensuring the appropriate insurance policies are in place and reviewed regularly.

Investment policy, objectives and performance

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

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

To meet these objectives, the College's investments as a whole 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 permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The investment policy and strategy are set by the Governing Body, as advised by the Investment Committee from time to time, and performance is regularly monitored by the Investment Committee.

At the year end, the College's long term securities investments totalled £37.892m and the College also held property investments of £1.650m. The total securities investment return was 7.2% in the year to 30 June 2016, slightly below the relevant benchmark return of 8.9% but better than the target total return of 5.5%.

On the total return basis of investing, it is the Governing Body's policy to extract as income up to 4% (plus costs) of the value of the relevant investments. However, a formula is applied to smooth and moderate the amounts withdrawn.

The equivalent of 3.4% of the opening value of the securities and property investments, plus costs, 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

The College's future plans are currently under review will be set out in a new Strategic Plan for 2017-2022, replacing the LMH 2010-2015 Vision and Strategy document which set out key goals for that 5 year period and provided the framework strategy for the College in the period 2015-2016.

Specific objectives have been agreed for the academic year 2016-17 to ensure that the College continues to enhance its ability to provide a first-class education, and specific objectives, leading from these, have been agreed for the separate departments within the College.

The College's objectives for 2016-17 are summarised as follows:

LADY MARGARET HALL
Report of the Governing Body
Year ended 31 July 2016

Key Goals	Objectives 2016-2017
Community and identity	<ul style="list-style-type: none"> • Strengthen LMH's claim to be a first choice Oxford college for students, academics and staff. • Strengthen internal and external communication by redesigning the College website, organising profile-raising events and developing the College's digital presence. • Publicise academic, cultural, musical, intellectual and sporting endeavour. • Improve College gym and relocate rowing machines. • Complete the comprehensive welfare review and implement its proposals. • Collate and promote information for students on both welfare and grants on the intranet.
Academic: undergraduate mission	<ul style="list-style-type: none"> • Recruit 125 very able undergraduates plus Foundation Year students. • Complete the Foundation Year's 2016 annual plan within budget. • Recruit excellent new tutors for vacancies. • Develop suitable study skills support, particularly for non-traditional students and overseas students. • Recruit 25 full-year-equivalent visiting students.
Academic: postgraduate mission	<ul style="list-style-type: none"> • Recruit 100 post-graduate students and maintain overall numbers at 170. • Monitor numbers of post-graduate students selecting LMH as first choice college. • Promote the new residential and other opportunities at LMH available to potential graduate students and provide practical support for post-graduate students who are not offered accommodation in College.
Academic: Teaching and research mission	<ul style="list-style-type: none"> • Develop administrative support for Fellows and improve budgeting. • Run the annual LMH Research Fair. • Increase visibility of academic publications on the new website and increase the number and quality of LMH's research dissemination and profile events. • Encourage talks by graduate students at Advisory Council meetings, staff meetings, the Gaudy and other alumni events.

LADY MARGARET HALL
Report of the Governing Body
Year ended 31 July 2016

College environment	<ul style="list-style-type: none"> • Complete the Clore Graduate Centre and the Donald Fothergill building. • Organise a successful launch of the new buildings. • Restore and create new gardens around the new buildings. • Deliver the Deneke kitchen refurbishment on time in Hilary Term 2017 and on budget. • Improve ICT system security and reach in the College through infrastructure upgrades. • Achieve £1.7m in income from conferences and events. • Retain Silver Investors in People Accreditation. • Agree targets for the priorities set out in the College's 2016 Sustainability Framework and continue efforts to operate sustainably in all areas, working with staff and students.
Alumni engagement	<ul style="list-style-type: none"> • Research and write the new Alumni Engagement Strategy. • Research and write a new Fund-raising Strategy. • Hold c. 42 events during the year. • Improve the efficiency of the Development Team by reviewing work practices and the use of the DARS database. • Raise £0.6m for the Annual Fund in new gifts and pledges. • Raise all funds for the Foundation Year Pilot project. • Complete fund-raising for the Politics Fellowship. • Continue fund-raising for the Law Graduate Scholarship and the Music Fund. • Plan and execute the opening events for the Phase II new buildings.
Governance, health and safety, finance and risk management	<ul style="list-style-type: none"> • Achieve 2016-17 budget or better. • In parallel with the kitchen refurbishment, complete a thorough review of Catering finances to improve service and efficiency. • Continue growth of Conference Business, increasing turnover to £1.7m for the year. • Increase accommodation revenue by letting 42 new graduate rooms. • Finalise the Risk Register. • Encourage Near Miss reporting following incidents and minimise risks of and occurrence of any accidents.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

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

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

Under charity law, the Governing Body must not approve the financial statements unless 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, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements; 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 2011. 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 2016 and signed on its behalf by:

Mr. Alan Rusbridger
Principal

LADY MARGARET HALL

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

INDEPENDENT AUDITOR'S REPORT 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 2016 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 30.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation made under section 154 of that Act. 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 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us during the course of performing our audit. 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 2016 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 2011.

LADY MARGARET HALL

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

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:

- 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.

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows for the College and its wholly owned subsidiaries LMH Hospitality Services Limited and Lady Margaret Hall Trading Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 12.

2. Basis of accounting

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

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

The College has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 32.

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

3. Accounting judgements and estimation uncertainty

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

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

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

In the view of the Governing Body, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

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

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

LADY MARGARET HALL
Statement of Accounting Policies
Year ended 31 July 2016

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

b. Income from donations, grants and legacies

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

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

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

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

c. Investment income

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

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

5. Expenditure

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

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

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

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

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

6. Tangible fixed assets

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

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its

LADY MARGARET HALL
Statement of Accounting Policies
Year ended 31 July 2016

intended use and amounting to more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised.

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

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

7. Depreciation

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

Freehold 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 SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

8. Investments

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

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

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

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

9. Other financial instruments

a. Cash and cash equivalents

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

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

10. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

11. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

12. Total Return investment accounting

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

13. Fund accounting

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

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

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

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

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 as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The College also operates a defined contribution pension scheme. Contributions to these arrangements are charged to the SOFA in the period in which they are payable.

Lady Margaret Hall
Consolidated Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	6,003	-	-	6,003	5,882
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Other Trading Income	3	1,060	-	-	1,060	928
Donations and legacies	2	296	1,509	232	2,037	2,755
Investments						
Investment income	4	142	-	723	865	876
Total return allocated to income	13	1,839	-	(1,839)	-	-
Other income		18	-	-	18	15
Total income		9,358	1,509	(884)	9,983	10,456
EXPENDITURE ON:						
Charitable activities:						
Teaching, research and residential	5	7,348	367	-	7,715	7,873
Generating funds:						
Fundraising		541	-	-	541	450
Trading expenditure		915	-	-	915	487
Investment management costs		20	-	126	146	116
Total Expenditure		8,824	367	126	9,317	8,926
Net Income/(Expenditure) before gains		534	1,142	(1,010)	666	1,530
Net gains/(losses) on investments	10, 11	338	-	1,669	2,007	3,846
Net Income/(Expenditure)		872	1,142	659	2,673	5,376
Transfers between funds	18	537	(537)	-	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		1,409	605	659	2,673	5,376
Fund balances brought forward	18	23,217	734	32,691	56,642	51,266
Funds carried forward at 31 July		24,626	1,339	33,350	59,315	56,642

Lady Margaret Hall
Consolidated and College Balance Sheets
As at 31 July 2016

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
FIXED ASSETS					
Tangible assets	9	30,778	24,210	30,778	24,210
Heritage assets	10	-	-	-	-
Property investments	10	1,650	2,405	1,650	2,405
Other Investments	11	37,892	36,212	37,896	36,216
Total Fixed Assets		70,320	62,827	70,324	62,831
CURRENT ASSETS					
Stocks		184	179	184	179
Debtors	14	1,671	1,245	1,310	1,027
Investments		1,021	1,158	1,022	1,157
Cash at bank and in hand		2,834	909	2,552	778
Total Current Assets		5,710	3,491	5,068	3,141
LIABILITIES					
Creditors: Amounts falling due within one year	15	3,042	4,342	2,404	3,995
NET CURRENT ASSETS/(LIABILITIES)		2,668	(851)	2,664	(854)
TOTAL ASSETS LESS CURRENT LIABILITIES		72,988	61,976	72,988	61,977
CREDITORS: falling due after more than one year	16	12,525	4,125	12,525	4,125
Provisions for liabilities and charges	17	-	-	-	-
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		60,463	57,851	60,463	57,852
Defined benefit pension scheme liability	22	1,148	1,209	1,148	1,209
TOTAL NET ASSETS/(LIABILITIES)		59,315	56,642	59,315	56,643
FUNDS OF THE COLLEGE					
Endowment funds		33,350	32,691	33,350	32,691
Restricted funds		1,339	734	1,339	734
Unrestricted funds					
General funds		1,639	(397)	1,639	(397)
Designated funds		24,135	24,823	24,135	24,824
Revaluation reserve		-	-	-	-
Pension reserve	22	(1,148)	(1,209)	(1,148)	(1,209)
		59,315	56,642	59,315	56,643

The financial statements were approved and authorised for issue by the Governing Body of Lady Margaret Hall on 30 November 2016

Trustee:

Trustee:

Lady Margaret Hall
Consolidated Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	25	<u>(710)</u>	<u>2,002</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		865	884
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(7,244)	(5,078)
Proceeds from sale of investments		2,302	2,681
Purchase of investments		(1,220)	(2,493)
Net cash provided by (used in) investing activities		<u>(5,297)</u>	<u>(4,006)</u>
Cash flows from financing activities			
Repayments of borrowing		(1,300)	(300)
Cash inflows from new borrowing		9,000	-
Receipt of endowment		232	436
Net cash provided by (used in) financing activities		<u>7,932</u>	<u>136</u>
Change in cash and cash equivalents in the reporting period		<u>1,925</u>	<u>(1,868)</u>
Cash and cash equivalents at the beginning of the reporting period		909	2,777
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	26	<u>2,834</u>	<u>909</u>

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,822	1,932
Tuition fees - Overseas students	713	501
Other fees	219	308
Other HEFCE support	121	156
Other academic income	250	176
College residential income	2,878	2,809
	<u>6,003</u>	<u>5,882</u>
Total Teaching, Research and Residential	<u>6,003</u>	<u>5,882</u>
Total income from charitable activities	<u>6,003</u>	<u>5,882</u>

The above analysis includes £2,657k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £2,588k).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £36k (2015: £43k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2016	2015
	£'000	£'000
Donations and Legacies		
Unrestricted funds	296	297
Restricted funds	1,509	2,099
Endowed funds	232	359
	<u>2,037</u>	<u>2,755</u>

3 INCOME FROM OTHER TRADING ACTIVITIES

	2016	2015
	£'000	£'000
Subsidiary company trading income	1,060	928
Other trading income	-	-
	<u>1,060</u>	<u>928</u>

4 INVESTMENT INCOME

	2016	2015
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	-	-
Equity dividends	-	-
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	142	146
Bank interest	-	-
Other interest	-	-
	<u>142</u>	<u>146</u>
<i>Endowed funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	-	-
Equity dividends	723	730
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
Other interest	-	-
	<u>723</u>	<u>730</u>
Total Investment income	<u>865</u>	<u>876</u>

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5 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,279	4,019
Public worship	-	-
Heritage	-	-
Other direct costs allocated to:		
Teaching, research and residential	1,997	2,200
Public worship	-	-
Heritage	-	-
Support and governance costs allocated to:		
Teaching, research and residential	1,439	1,654
Public worship	-	-
Heritage	-	-
Total charitable expenditure	7,715	7,873
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	309	255
Trading expenditure	-	-
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	228	192
Trading expenditure	720	300
Investment management costs	146	116
Support and governance costs allocated to:		
Fundraising	4	3
Trading expenditure	195	187
Investment management costs	-	-
Total expenditure on raising funds	1,602	1,053
Total expenditure	9,317	8,926

The 2015 resources expended of £8630k resperesented £7529k from unrestricted funds, £1004k from restricted funds and £97k from endowed funds.

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

The teaching and research costs include College Contribution payable of £-4k (2015 - £6k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	69	225	294
Domestic administration	34	100	134
Human resources	-	163	163
IT	-	202	202
Depreciation	92	584	676
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	4	211	215
Other finance charges	-	(61)	(61)
Governance costs	-	15	15
	199	1,439	1,638

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	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000
Financial administration	97	292	389
Domestic administration	-	-	-
Human resources	-	135	135
IT	-	207	207
Depreciation	89	584	673
Loss/(profit) on fixed assets	-	6	6
Bank interest payable	4	113	117
Other finance charges	-	-	-
Governance costs	-	21	21
	190	1,358	1,548

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets. Interest and other finance charges are attributed according to the purpose of the related financing.

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.

	2016 £'000	2015 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	15	21
Auditor's remuneration - assurance services other than audit	-	-
Auditor's remuneration - tax advisory services	-	-
Auditor's remuneration - other services	-	-
Legal and other fees on constitutional matters	-	-
Other governance costs	-	-
	15	21

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.

7 GRANTS AND AWARDS

	2016 £'000	2015 £'000
--	---------------	---------------

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

	2016 £'000	2015 £'000
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	-	-
Bursaries and hardship awards	110	112
Grants to other institutions	-	-
Total unrestricted	110	112
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	281	239
Bursaries and hardship awards	18	33
Grants to other institutions	-	-
Total restricted	299	272
Total grants and awards	409	384

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £110k (2015: £112k). Some of those students also received fee waivers amounting to £36k (2015: £43k).

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

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8 STAFF COSTS

The aggregate staff costs for the year were as follows.	2016	2015
	£'000	£'000
Salaries and wages	4,190	4,290
Social security costs	297	259
Pension costs:		
Defined benefit schemes	542	512
Defined contribution schemes	12	2
Other benefits	-	-
	5,041	5,063

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

	2016	2015
Tuition and research	15	24
College residential	56	50
Public worship	-	-
Heritage	-	-
Fundraising	4	4
Support	23	14
Total	98	92

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

University Lecturers	22	22
CUF Lecturers	10	12
Other teaching and research	1	1
Other	10	5
Total	43	40

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.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	-	1
£70,001-£80,001	1	-

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	1	1
-----------------------------	----------	---

9 TANGIBLE FIXED ASSETS

Group and College	Leasehold land and buildings	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	-	28,806	619	1,065	30,490
Additions	-	6,767	-	477	7,244
Disposals	-	-	-	-	-
At end of year	-	35,573	619	1,542	37,734
Depreciation and impairment					
At start of year	-	5,080	403	797	6,280
Depreciation charge for the year	-	593	45	38	676
Depreciation on disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At end of year	-	5,673	448	835	6,956
Net book value					
At end of year	-	29,900	171	707	30,778
At start of year	-	23,726	216	268	24,210

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The above includes:

£0k (2015:£0k) of plant and machinery held under finance leases.

£0k (2015:£0k) of fixtures, fittings and equipment held under finance leases.

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

10 PROPERTY INVESTMENTS

Group				2016	2015
	Agricultural £'000	Commercial £'000	Other £'000	Total £'000	Total £'000
Valuation at start of year	-	-	2,405	2,405	2,275
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	(755)	(755)	-
Revaluation gains/(losses) in the year	-	-	-	-	130
Valuation at end of year	-	-	1,650	1,650	2,405
College					
	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	-	-	2,405	2,405	2,275
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	(755)	(755)	-
Revaluation gains/(losses) in the year	-	-	-	-	130
Valuation at end of year	-	-	1,650	1,650	2,405

The college holds one property investment. In the opinion of the Trustees, a formal year-end revaluation of the property, valued at £1,650,000, is deemed unnecessary as it was valued formally at February 2013. An informal valuation was received in September 2016 which is higher than the formal valuation.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000	2015 £'000
Group investments		
Valuation at start of year	36,212	32,684
New money invested	196	359
Amounts withdrawn	(1,308)	(1,301)
Reinvested income	865	876
Investment management fees	(146)	(112)
(Decrease)/increase in value of investments	2,073	3,706
Group investments at end of year	37,892	36,212
Investment in subsidiaries	4	4
College investments at end of year	37,896	36,216

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
	Equity investments	-	20,352	20,352	-	18,139
Global multi-asset funds	-	-	-	-	-	-
Property funds	-	6,519	6,519	-	6,205	6,205
Fixed interest stocks	-	-	-	-	-	-
Alternative and other investments	3,591	4,691	8,282	3,753	4,226	7,979
Fixed term deposits and cash	-	2,739	2,739	-	3,889	3,889
Total group investments	3,591	34,301	37,892	3,753	32,459	36,212

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12 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in LMH Hospitality Services Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Lady Margaret Hall Trading Limited, a company providing design and build construction services to the College.

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

	HS Ltd balances	Trading Ltd balances
	£'000	£'000
Income	2,943	6,761
Expenditure	(2,538)	(6,437)
Donation to College under gift aid	(405)	(324)
Result for the year	<u>-</u>	<u>-</u>
Total assets	209	976
Total liabilities	(205)	(976)
Net funds at the end of year	<u>4</u>	<u>-</u>

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 1st 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 transfer + 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 transfer + 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.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	9,335	-	9,335	-	9,335
Unapplied total return	-	4,822	4,822	-	4,822
Expendable endowment	-	-	-	18,534	18,534
Total Endowments	9,335	4,822	14,157	18,534	32,691
Movements in the reporting period:					
Gift of endowment funds	2	-	2	230	232
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: total investment income	-	328	328	395	723
Investment return: realised and unrealised gains and losses	-	620	620	1,049	1,669
Less: Investment management costs	-	(47)	(47)	(79)	(126)
Other transfers	-	-	-	-	-
Total	2	901	903	1,595	2,498
Unapplied total return allocated to income in the reporting period	-	(446)	(446)	(1,393)	(1,839)
Expendable endowments transferred to income	-	-	-	-	-
	-	(446)	(446)	(1,393)	(1,839)
Net movements in reporting period	2	455	457	202	659
At end of the reporting period:					
Gift component of the permanent endowment	9,337	-	9,337	-	9,337
Unapplied total return	-	5,277	5,277	-	5,277
Expendable endowment	-	-	-	18,736	18,736
Total Endowments	9,337	5,277	14,614	18,736	33,350

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14 DEBTORS

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	250	379	203	179
Amounts owed by College members	85	91	85	91
Amounts owed by Group undertakings	-	-	-	-
Loans repayable within one year	-	-	-	-
Prepayments and accrued income	544	576	433	558
Other debtors	792	199	589	199
Amounts falling due after more than one year:				
Loans	-	-	-	-
	1,671	1,245	1,310	1,027

15 CREDITORS: falling due within one year

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank overdrafts	-	-	-	-
Bank loans	600	1,300	600	1,300
Obligations under finance leases	-	-	-	-
Trade creditors	463	1,152	451	507
Amounts owed to College Members	-	-	-	-
Amounts owed to Group undertakings	-	-	461	677
Taxation and social security	87	-	87	189
College contribution	-	4	-	4
Accruals and deferred income	1,892	1,886	805	1,318
Other creditors	-	-	-	-
	3,042	4,342	2,404	3,995

16 CREDITORS: falling due after more than one year

	2016	2015	2016	2015
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	12,525	4,125	12,525	4,125
Obligations under finance leases	-	-	-	-
Other creditors	-	-	-	-
	12,525	4,125	12,525	4,125

Bank loans

- (a) An unsecured new buildings bank loan originally for £6m is repayable at £300,000 per annum over 20 years from February 2010. The balance outstanding at the year-end is £4.425m of which £1.595m incurs interest at a fixed-rate of 3.7% per annum for the remainder of the loan term and £2.83m incurs interest at a floating rate of 0.85% per annum above bank base rate. Since the year end, the interest rate on the floating-rate portion of the loan has been fixed at 2.58% per annum for the remainder of the loan term.
- A further unsecured new buildings bank loan facility of £6m was agreed in June 2014 which was fully drawn down in the year ended at 31 July 2016. This is a term loan for a maximum of 10 years. £3m is repayable by final maturity, the balance being repayable in 40 quarterly instalments. The interest option is 1% above LIBOR.
- (c) A third unsecured loan of £3m was drawn down by July 2016. £1m of the loan was to repay the £1m bullet loan due for repayment in June 2016. The additional £2m will cover the cost of the kitchen refurbishment project. This is a bullet loan where the entire capital balance falls due in June 2021. Interest is currently charged at 1% above LIBOR.
- (b)

17 PROVISIONS FOR LIABILITIES AND CHARGES

At 31 July 2016 there were no provisions for liabilities and charges.

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18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
General purpose funds	5,440	126	(18)	(201)	300	5,647
Tutorial and research fellowship funds	6,396	151	(21)	(189)	353	6,690
Student support funds	2,039	47	(7)	(45)	112	2,146
Other purpose funds	282	7	(1)	(10)	16	294
Endowment Funds - Expendable						
General purpose funds	6,905	125	(40)	(963)	252	6,279
Tutorial and research fellowship funds	5,920	219	(20)	(263)	327	6,183
Student support funds	5,061	266	(17)	(144)	279	5,445
Other purpose funds	648	14	(2)	(24)	30	666
Total Endowment Funds - College	32,691	955	(126)	(1,839)	1,669	33,350
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	32,691	955	(126)	(1,839)	1,669	33,350
Restricted Funds						
Buildings funds	(3)	563	-	(563)	-	(3)
Tutorial and research fellowship funds	238	654	(98)	26	-	820
Student support funds	420	219	(235)	-	-	404
Other restricted funds	79	73	(34)	-	-	118
Transfers from specific purpose endowments for spending:						
<i>Applied total return</i>	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-
Total Restricted Funds - College	734	1,509	(367)	(537)	-	1,339
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	734	1,509	(367)	(537)	-	1,339
Unrestricted Funds						
General funds	(397)	7,377	(8,189)	2,848	-	1,639
Fixed Asset Designated funds	18,680	-	(676)	(246)	-	17,758
Designated capital funds	6,119	142	(20)	(226)	338	6,353
Designated other funds	26	-	-	-	-	26
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(1,211)	-	61	-	-	(1,150)
Total Unrestricted Funds - College	23,217	7,519	(8,824)	2,376	338	24,626
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
Total Unrestricted Funds - Group	23,217	7,519	(8,824)	2,376	338	24,626
Total Funds	56,642	9,983	(9,317)	-	2,007	59,315

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

General purpose funds

A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity

Tutorial and research fellowship funds, student support funds and other purpose funds

Capital balance of past donations where related income, but not the original capital, can be used for named specific purposes of the charity

Endowment Funds - Expendable:

General purpose funds

A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity

Tutorial and research fellowship funds, student support funds and other purpose funds

Capital balance of past donations where related income, or income and capital, can be used for named specific purposes of the charity

Restricted Funds:

Tutorial and research fellowship funds, student support funds and other purpose funds

A consolidation of gifts and donations where both income and capital can be used for named restricted purposes

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Designated Funds

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

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	30,673	-	105	30,778
Property investments	-	-	1,650	1,650
Other investments	6,196	-	31,700	37,896
Net current assets	1,430	1,339	(105)	2,664
Pension deficit liability	(1,148)	-	-	(1,148)
Long term liabilities	(12,525)	-	-	(12,525)
	<u>24,626</u>	<u>1,339</u>	<u>33,350</u>	<u>59,315</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	24,095	-	116	24,211
Property investments	-	-	2,405	2,405
Other investments	6,119	-	30,093	36,212
Net current assets	(357)	734	77	454
Pension deficit liability	(1,209)	-	-	(1,209)
Long term liabilities	(4,125)	-	-	(4,125)
	<u>24,523</u>	<u>734</u>	<u>32,691</u>	<u>57,948</u>

21 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. Eight trustees lived in college accommodation in the year. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Details of trustees who live in houses owned jointly with the college are provided in note 30.

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 benefits shown below is £1,358k (July 2015: £1,379k). The total of pension contributions is £174k (July 2015: £178k).

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Remuneration paid to trustees

Range	2016		2015	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£0 - £999	8	829	6	1,884
£1,000 - £1,999	1	1,630	1	1,613
£3,000 - £3,999	1	3,640	1	3,347
£5,000 - £5,999			2	11,088
£8,000 - £8,999			1	8,459
£9,000 - £9,999	1	9,846		
£10,000 - £10,999	1	10,684	1	10,212
£11,000 - £11,999	2	22,776	4	46,100
£12,000 - £12,999	2	25,074		
£14,000 - £14,999	1	14,359		
£16,000 - £16,999	1	16,959		
£17,000 - £17,999			2	35,477
£18,000 - £18,999	2	36,736	2	37,581
£19,000 - £19,999	3	59,330	1	19,231
£20,000 - £20,999	7	144,689	8	162,002
£21,000 - £21,999	2	43,296	2	42,506
£22,000 - £22,999	1	22,358		
£23,000 - £23,999	1	23,826		
£26,000 - £26,999	1	26,210		
£33,000 - £33,999			1	33,460
£34,000 - £34,999			1	34,039
£35,000 - £35,999	1	35,240		
£37,000 - £37,999			1	37,176
£40,000 - £40,999	1	40,276		
£41,000 - £41,999	1	41,088		
£42,000 - £42,999	4	42,440		
£44,000 - £44,999			1	44,639
£45,000 - £45,999	1	45,817		
£48,000 - £48,999			2	96,892
£50,000 - £50,999	1	50,594	2	101,799
£51,000 - £51,999	3	155,474		
£52,000 - £52,999	1	52,431	1	52,123
£57,000 - £57,999			1	57,802
£58,000 - £58,999	1	58,930		
£59,000 - £59,999			1	59,771
£60,000 - £60,999	1	60,206		
£71,000 - £71,999			1	71,304
£72,000 - £72,999	1	72,454	1	72,020
£75,000 - £75,999			1	75,407
£76,000 - £76,999	1	76,599		
£78,000 - £78,999			1	78,519
£79,000 - £79,999	1	79,881		
£84,000 - £84,999	1	84,792	1	82,824
£101,000-£101,999			1	101,755
Total	54	1,358,464	48	1,379,030

6 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.

Other transactions with trustees

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £0 (2015 - £0) was reimbursed to zero (2015 - zero) of the Trustees for none.

See also note 29 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £584k (2015: £556k).

Key management are considered to be the College Officers:

Principal
Vice Principal
Treasurer
Development Director
Senior Tutor
Tutor for Graduates
Domestic Bursar
Head of Communications

22 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 pensionable salary). 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 FRS 102 the College accounts for the schemes as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Universities Superannuation Scheme

The pension charge for the year includes £282k (2015: £556k) in relation to the USS. This represents contributions of £309k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of (£27k).

USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015.

USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a. As noted above the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it is 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

A provision of £531k has been made at 31 July 2016 (2015 - £557k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

Oxford Staff Pension Scheme

The pension charge for the year includes £199k (2015 - £261k) in relation to the OSPS. This represents contributions of £234k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of (£35k).

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026. At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial valuation is due with an effective date of 31 March 2016.

The OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase their contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

A provision of £616k has been made at 31 July 2016 (2015 - £651k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/>.

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Pension charge for the year

The pension charge recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2016	2015
	£000's	£000's
Universities Superannuation Scheme	282	556
University of Oxford Staff Pension Scheme	199	261
Other schemes – contributions	12	2
Total	493	819

Included in other creditors and accruals are pension contributions payable of £nil (2015: £nil).

23 TAXATION

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

24 FINANCIAL INSTRUMENTS

There are no items held at fair value within the financial statements.

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

	2016	2015
	Group	Group
	£'000	£'000
Net income/(expenditure)	2,673	5,376
Elimination of non-operating cash flows:		
Investment income	(865)	(884)
(Gains)/losses in investments	(2,007)	(3,846)
Endowment donations	(232)	(359)
Depreciation	676	673
(Surplus)/loss on sale of fixed assets	-	6
Decrease/(Increase) in current asset investments	137	(455)
Decrease/(Increase) in stock	(5)	(19)
Decrease/(Increase) in debtors	(426)	(406)
(Decrease)/Increase in creditors	(600)	1,620
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(61)	296
Net cash provided by (used in) operating activities	(710)	2,002

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£'000	£'000
Cash at bank and in hand	2,834	909
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	2,834	909

27 FINANCIAL COMMITMENTS

At 31 July 2016 the College had no annual commitments under non-cancellable operating leases.

28 CAPITAL COMMITMENTS

The College had contracted commitments for existing capital projects relating to the construction of new buildings at 31 July 2016 of £1,700k (July 2015: £5,100k) and the kitchen refurbishment of £1,357k (July 2015: £0). These commitments will be met by a combination of the bank loan facility of £6m (see Note 17 (c)) and donations pledged where the cash will be received after the year end.

29 RELATED PARTY TRANSACTIONS

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

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

The College has properties with the followings net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

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	2016	2015
	£'000	£'000
Trustee		
Dr A Aboobaker	178	182
Prof B Bell	173	179
Prof J Goicoechea	139	143
Prof N Hankins	112	116
Prof BT Huffman	119	121
Total net book value of properties owned jointly with trustees	<u>721</u>	<u>741</u>

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

30 CONTINGENT LIABILITIES

There are no contingent liabilities which require disclosure.

31 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

32 TRANSITION TO FRS 102

The College adopted FRS 102 at 31 July 2016. The date of transition is 1 August 2014. The net effect is set out below

Effect on the SoFA	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
Net Income/(Expenditure) as previously stated	3,150	(605)	3,127	5,672
Recognition of pension deficit	(296)	-	-	(296)
Holiday accrual	-	-	-	-
Net Income/(Expenditure) as restated	<u>2,854</u>	<u>(605)</u>	<u>3,127</u>	<u>5,376</u>
			As at 1 August 2014 £'000	As at 31 July 2015 £'000
Net Funds (as previously stated)			52,276	57,948
Unrestricted				
Recognition of pension deficit			(913)	(1,209)
Holiday accrual			(97)	(97)
Net Funds (as restated)			<u>51,266</u>	<u>56,642</u>

The most significant change is the recognition of a liability in respect of the deficit reduction arrangements for multi employer pension defined benefit pension schemes that are accounted for as defined contribution schemes.

FRS 102 explicitly requires accrued compensated absences to be accounted for. An accrual in respect of accrued holiday pay for non-academic staff has been recognised in the financial statements.