

Lady Margaret Hall

Annual Report and Financial Statements

Year ended 31 July 2019

Lady Margaret Hall
Annual Report and Financial Statements
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Lady Margaret Hall
Governing Body, Officers and Advisers
Year ended 31 July 2019

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 2018 to 30 September 2019 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		•	•	•	•		•	•	•	•	•
Professor Aziz Aboobaker											
Professor Anna Sapir Abulafia		•							•		
Professor Robert Adlington											
Professor Nigel Arden									•		
Mr Bart Ashton		•						•	•	•	
Professor Helen Barr		•		•	•		•	•		•	•
Dr Jo Begbie				•							
Professor Amin Benaissa				•						•	
Professor Philip Biggin		•									
Professor Sanja Bogojevic									•		
Professor Michael Broers											
Dr Ann Childs											
Professor Paul Chleboun											
Professor Xon de Ros											
Professor Francis DiTraglia	(from 1 Aug 19)										
Rev'd Dr Allan Doig										•	
Professor Ana Domingos											
Dr Hanne Eckhoff											
Professor Vanessa Ferreira											

Lady Margaret Hall
Governing Body, Officers and Advisers
Year ended 31 July 2019

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Dr Mike Fraser											
Professor Antony Galione				•							
Professor Christine Gerrard											
Professor Vincent Gillespie						•					
Professor José Goicoechea											
Professor Christina Goldschmidt											
Professor Gianluca Gregori			•								
Professor Nicholas Hankins				•						•	
Professor Robin Harding		•									
Professor Li He											
Professor Todd Huffman					•						
Professor Kyle Jaros											
Professor Varun Kanade											
Professor Marie-Chantal Killeen											
Professor Jochen Koenigsmann											
Professor Christina Kuhn				•							
Mr Andrew Macdonald		•	•	•	•		•	•		•	•
Professor David Macdonald					•						
Professor Ewan McKendrick											
Professor Michael Monoyios			•								
Professor Pawan Mudigonda											
Dr Anne Mullen	(from 2 Jan 19)	•		•			•	•			
Professor Jill O'Reilly											
Professor Gascia Ouzounian											
Dr Katrina Palmer											
Mr Tim Pottle		•			•						
Dr Natalie Quinn			•								
Dr Sophie Ratcliffe											
Professor Dominic Scott									•		
Professor Helen Scott											
Dr Fiona Spensley				•			•	•			
Professor Robert Stevens											•
Dr James Studd											
Dr Grant Tapsell					•						
Professor Adrian Thomas		•									
Professor Jan Westerhoff											

Investment Committee, Development Committee, Strategy Committee, Buildings Committee and Garden Committee have appropriately qualified external members. The Remuneration Committee consists of six

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Year ended 31 July 2019

individuals, only one of whom can be a Fellow who does not receive pecuniary emolument from the College, and at least five 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 Andrew Macdonald	<i>Treasurer</i>
D Dr Anne Mullen	<i>Senior Tutor (appointed 2 January 2019)</i>
E Dr Fiona Spensley	<i>Tutor for Graduates and Director of Visiting Students</i>
F Mr Bartholomew Ashton	<i>Domestic Bursar</i>
G Mr Tim Pottle	<i>Development Director</i>
H Ms Jo Murray	<i>Head of Communications</i>

COLLEGE ADVISERS

Auditor

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

Bankers

Barclays Bank plc
Level 4
Apex Plaza
Forbury Road
Reading
RG1 1AX

Solicitors

Mills & Reeve LLP
Botanic House
98-100 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

The Members of the Governing Body present their Annual Report for the year ended 31 July 2019 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 independent or 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 sectors.

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:

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 engagement 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.

Fund-raising

The College has a professional alumni engagement team which has fund-raising within its remit. During the financial year, the College worked with a fund-raising consultant to oversee the telephone campaigns. The College subscribes to and has adhered to the Fundraising Regulator's Code of Fundraising Practice during the financial year.

The alumni engagement team is overseen by the Development Director who reports to the Principal. The College Development Committee meets three times a year. These meetings are reported to and discussed by the Governing Body of the College. The College did not receive any complaints relating to fund-raising during the year.

The College has an approved and published *Policy on fundraising with and responding to people in vulnerable circumstances* which accords to the Fundraising Regulator's Code of Fund-raising practice. Under the policy, incidents are reported to the College's Development Committee and noted by Governing Body.

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:

- 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.

Students' fees, grants and outreach

The College charges the following fees:

- a) Tuition fees to undergraduates entitled to student finance 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 graduates, 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 2018-19, the number of awards made was 95, out of a Home/EU undergraduate population of 396, with a total value of £263,000, of which £102,000 was provided by the College. The scheme is approved by the Office for Students (OfS) and provides benefits at a substantially higher level than the minimum OfS requirement.

The College also has various scholarships and prizes available to reward undergraduate academic excellence and provided £48,000 for this purpose in 2018-19.

To support the costs of graduate students, the College provides substantial financial assistance. This includes scholarships of £150,000 in the academic year 2018-19.

The College also makes awards for academic development and provided £52,000 in academic development grants, covering both graduates and undergraduates, in 2018-19.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship and provided £54,000 under this heading in 2018-19. 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. As a development of this "link" programme, we are working with the University to develop "Outreach Consortia" activity involving groups of colleges and LEAs to increase visibility and impact. As a College, we have particular strengths in the areas of digital outreach across all available platforms (Facebook, Instagram, Snapchat) and communication through video of real-life experiences of College and the recruitment and admissions processes.

In 2016-17, the College operated the first Foundation Year under a four-year pilot project. The Foundation Year is a one year academic and personal preparation for up to 12 students from any part of the UK who may not have the grades to make a competitive application for an undergraduate degree course 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 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. In 2018-19, the third cohort of 11 Foundation Year students successfully completed the course, while 9 of the second cohort of 11 returned to LMH as undergraduates in the University.

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 280 graduate students, which is recognised internationally as being of the highest standard. This education develops students academically and advances their communication and interpersonal skills, and so prepares them to play full and effective roles in society.

In particular, the College provides:

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

The College advances research through:

- providing Research Fellowships to outstanding academics predominantly at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its Fellows, lecturers and students through promoting interaction within and across disciplines, by such means as providing seminar rooms and common rooms in which researchers can exchange ideas, and 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

The College's key achievements in 2018-19 were:

Key Goals	Achievements 2018-2019
Academic distinction: undergraduate mission	<ul style="list-style-type: none"> • Held constructive Senior Tutor/Tutor meetings with students to incentivise continued excellent academic performance and the fulfilment of academic potential. • Recruited 116 undergraduates for 2019 entry and 7 for 2020 entry. • Recruited 11 Foundation Year students for 2019 start, and celebrated the academic success of the FY "graduates" who all completed the course with Distinction. • A report on Year 2 of the Foundation Year was presented to Governing Body and the central University. • Recruited excellent new tutors: 1 new Fellow and 9 Stipendiary Lecturers. • Recruited a total of 25 FTE Visiting Students for 2019-20. • Successful pilot year of Oxford Study Skills Centre: c 320 hours of support provided to students from nine colleges (including LMH) in one-to-one and group sessions
Academic distinction: postgraduate mission	<ul style="list-style-type: none"> • Recruited 131 new graduates for 2019-20. • 67 graduates selected LMH as their first choice college. • In 2018-19, the College accommodated 81 graduates on site and leased 15 rooms for graduates in off-site buildings. • In 2018-19, 63 Masters students successfully completed their degrees, with 33 obtaining Distinction or Merit. 29 students successfully completed their Doctorates (D Phil). • Work continued to identify and grow financial support for postgraduate scholarships, including close working with the University.
Academic distinction: teaching and research mission	<ul style="list-style-type: none"> • The new full-time Senior Tutor took up her post in January 2019. • The Academic Office was restructured and now includes a dedicated postholder to support registered disabled students; in addition, office support for academics was restructured, to ensure a more coherent and timely service. • Improved budgetary controls were put in place and close and collaborative working continued with College Accounts Team.

	<ul style="list-style-type: none"> • Academic results and prizes for undergraduates, graduates and tutors were all publicised. 97% of our undergraduate finalists obtained a 2:1 or 1st. • Common Rooms @ the Cutting Edge is a series of talks bringing together SCR and MCR members and we held three successful evenings. • 15 short films were completed showcasing the work of our graduate students. Two Fellows also made films about their work. A film about the work of the LMH archive was made to assist those interested in the College's history.
Health, Wellbeing and Welfare	<ul style="list-style-type: none"> • Focus on the welfare of students continued and the provision of support was enhanced with additional posts and new processes. The microsite devoted to wellbeing launched last year was well used. • The College has begun to explore specific wellbeing projects and seek benefactor support for these. • Streamlined our processes to ensure that dedicated student support funds are used fairly and meaningfully. • Wellness Weeks continued to be run across all the College communities.
A Diverse/Inclusive College	<ul style="list-style-type: none"> • Once again, the College admitted more undergraduates from the most under-represented groups among the applicant cohort, and we remain in the top 5 colleges for diversity of intake. • Attendance at Open Days increased again. In 2015 550 students attended, rising to 1,430 students in 2019. • LMH held a multifaith Iftaar. • A series of weekly films featuring the Chaplain were produced called 'Living with Difference'. • A demonstration Physics interview with Prof. Huffman had 12,000 views in the past year. • LMH students regularly conducted a range of social media activities highlighting the varied academic and cultural life of the College, and the diverse backgrounds of colleagues, students and staff.
Strengthening the LMH Community	<ul style="list-style-type: none"> • The development and production of a new College Intranet is underway, to be launched in the first half of 2020. • Many 'In Conversation' events were held with attendance at these increasing by 40% over the year. Concerts and poetry readings were also organised.

	<ul style="list-style-type: none"> • A 'Welcome to LMH' digital and screen series of videos was produced, showcasing each Department, to help with student orientation. • Communications continued to publicise the academic and community life of LMH across five social media platforms • LMH led the way in digital media presence. The College has the second highest number of Instagram followers among Oxford colleges and is active across all platforms.
Alumni engagement	<ul style="list-style-type: none"> • Launched the new fund-raising strategy. • Ran a full events programme during the year including a series of events celebrating the Foundation of the College and the anniversary of co-education. • Secured a US\$5m pledge towards the new campaign. • Raised £0.45m (target £0.55m) for the Annual Fund in unrestricted gifts. • Re-structured the team and employed a major donor fundraiser (0.75 FTE).
Conferences and other Commercial Developments	<ul style="list-style-type: none"> • Conference and Academic Programme turnover together increased to £2.25m and net income to just over £1m. • Students attending the College's Summer Academic Programmes increased from 69 in 2017/18 to 126 in 2018/19.
Finances, Endowment, Estate, Gardens, IT and Governance	<ul style="list-style-type: none"> • The College generated a cash surplus and repaid £0.6mn of its outstanding debt. • The College Strategy Implementation Group was established, with reporting systems to Governing Body. • New accounting and HR systems were implemented to improve efficiency. • Infrastructure upgrades led to improved ICT security and reach. • Compliance under data protection and GDPR regulations was maintained. • Targets for the priorities set out in the College's 2018 Sustainability Framework were agreed and efforts continued to operate sustainably in all areas, working with staff and students. • The biodiversity walk was improved. • Efforts continued to encourage Near Miss reporting following health and safety incidents and to minimise the risks of and occurrence of accidents.

FINANCIAL REVIEW

The financial results for 2018-19 show a net movement in funds of £0.089m, increasing the Funds of the College to £66.569m.

Total Incoming Resources were £11.589m (£10.470m in 2017-18) including donations of £2.099m and investment income of £0.901m. Incoming resources excluding these two items came to £8.589m, an increase of 7.7% on the previous year. Academic income and residential income from members was up 7% year-on-year, largely due to a 67% increase in charitable conference and function income from LMH short academic programmes, while another strong performance from Conferences saw trading income grow 9.9%.

The resources expended in achieving this income of £8.589m were £12.867m, being Total Resources Expended of £12.976m, less investment management expenses of £0.109m. These resources expended were 17.3% higher than the previous year's equivalent figure and include a £1.256m increase in the College's pension provision.

Scholarships, prizes and grants awarded to students decreased to £0.246m, down 10%, while bursaries and hardship awards increased to £0.156m, up 32.2%. The College applied to the College Contributions Scheme for support for additional buildings maintenance costs, receiving £0.175m in support in 2018-19 with a reduction in funding to £0.108m expected in 2019-20.

The incoming resources of £8.589m, less the resources expended of £12.867m, gives an "operating deficit" of £4.278m. The College covers this deficit in three ways: (1) using donations to Unrestricted Funds of £0.458m; (2) drawing on Endowment Funds and designated capital funds within Unrestricted Funds under a sustainable spending rule for £1.666m; and (3) drawing on Restricted Funds, where both income and capital are available for spending, for £0.876m.

After these draw downs and donations, the operating deficit is reduced to £1.278m. The deficit is calculated after a depreciation charge of £1.221m and a pension provision of £1.256m. Adding back these non-cash items gives an "operating cash inflow" of £1.199m. The College repaid £0.6m of its outstanding debt.

In 2018-19 the "total return" achieved on investments was £2.268m, net of investment expenses of £0.109m (£0.11m in 2017/18), which was more than sufficient to cover the amounts withdrawn of £1.666m.

The net movement in funds of £0.089m comprises the deficit of £1.278m, the "total return" on investments of £2.268m, new donations received for Endowment Funds of £0.341m and for Restricted Funds of £1.300m, less amounts withdrawn from Endowments of £1.666m and from Restricted funds of £0.876m.

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, 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 £66.569m (2018: £66.480). This includes endowment capital of £39.016m and unspent restricted income funds totalling £1.851m. Unrestricted reserves at the year end were £25.702m (2018: £26.601m), of which £20.928m is designated to cover the £32.359m net book value of fixed assets net of their associated funding arrangements. A further £7.271m is designated as capital funds and a reserve of £2.412m reflects the provision for future payments to fund the pension scheme deficits.

At the year end, general Unrestricted Funds were negative £0.086m but offset by a cash balance of £1.744m, making a net overall positive position of £1.658m. After bearing some of the burden of financing the new buildings which were completed in 2017, the College's strategy is to restore its reserves through accumulating positive surpluses after servicing loan repayments. The College considers that its Unrestricted Funds are in 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 Committees, chaired by the Principal, the Treasurer or the Domestic Bursar. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. In addition, the Treasurer, 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; site and property security; 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;
- 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

Lady Margaret Hall
Report of the Governing Body
Year ended 31 July 2019

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 £44.273m and the College also held property investments of £1.775m. The total securities investment return was 5.9% in the year to 31 July 2019, in line with the relevant benchmark return of 5.9% and below the target total return of 7.1%. The portfolio was positioned somewhat defensively in the current period of market uncertainty.

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 3.8% 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 have been set out in a Strategic Plan for 2018-2023.

Specific objectives have been agreed for the academic year 2019-20 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 2019-20 are summarised as follows:

Key Goals	Objectives 2019-2020
Academic distinction: undergraduate mission	<ul style="list-style-type: none"> • Continue to promote high academic performance from students through provision of targeted support and ongoing consultation with students • Maintain 2019 Final Honours School success rate of $\geq 95\%$ of undergraduate students achieving at least an upper second class degree (97% in 2018/19). • Recruit 125 very able undergraduates plus up to 8 Foundation Year students (fewer than 2018-19 as the University moves to a Foundation Oxford entry point). • Recruit excellent new tutors for vacancies. • Improve and refresh systems for feedback between students and Tutors. • Continue to develop the reach and stretch of the Study Skills Centre. • Recruit 29 FYE Visiting Students.
Academic distinction: postgraduate mission	<ul style="list-style-type: none"> • Recruit 135 post-graduate students and maintain the growth of overall numbers to c. 280. • Continue to improve our postgraduate offering and scholarships to attract and support well-qualified graduate students. • Develop University links to explore joint scholarship provision. • Continue to monitor the numbers of post-graduate students selecting LMH as first-choice college. • Continue to provide practical support for postgraduate students who are not offered accommodation in College.
Academic distinction: Teaching and research mission	<ul style="list-style-type: none"> • Further Senior Tutor restructuring of the Academic Office to support Fellows and other academic staff in their primary missions of teaching and research. • Develop a more active research strategy, including increase in non-stipendiary Junior Research Fellows and other externally funded Research Fellows, to provide academic and intellectual subject coherence as well as enriching teaching provision and career development opportunities. • Develop further administrative support for Fellows and improve budgeting. • Run the annual LMH Research Fair. • Continue to increase visibility of academic publications on the new website and increase the

	<p>number and quality of LMH's research dissemination and profile-raising events.</p>
Health, Wellbeing and Welfare	<ul style="list-style-type: none"> • Continue to develop innovative ways to improve the wellbeing and welfare of the LMH community. • Continue to develop, review and invest in the student welfare system, ensuring that students who need support receive help in a timely and appropriate manner. • Develop designs for a shared community space in the heart of the College. • Redevelop the punt house, preparing a planning application and a fund-raising case for support. • Increase publicity for academic, cultural, musical, intellectual and sporting endeavour. • At least maintain Investors in People (IiP) Silver accreditation and endeavour to achieve a Gold award. • Continue to run and develop College Welfare weeks. • Positively engage students and staff to get involved in the College gardens through a variety of new initiatives.
A Diverse/Inclusive College	<ul style="list-style-type: none"> • Continue the Foundation Year pilot, leading into the University's Foundation Oxford scheme starting from 2022 entry. • Continue to improve contextual candidate data for admissions rounds and evaluation and to use it consistently in real time. • Further engage students in outreach and University participation activities. • Continue the use of social media and use other innovative ways to reach the widest possible pool of capable potential candidates. • Improve accessibility and inclusivity through physical means across the site. • Ensure that the College remains an inclusive environment for everyone in the LMH Community.
Strengthening the LMH Community	<ul style="list-style-type: none"> • Launch the new College intranet. • Strengthen LMH's claim to be a first choice Oxford college for students, academics and staff. • Continue to improve internal and external communication by organising profile-raising events and developing the College's digital presence. • Become a leading college in student-staff collaboration.

Alumni engagement	<ul style="list-style-type: none"> • Complete the quiet phase of the fundraising campaign and prepare for the public phase. • Launch the new student–alumni mentoring programme. • Continue to learn from the More Partnership Regular Giving Benchmarking to improve donor retention. • Revise, update and launch a new legacy strategy
Conferences and other Commercial Developments	<ul style="list-style-type: none"> • Continue the growth of the Conference and Academic Programmes business, with turnover at £2.5m and net income at £1m. • Further develop the Summer Academic Programmes, widening participation internationally. • Improve current offering to customers and potential customers, whilst protecting the interests of students and academics.
Finances, Endowment, Estate, Gardens, IT and Governance	<ul style="list-style-type: none"> • Increase the output of the College Strategy Implementation Group and improve reporting systems to Governing Body. • Achieve 2019-20 budget or better. • Meet all loan repayments and continue to build up College Reserves. • Agree updates to the College Statutes and initiate the external process for these to be approved. • Continue to develop uses of the new HR system to further improve efficiency. • Continue to improve ICT system security and reach in the College through infrastructure upgrades. • Maintain data protection and compliance under GDPR regulations. • Continue work to unify accommodation standards across the site through planned refurbishments. • Adopt a carbon plan to help embed environmental sustainability. • Continue to 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 4 December 2019 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

Opinion

We have audited the financial statements of Lady Margaret Hall (the "Charity") for the year ended 31 July 2019 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 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the Charity's affairs as at 31 July 2019 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of the Governing Body

As explained more fully in the Governing Body responsibilities statement set out on page 18, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the College's Governing Body in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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.

Critchleys Audit LLP (Statutory Auditor)

23-28 Hythe Bridge

Oxford

OX1 2EP

Date:

Critchleys Audit 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 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.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents an industry-wide scheme such as Universities Superannuation Scheme or one for employers in the same locality such as the University of Oxford Staff Pension Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The trustees are satisfied that Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme both meet the definition of a multi-employer scheme and have therefore recognised the discounted fair value of the contractual contributions under the recovery plans in existence at the date of approving the financial statements.

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, Office for Students support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, Office for Students 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 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 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 College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits (for members), as well as defined contribution benefits. The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets are not attributed to

individual colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and colleges' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the profit and loss account represents the contributions payable to each scheme. Since the College has entered into agreements (the Recovery Plans) that determine how each employer within the schemes will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreements (to the extent that they relate to the deficit) and therefore an expense is recognised.

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 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	7,109	-	-	7,109	6,643
Other Trading Income	3	1,435	-	-	1,435	1,306
Donations and legacies	2	458	1,300	341	2,099	1,603
Investments						
Investment income	4	148	-	753	901	894
Total return allocated to income	13	1,331	-	(1,331)	-	-
Other income		45	-	-	45	24
Total income		10,526	1,300	(237)	11,589	10,470
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		10,490	876	-	11,366	9,504
Generating funds:						
Fundraising		514	-	-	514	555
Trading expenditure		987	-	-	987	907
Investment management costs		17	-	92	109	110
Total Expenditure		12,008	876	92	12,976	11,076
Net Income/(Expenditure) before gains		(1,482)	424	(329)	(1,387)	(606)
Net gains/(losses) on investments	10, 11	222	-	1,254	1,476	2,405
Net Income/(Expenditure)		(1,260)	424	925	89	1,799
Transfers between funds	18	361	(330)	(31)	-	-
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		(899)	94	894	89	1,799
Fund balances brought forward	18	26,601	1,757	38,122	66,480	64,681
Funds carried forward at 31 July		25,702	1,851	39,016	66,569	66,480

Lady Margaret Hall
Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	32,359	33,412	32,359	33,411
Property investments	10	1,775	1,650	1,775	1,650
Other Investments	11	44,273	43,457	44,277	43,461
Total Fixed Assets		78,407	78,519	78,411	78,522
CURRENT ASSETS					
Stocks		182	190	182	190
Debtors	14	1,614	1,553	978	1,017
Investments		1,019	904	1,019	904
Cash at bank and in hand		1,744	928	1,404	639
Total Current Assets		4,559	3,575	3,583	2,750
LIABILITIES					
Creditors: Amounts falling due within one year	15	3,260	3,033	2,286	2,211
NET CURRENT ASSETS/(LIABILITIES)		1,299	542	1,297	539
TOTAL ASSETS LESS CURRENT LIABILITIES		79,706	79,061	79,708	79,061
CREDITORS: falling due after more than one year	16	10,725	11,325	10,725	11,325
Provisions for liabilities and charges	17	-	-	-	-
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		68,981	67,736	68,983	67,736
Defined benefit pension scheme liability	22	2,412	1,256	2,412	1,256
TOTAL NET ASSETS/(LIABILITIES)		66,569	66,480	66,571	66,480
FUNDS OF THE COLLEGE					
Endowment funds		39,016	38,122	39,016	38,122
Restricted funds		1,851	1,757	1,851	1,757
Unrestricted funds		(86)	(711)	(86)	(711)
General funds		28,200	28,568	28,202	28,568
Designated funds		-	-	-	-
Revaluation reserve		-	-	-	-
Pension reserve	22	(2,412)	(1,256)	(2,412)	(1,256)
		66,569	66,480	66,571	66,480

The financial statements were approved and authorised for issue by the Governing Body of Lady Margaret Hall on 4 December 2019

Trustee:

Trustee:

Lady Margaret Hall
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash provided by (used in) operating activities	25	(193)	(128)
Cash flows from investing activities			
Dividends, interest and rents from investments		901	894
Proceeds from the sale of property, plant and equipment		-	203
Purchase of property, plant and equipment		(168)	(740)
Proceeds from sale of investments		6,348	6,348
Purchase of investments		(5,813)	(5,820)
Net cash provided by (used in) investing activities		1,268	885
Cash flows from financing activities			
Repayments of borrowing		(600)	(600)
Cash inflows from new borrowing		-	-
Receipt of endowment		341	164
Net cash provided by (used in) financing activities		(259)	(436)
Change in cash and cash equivalents in the reporting period		816	321
Cash and cash equivalents at the beginning of the reporting period		928	607
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	26	1,744	928

Lady Margaret Hall
Notes to the financial statements
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1 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,766	1,725
Tuition fees - Overseas students	839	825
Other fees	401	372
Other HEFCE support	206	210
Other academic income	302	278
College residential income	3,595	3,233
	7,109	6,643
Total Teaching, Research and Residential	7,109	6,643
Total income from charitable activities	7,109	6,643

The above analysis includes £2,809 received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £2,760)

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 £1k (2018: £7k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2019	2018
	£'000	£'000
Donations and Legacies		
Unrestricted funds	458	557
Restricted funds	1,300	882
Endowed funds	341	164
	2,099	1,603

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Subsidiary company trading income	1,435	1,306
Other trading income	-	-
	1,435	1,306

4 INVESTMENT INCOME

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	19	19
Equity dividends	-	-
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	129	129
Bank interest	-	-
Other interest	-	-
	148	148
<i>Endowed funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	-	-
Equity dividends	753	746
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
Other interest	-	-
	753	746
Total Investment income	901	894

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,229	4,598
Public worship	-	-
Heritage	-	-
Other direct costs allocated to:		
Teaching, research and residential	2,845	2,263
Public worship	-	-
Heritage	-	-
Support and governance costs allocated to:		
Teaching, research and residential	3,292	2,643
Public worship	-	-
Heritage	-	-
Total charitable expenditure	11,366	9,504
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	371	343
Trading expenditure	-	-
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	134	207
Trading expenditure	660	562
Investment management costs	109	110
Support and governance costs allocated to:		
Fundraising	9	5
Trading expenditure	327	345
Investment management costs	-	-
Total expenditure on raising funds	1,610	1,572
Total expenditure	12,976	11,076

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 £0k (2018: £0).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial administration	130	379	509
Domestic administration	41	121	162
Human resources	-	165	165
IT	-	112	112
Depreciation	160	1,061	1,221
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	5	277	282
Other finance charges	-	1,155	1,155
Governance costs	-	22	22
	336	3,292	3,628

Lady Margaret Hall
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	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	146	443	589
Domestic administration	40	118	158
Human resources	-	132	132
IT	-	220	220
Depreciation	159	1,046	1,205
Loss/(profit) on fixed assets	-	(33)	(33)
Bank interest payable	5	270	275
Other finance charges	-	425	425
Governance costs	-	22	22
	350	2,643	2,993

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.

	2019 £'000	2018 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	22	22
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	-	-
	22	22

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

	2019 £'000	2018 £'000
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During the year the College funded research awards and bursaries to students from its funds as follows:

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Grants to other institutions

Total unrestricted

-	-
102	105
-	-
102	105

Endowment and Restricted funds

Grants to individuals:

Scholarships, prizes and grants

Bursaries and hardship awards

Grants to other institutions

Total restricted

246	274
54	13
-	-
300	287

Total grants and awards

402	392
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The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £102k (2018: £105k) Some of those students also received fee waivers amounting to £1k (2018: £7k).

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

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Notes to the financial statements
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8 STAFF COSTS

	2019 £'000	2018 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	6,329	5,203
Social security costs	376	331
Pension costs:		
Defined benefit schemes	721	655
Defined contribution schemes	28	31
Other benefits	-	-
	7,454	6,220

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

	2019	2018
Tuition and research	26	23
College residential	70	63
Public worship	-	-
Heritage	-	-
Fundraising	5	5
Support	27	23
Total	128	114

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

	2019	2018
University Lecturers	22	25
CUF Lecturers	10	10
Other teaching and research	3	2
Other	7	7
Total	42	44

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	2	1
£70,001-£80,001	1	1

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

In defined benefits schemes	2	2
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9 TANGIBLE FIXED ASSETS

Group and College

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At start of year	38,356	620	3,568	42,544
Additions	20	23	125	168
Disposals	-	-	-	-
At end of year	38,376	643	3,693	42,712
Depreciation and impairment				
At start of year	7,530	514	1,088	9,132
Depreciation charge for the year	989	114	118	1,221
Depreciation on disposals	-	-	-	-
Impairment	-	-	-	-
At end of year	8,519	628	1,206	10,353
Net book value				
At end of year	29,857	15	2,487	32,359
At start of year	30,826	106	2,480	33,412

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No fixed assets are held under finance leases (2018: nil)

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 & College	Agricultural £'000	Commercial £'000	Other £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	-	-	1,650	1,650	1,650
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation gains/(losses) in the year	-	-	125	125	-
Valuation at end of year	-	-	1,775	1,775	1,650

The College holds one property investment. A formal valuation was carried out in July 2019 by an independent third party, where the property was valued at £1,775,000.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
Group investments		
Valuation at start of year	43,457	41,580
New money invested	340	163
Amounts withdrawn	(1,666)	(1,475)
Reinvested income	901	894
Investment management fees	(109)	(110)
(Decrease) / increase in value of investments	1,350	2,405
Group investments at end of year	44,273	43,457
Investment in subsidiaries	4	4
College investments at end of year	44,277	43,461

Group investments comprise:	2019	2019	2019	2018	2018	2018
	Held outside the UK £'000	Held in the UK £'000	Total £'000	Held outside the UK £'000	Held in the UK £'000	Total £'000
Equity investments	12,101	10,952	23,053	10,920	12,616	23,536
Global multi-asset funds	-	1,011	1,011	-	333	333
Property funds	-	5,982	5,982	-	6,014	6,014
Fixed interest stocks	-	980	980	-	989	989
Alternative and other investments	2,391	6,254	8,645	1,941	6,343	8,284
Fixed term deposits and cash	4,599	3	4,602	3,621	680	4,301
Total group investments	19,091	25,182	44,273	16,482	26,975	43,457

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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.

	LMH Hospitality Services Ltd £'000	LMH Trading Ltd £'000
Income	1,435	5
Expenditure	(594)	(10)
Donation to College under gift aid	(841)	-
Result for the year	-	(5)
Total assets	1,386	31
Total liabilities	(1,382)	(36)
Net funds at the end of year	4	(5)

Associate undertaking

The College holds 33.33% of the share capital in North Oxford Colleges Shared Services Limited, a company providing IT and administrative services to its affiliated entities. The turnover for this company was £392k (2018: £108k) with £0 profit (2018: £0).

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	9,528	-	9,528	-	9,528
Unapplied total return	-	7,379	7,379	-	7,379
Expendable endowment	-	-	-	21,215	21,215
Total Endowments	9,528	7,379	16,907	21,215	38,122
Movements in the reporting period:					
Gift of endowment funds	239	-	239	102	341
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: total investment income	-	348	348	405	753
Investment return: realised and unrealised gains and losses	-	522	522	732	1,254
Less: Investment management costs	-	(40)	(40)	(52)	(92)
Other transfers	-	(19)	(19)	(12)	(31)
Total	239	811	1,050	1,175	2,225
Unapplied total return allocated to income in the reporting period	-	(584)	(584)	(669)	(1,253)
Expendable endowments transferred to income	-	-	-	(78)	(78)
	-	(584)	(584)	(747)	(1,331)
Net movements in reporting period	239	227	466	428	894
At end of the reporting period:					
Gift component of the permanent endowment	9,767	-	9,767	-	9,767
Unapplied total return	-	7,606	7,606	-	7,606
Expendable endowment	-	-	-	21,643	21,643
Total Endowments	9,767	7,606	17,373	21,643	39,016

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14 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	244	632	188	421
Amounts owed by College members	99	190	98	190
Amounts owed by Group undertakings	434	-	434	188
Loans repayable within one year	-	-	-	-
Prepayments and accrued income	813	666	236	153
Other debtors	24	65	22	65
Amounts falling due after more than one year:				
Loans	-	-	-	-
	1,614	1,553	978	1,017

15 CREDITORS: falling due within one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Bank overdrafts	-	-	-	-
Bank loans	600	600	600	600
Obligations under finance leases	-	-	-	-
Trade creditors	463	639	463	537
Amounts owed to College Members	181	-	181	-
Amounts owed to Group undertakings	434	-	-	-
Taxation and social security	196	270	197	264
College contribution	-	-	-	-
Accruals and deferred income	798	1,159	257	445
Other creditors	588	365	588	365
	3,260	3,033	2,286	2,211

16 CREDITORS: falling due after more than one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Bank loans	10,725	11,325	10,725	11,325
Obligations under finance leases	-	-	-	-
Other creditors	-	-	-	-
	10,725	11,325	10,725	11,325

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 £3.225m of which £1.162m incurs interest at a fixed-rate of 3.7% per annum for the remainder of the loan term and £2.063m incurs interest at a fixed rate of 2.58% per annum above bank base rate.

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 with a balance outstanding at

- (c) the year end of £5.1m. The interest has been fixed at 1.66% above base rate.

- (b) 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 covers the cost of the kitchen refurbishment project. This is a bullet loan where the entire capital balance falls due in June 2021. Interest is fixed at 1.85%.

17 PROVISIONS FOR LIABILITIES AND CHARGES

At 31 July 2019 there were no provisions for liabilities and charges.

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18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
General purpose funds	6,416	366	(15)	(241)	198	6,724
Tutorial and research fellowship funds	7,652	162	(18)	(284)	236	7,748
Student support funds	2,505	52	(6)	(65)	78	2,564
Other purpose funds	334	7	(1)	(13)	10	337
Endowment Funds - Expendable						
General purpose funds	6,836	111	(17)	(202)	291	7,019
Tutorial and research fellowship funds	7,107	164	(17)	(342)	219	7,131
Student support funds	6,529	219	(16)	(195)	202	6,739
Other purpose funds	743	13	(2)	(20)	20	754
Total Endowment Funds - College	38,122	1,094	(92)	(1,362)	1,254	39,016
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	38,122	1,094	(92)	(1,362)	1,254	39,016
Restricted Funds						
Buildings funds	-	361	-	(361)	-	-
Tutorial and research fellowship funds	722	356	(415)	31	-	694
Student support funds	894	234	(115)	-	-	1,013
Other restricted funds	141	349	(346)	-	-	144
Transfers from specific purpose endowments for spending:						
<i>Applied total return</i>	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-
Total Restricted Funds - College	1,757	1,300	(876)	(330)	-	1,851
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	1,757	1,300	(876)	(330)	-	1,851
Unrestricted Funds						
General funds	(711)	9,047	(9,615)	1,194	-	(86)
Fixed Asset Designated funds	21,381	-	(1,221)	768	-	20,928
Designated capital funds	7,188	148	(17)	(270)	222	7,271
Designated other funds	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(1,257)	-	(1,155)	-	-	(2,412)
Total Unrestricted Funds - College	26,601	9,195	(12,008)	1,692	222	25,702
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
Total Unrestricted Funds - Group	26,601	9,195	(12,008)	1,692	222	25,702
Total Funds	66,480	11,589	(12,976)	-	1,476	66,569

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

Designated capital funds

Other designated funds

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes

Unrestricted Funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities

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	2019 Total £'000
Tangible fixed assets	32,359	-	-	32,359
Property investments	-	-	1,775	1,775
Other investments	7,036	-	37,241	44,277
Net current assets	(556)	1,851	-	1,295
Pension deficit liability	(2,412)	-	-	(2,412)
Long term liabilities	(10,725)	-	-	(10,725)
	<u>25,702</u>	<u>1,851</u>	<u>39,016</u>	<u>66,569</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	33,410	-	-	33,410
Property investments	-	-	1,650	1,650
Other investments	7,236	-	38,102	45,338
Net current assets	(1,464)	1,757	(1,630)	(1,337)
Pension deficit liability	(1,256)	-	-	(1,256)
Long term liabilities	(11,325)	-	-	(11,325)
	<u>26,601</u>	<u>1,757</u>	<u>38,122</u>	<u>66,480</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
Supernumary 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 29.

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 £1,624k (2018: £1,580k). The total of pension contributions is £309k (2018: £284k).

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Remuneration paid to trustees

Range	Number of Trustees/Fellows	2019	Number of Trustees/Fellows	2018
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£0 - £999	11	3,081	12	987
£3,000 - £3,999	2	6,665		
£7,000 - £7,999	1	7,688		
£8,000 - £8,999			1	8,993
£9,000 - £9,999			1	9,695
£10,000 - £10,999			2	21,643
£11,000 - £11,999	2	23,271	4	47,466
£12,000 - £12,999	8	96,930	3	37,158
£13,000 - £13,999	1	13,020		
£15,000 - £15,999			1	15,287
£18,000 - £18,999			1	18,739
£19,000 - £19,999	1	19,011	2	39,827
£21,000 - £21,999			9	194,346
£22,000 - £22,999	6	135,489		
£23,000 - £23,999	1	23,016		
£24,000 - £24,999	2	48,407		
£27,000 - £27,999	1	27,884		
£29,000 - £29,999			1	29,843
£43,000 - £43,999			1	43,735
£45,000 - £45,999	1	45,317	1	45,783
£50,000 - £50,999	1	50,194		
£52,000 - £52,999	1	52,853		
£53,000 - £53,999			4	214,503
£55,000 - £55,999	3	166,576		
£56,000 - £56,999	1	56,025		
£57,000 - £57,999	2	114,429	1	57,346
£58,000 - £58,999	1	58,604		
£61,000 - £61,999			1	61,260
£62,000 - £62,999	1	62,808	1	62,854
£63,000 - £63,999	1	63,880		
£65,000 - £65,999			1	65,331
£71,000 - £71,999	1	71,614		
£75,000 - £75,999			1	75,348
£83,000 - £83,999			1	83,157
£84,000 - £84,999			1	84,717
£85,000 - £85,999			1	85,092
£86,000 - £86,999	1	86,603	1	86,142
£88,000 - £88,999	1	88,239		
£93,000 - £93,999			1	93,421
£95,000 - £95,999	1	95,695		
£97,000 - £97,999			1	97,608
£99,000 - £99,999	1	99,561		
£107,000 - £107,999	1	107,559		
Total	54	1,624,419	54	1,580,281

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 (2018: £0) was reimbursed to zero (2018: zero) of the Trustees.

See also note 29 Related Party Transactions

Key management remuneration

The total remuneration, including pension contributions, paid to key management was £659k (2018: £642k)

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 two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the company is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the college accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College has made available the National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes

Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results.

	<u>USS</u>	<u>OSPS</u>
Date of valuation:	31 March 2017	31 March 2016
Date valuation results published:	28 January 2019	28 April 2017
Value of liabilities:	£67.5bn	£661m
Value of assets:	£60.0bn	£528m
Funding surplus / (deficit):	(£7.5bn) [a]	(£133m) [b]
Principal assumptions:	CPI – 0.53% to CPI – 1.32%pa	
- Investment return	c	-
- Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
- Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
- Rate of increase in salaries	CPI + 2%pa [d]	RPI + 1%pa
- Rate of increase in pensions	CPI pa [d]	Average RPI/CPI pa
Mortality assumptions:		
- Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
- Assumed life expectancy at age 65 (females)	26 yrs	24.7 yrs
Funding Ratios:		
- Technical provisions basis	89%	80%
- Statutory Pension Protection Fund basis	72%	67%
- 'Buy-out' basis	48%	42%
- Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% increasing to 24.2% by 01/04/20 [e]	23% decreasing to 19% from 01/08/2017 [f]
Effective date of next valuation:	31 March 2018	31 March 2019

a. USS' actuarial valuation as at 31 March 2017 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 were 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 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 were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits 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 an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.

d. USS' actuary has assumed that general pay growth will be CPI +2 in year 1, CPI + 2% in year 2 and 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 1.0% p.a.

e. The total USS employer contributions of 18% of salaries 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. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

USS

<u>Assumption</u>	<u>Change in assumption</u>	<u>Impact on USS liabilities</u>
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £3.3bn
Asset Values	reduce by 10%	decrease / increase by £3bn
RPI inflation	increase / reduce by 0.25%	increase / decrease by £3.3bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn

OSPS

<u>Assumption</u>	<u>Change in assumption</u>	<u>Impact on OPS technical provisions</u> <i>(from 80% funded at 31/03/2016)</i>
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, The College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	<u>OSPS</u>	<u>USS</u>
Finish Date for Deficit Recovery Plan	30 June 2027	31 March 1931
Average staff number increase	0%	0%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	1.40%	1.75%
Effect of 0.5% change in discount rate	£21k	£69k
Effect of 1% change in staff growth	£53k	£144k

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

A provision of £2,412k has been made at 31 July 2019 (2018: £1,256k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

Pension charge for the year

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

Scheme	2019 £000's	2018 £000's
Universities Superannuation Scheme	411	409
University of Oxford Staff Pension Scheme	310	246
Other schemes – contributions	28	31
Total	749	686

Included in other creditors and accruals are pension contributions payable of £92k (2018: £89k).

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**

	2019 Group £'000	2018 Group £'000
Net income/(expenditure)	89	1,799
Elimination of non-operating cash flows:		
Investment income	(901)	(894)
(Gains)/losses in investments	(1,476)	(2,405)
Endowment donations	(341)	(164)
Depreciation	1,221	1,205
(Surplus)/loss on sale of fixed assets	-	(33)
Decrease/(Increase) in current asset investments	(115)	425
Decrease/(Increase) in stock	8	(5)
Decrease/(Increase) in debtors	(61)	(314)
(Decrease)/Increase in creditors	227	(166)
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	1,156	424
Net cash provided by (used in) operating activities	(193)	(128)

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash at bank and in hand	1,744	928
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	1,744	928

27 FINANCIAL COMMITMENTS

At 31 July 2019 the College had no annual commitments under non-cancellable operating leases (2018: nil).

28 CAPITAL COMMITMENTS

The College had no capital commitments at 31 July 2019.

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.

	2019	2018
	£'000	£'000
Trustee		
Dr A Aboobaker	266	272
Prof J Goicoechea	126	130
Prof N Hankins	101	105
Prof BT Huffman	107	111
Prof R Harding	287	295
Prof H Scott	196	201
Total net book value of properties owned jointly with trustees	<u>1,083</u>	<u>1,114</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.

Lady Margaret Hall
Consolidated Statement of Financial Activities
For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	7,109	-	-	7,109	6,643
Other Trading Income	3	1,435	-	-	1,435	1,306
Donations and legacies	2	458	1,300	341	2,099	1,603
Investments						
Investment income	4	148	-	753	901	894
Total return allocated to income	13	1,331	-	(1,331)	-	-
Other income		45	-	-	45	24
Total income		10,526	1,300	(237)	11,589	10,470
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		10,490	876	-	11,366	9,504
Generating funds:						
Fundraising		514	-	-	514	555
Trading expenditure		987	-	-	987	907
Investment management costs		17	-	92	109	110
Total Expenditure		12,008	876	92	12,976	11,076
Net Income/(Expenditure) before gains		(1,482)	424	(329)	(1,387)	(606)
Net gains/(losses) on investments	10, 11	222	-	1,254	1,476	2,405
Net Income/(Expenditure)		(1,260)	424	925	89	1,799
Transfers between funds	18	361	(330)	(31)	-	-
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		(899)	94	894	89	1,799
Fund balances brought forward	18	26,601	1,757	38,122	66,480	64,681
Funds carried forward at 31 July		25,702	1,851	39,016	66,569	66,480

Lady Margaret Hall
Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	32,359	33,412	32,359	33,411
Property investments	10	1,775	1,650	1,775	1,650
Other Investments	11	44,273	43,457	44,277	43,461
Total Fixed Assets		78,407	78,519	78,411	78,522
CURRENT ASSETS					
Stocks		182	190	182	190
Debtors	14	1,614	1,553	978	1,017
Investments		1,019	904	1,019	904
Cash at bank and in hand		1,744	928	1,404	639
Total Current Assets		4,559	3,575	3,583	2,750
LIABILITIES					
Creditors: Amounts falling due within one year	15	3,260	3,033	2,286	2,211
NET CURRENT ASSETS/(LIABILITIES)		1,299	542	1,297	539
TOTAL ASSETS LESS CURRENT LIABILITIES		79,706	79,061	79,708	79,061
CREDITORS: falling due after more than one year	16	10,725	11,325	10,725	11,325
Provisions for liabilities and charges	17	-	-	-	-
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		68,981	67,736	68,983	67,736
Defined benefit pension scheme liability	22	2,412	1,256	2,412	1,256
TOTAL NET ASSETS/(LIABILITIES)		66,569	66,480	66,571	66,480
FUNDS OF THE COLLEGE					
Endowment funds		39,016	38,122	39,016	38,122
Restricted funds		1,851	1,757	1,851	1,757
Unrestricted funds		(86)	(711)	(86)	(711)
General funds		28,200	28,568	28,202	28,568
Designated funds		-	-	-	-
Revaluation reserve		-	-	-	-
Pension reserve	22	(2,412)	(1,256)	(2,412)	(1,256)
		66,569	66,480	66,571	66,480

The financial statements were approved and authorised for issue by the Governing Body of Lady Margaret Hall on 4 December 2019

Trustee:

Trustee:

Lady Margaret Hall
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash provided by (used in) operating activities	25	(193)	(128)
Cash flows from investing activities			
Dividends, interest and rents from investments		901	894
Proceeds from the sale of property, plant and equipment		-	203
Purchase of property, plant and equipment		(168)	(740)
Proceeds from sale of investments		6,348	6,348
Purchase of investments		(5,813)	(5,820)
Net cash provided by (used in) investing activities		1,268	885
Cash flows from financing activities			
Repayments of borrowing		(600)	(600)
Cash inflows from new borrowing		-	-
Receipt of endowment		341	164
Net cash provided by (used in) financing activities		(259)	(436)
Change in cash and cash equivalents in the reporting period		816	321
Cash and cash equivalents at the beginning of the reporting period		928	607
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	26	1,744	928

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,766	1,725
Tuition fees - Overseas students	839	825
Other fees	401	372
Other HEFCE support	206	210
Other academic income	302	278
College residential income	3,595	3,233
	7,109	6,643
Total Teaching, Research and Residential	7,109	6,643
Total income from charitable activities	7,109	6,643

The above analysis includes £2,809 received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £2,760)

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 £1k (2018: £7k). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2019	2018
	£'000	£'000
Donations and Legacies		
Unrestricted funds	458	557
Restricted funds	1,300	882
Endowed funds	341	164
	2,099	1,603

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Subsidiary company trading income	1,435	1,306
Other trading income	-	-
	1,435	1,306

4 INVESTMENT INCOME

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	19	19
Equity dividends	-	-
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	129	129
Bank interest	-	-
Other interest	-	-
	148	148
<i>Endowed funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	-	-
Equity dividends	753	746
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
Other interest	-	-
	753	746
Total Investment income	901	894

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,229	4,598
Public worship	-	-
Heritage	-	-
Other direct costs allocated to:		
Teaching, research and residential	2,845	2,263
Public worship	-	-
Heritage	-	-
Support and governance costs allocated to:		
Teaching, research and residential	3,292	2,643
Public worship	-	-
Heritage	-	-
Total charitable expenditure	11,366	9,504
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	371	343
Trading expenditure	-	-
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	134	207
Trading expenditure	660	562
Investment management costs	109	110
Support and governance costs allocated to:		
Fundraising	9	5
Trading expenditure	327	345
Investment management costs	-	-
Total expenditure on raising funds	1,610	1,572
Total expenditure	12,976	11,076

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 £0k (2018: £0).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial administration	130	379	509
Domestic administration	41	121	162
Human resources	-	165	165
IT	-	112	112
Depreciation	160	1,061	1,221
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	5	277	282
Other finance charges	-	1,155	1,155
Governance costs	-	22	22
	336	3,292	3,628

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	146	443	589
Domestic administration	40	118	158
Human resources	-	132	132
IT	-	220	220
Depreciation	159	1,046	1,205
Loss/(profit) on fixed assets	-	(33)	(33)
Bank interest payable	5	270	275
Other finance charges	-	425	425
Governance costs	-	22	22
	350	2,643	2,993

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.

	2019 £'000	2018 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	22	22
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	-	-
	22	22

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

	2019 £'000	2018 £'000
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During the year the College funded research awards and bursaries to students from its funds as follows:

Unrestricted funds

Grants to individuals:

Scholarships, prizes and grants

-

Bursaries and hardship awards

102

Grants to other institutions

-

Total unrestricted

102

Endowment and Restricted funds

Grants to individuals:

Scholarships, prizes and grants

246

Bursaries and hardship awards

54

Grants to other institutions

-

Total restricted

300

Total grants and awards

402

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £102k (2018: £105k) Some of those students also received fee waivers amounting to £1k (2018: £7k).

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

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

8 STAFF COSTS

	2019 £'000	2018 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	6,329	5,203
Social security costs	376	331
Pension costs:		
Defined benefit schemes	721	655
Defined contribution schemes	28	31
Other benefits	-	-
	7,454	6,220

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

	2019	2018
Tuition and research	26	23
College residential	70	63
Public worship	-	-
Heritage	-	-
Fundraising	5	5
Support	27	23
Total	128	114

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

	2019	2018
University Lecturers	22	25
CUF Lecturers	10	10
Other teaching and research	3	2
Other	7	7
Total	42	44

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	2	1
£70,001-£80,001	1	1

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

In defined benefits schemes	2	2
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9 TANGIBLE FIXED ASSETS

Group and College

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At start of year	38,356	620	3,568	42,544
Additions	20	23	125	168
Disposals	-	-	-	-
At end of year	38,376	643	3,693	42,712
Depreciation and impairment				
At start of year	7,530	514	1,088	9,132
Depreciation charge for the year	989	114	118	1,221
Depreciation on disposals	-	-	-	-
Impairment	-	-	-	-
At end of year	8,519	628	1,206	10,353
Net book value				
At end of year	29,857	15	2,487	32,359
At start of year	30,826	106	2,480	33,412

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No fixed assets are held under finance leases (2018: nil)

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 & College	Agricultural £'000	Commercial £'000	Other £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	-	-	1,650	1,650	1,650
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation gains/(losses) in the year	-	-	125	125	-
Valuation at end of year	-	-	1,775	1,775	1,650

The College holds one property investment. A formal valuation was carried out in July 2019 by an independent third party, where the property was valued at £1,775,000.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
Group investments		
Valuation at start of year	43,457	41,580
New money invested	340	163
Amounts withdrawn	(1,666)	(1,475)
Reinvested income	901	894
Investment management fees	(109)	(110)
(Decrease) / increase in value of investments	1,350	2,405
Group investments at end of year	44,273	43,457
Investment in subsidiaries	4	4
College investments at end of year	44,277	43,461

Group investments comprise:	2019	2019	2019	2018	2018	2018
	Held outside the UK £'000	Held in the UK £'000	Total £'000	Held outside the UK £'000	Held in the UK £'000	Total £'000
Equity investments	12,101	10,952	23,053	10,920	12,616	23,536
Global multi-asset funds	-	1,011	1,011	-	333	333
Property funds	-	5,982	5,982	-	6,014	6,014
Fixed interest stocks	-	980	980	-	989	989
Alternative and other investments	2,391	6,254	8,645	1,941	6,343	8,284
Fixed term deposits and cash	4,599	3	4,602	3,621	680	4,301
Total group investments	19,091	25,182	44,273	16,482	26,975	43,457

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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.

	LMH Hospitality Services Ltd £'000	LMH Trading Ltd £'000
Income	1,435	5
Expenditure	(594)	(10)
Donation to College under gift aid	(841)	-
Result for the year	-	(5)
Total assets	1,386	31
Total liabilities	(1,382)	(36)
Net funds at the end of year	4	(5)

Associate undertaking

The College holds 33.33% of the share capital in North Oxford Colleges Shared Services Limited, a company providing IT and administrative services to its affiliated entities. The turnover for this company was £392k (2018: £108k) with £0 profit (2018: £0).

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	9,528	-	9,528	-	9,528
Unapplied total return	-	7,379	7,379	-	7,379
Expendable endowment	-	-	-	21,215	21,215
Total Endowments	9,528	7,379	16,907	21,215	38,122
Movements in the reporting period:					
Gift of endowment funds	239	-	239	102	341
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: total investment income	-	348	348	405	753
Investment return: realised and unrealised gains and losses	-	522	522	732	1,254
Less: Investment management costs	-	(40)	(40)	(52)	(92)
Other transfers	-	(19)	(19)	(12)	(31)
Total	239	811	1,050	1,175	2,225
Unapplied total return allocated to income in the reporting period	-	(584)	(584)	(669)	(1,253)
Expendable endowments transferred to income	-	-	-	(78)	(78)
	-	(584)	(584)	(747)	(1,331)
Net movements in reporting period	239	227	466	428	894
At end of the reporting period:					
Gift component of the permanent endowment	9,767	-	9,767	-	9,767
Unapplied total return	-	7,606	7,606	-	7,606
Expendable endowment	-	-	-	21,643	21,643
Total Endowments	9,767	7,606	17,373	21,643	39,016

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14 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	244	632	188	421
Amounts owed by College members	99	190	98	190
Amounts owed by Group undertakings	434	-	434	188
Loans repayable within one year	-	-	-	-
Prepayments and accrued income	813	666	236	153
Other debtors	24	65	22	65
Amounts falling due after more than one year:				
Loans	-	-	-	-
	1,614	1,553	978	1,017

15 CREDITORS: falling due within one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Bank overdrafts	-	-	-	-
Bank loans	600	600	600	600
Obligations under finance leases	-	-	-	-
Trade creditors	463	639	463	537
Amounts owed to College Members	181	-	181	-
Amounts owed to Group undertakings	434	-	-	-
Taxation and social security	196	270	197	264
College contribution	-	-	-	-
Accruals and deferred income	798	1,159	257	445
Other creditors	588	365	588	365
	3,260	3,033	2,286	2,211

16 CREDITORS: falling due after more than one year

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Bank loans	10,725	11,325	10,725	11,325
Obligations under finance leases	-	-	-	-
Other creditors	-	-	-	-
	10,725	11,325	10,725	11,325

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 £3.225m of which £1.162m incurs interest at a fixed-rate of 3.7% per annum for the remainder of the loan term and £2.063m incurs interest at a fixed rate of 2.58% per annum above bank base rate.

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 with a balance outstanding at

- (c) the year end of £5.1m. The interest has been fixed at 1.66% above base rate.

- (b) 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 covers the cost of the kitchen refurbishment project. This is a bullet loan where the entire capital balance falls due in June 2021. Interest is fixed at 1.85%.

17 PROVISIONS FOR LIABILITIES AND CHARGES

At 31 July 2019 there were no provisions for liabilities and charges.

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18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
General purpose funds	6,416	366	(15)	(241)	198	6,724
Tutorial and research fellowship funds	7,652	162	(18)	(284)	236	7,748
Student support funds	2,505	52	(6)	(65)	78	2,564
Other purpose funds	334	7	(1)	(13)	10	337
Endowment Funds - Expendable						
General purpose funds	6,836	111	(17)	(202)	291	7,019
Tutorial and research fellowship funds	7,107	164	(17)	(342)	219	7,131
Student support funds	6,529	219	(16)	(195)	202	6,739
Other purpose funds	743	13	(2)	(20)	20	754
Total Endowment Funds - College	38,122	1,094	(92)	(1,362)	1,254	39,016
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	38,122	1,094	(92)	(1,362)	1,254	39,016
Restricted Funds						
Buildings funds	-	361	-	(361)	-	-
Tutorial and research fellowship funds	722	356	(415)	31	-	694
Student support funds	894	234	(115)	-	-	1,013
Other restricted funds	141	349	(346)	-	-	144
Transfers from specific purpose endowments for spending:						
<i>Applied total return</i>	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-
Total Restricted Funds - College	1,757	1,300	(876)	(330)	-	1,851
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	1,757	1,300	(876)	(330)	-	1,851
Unrestricted Funds						
General funds	(711)	9,047	(9,615)	1,194	-	(86)
Fixed Asset Designated funds	21,381	-	(1,221)	768	-	20,928
Designated capital funds	7,188	148	(17)	(270)	222	7,271
Designated other funds	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(1,257)	-	(1,155)	-	-	(2,412)
Total Unrestricted Funds - College	26,601	9,195	(12,008)	1,692	222	25,702
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
Total Unrestricted Funds - Group	26,601	9,195	(12,008)	1,692	222	25,702
Total Funds	66,480	11,589	(12,976)	-	1,476	66,569

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

Designated capital funds

Other designated funds

Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes

Unrestricted Funds allocated by the Trustees for the purpose of preserving the capital and maintaining a long-term income stream in support of the College's activities

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	2019 Total £'000
Tangible fixed assets	32,359	-	-	32,359
Property investments	-	-	1,775	1,775
Other investments	7,036	-	37,241	44,277
Net current assets	(556)	1,851	-	1,295
Pension deficit liability	(2,412)	-	-	(2,412)
Long term liabilities	(10,725)	-	-	(10,725)
	<u>25,702</u>	<u>1,851</u>	<u>39,016</u>	<u>66,569</u>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	33,410	-	-	33,410
Property investments	-	-	1,650	1,650
Other investments	7,236	-	38,102	45,338
Net current assets	(1,464)	1,757	(1,630)	(1,337)
Pension deficit liability	(1,256)	-	-	(1,256)
Long term liabilities	(11,325)	-	-	(11,325)
	<u>26,601</u>	<u>1,757</u>	<u>38,122</u>	<u>66,480</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
Supernumary 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 29.

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 £1,624k (2018: £1,580k). The total of pension contributions is £309k (2018: £284k).

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Remuneration paid to trustees

Range	Number of Trustees/Fellows	2019	Number of Trustees/Fellows	2018
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£0 - £999	11	3,081	12	987
£3,000 - £3,999	2	6,665		
£7,000 - £7,999	1	7,688		
£8,000 - £8,999			1	8,993
£9,000 - £9,999			1	9,695
£10,000 - £10,999			2	21,643
£11,000 - £11,999	2	23,271	4	47,466
£12,000 - £12,999	8	96,930	3	37,158
£13,000 - £13,999	1	13,020		
£15,000 - £15,999			1	15,287
£18,000 - £18,999			1	18,739
£19,000 - £19,999	1	19,011	2	39,827
£21,000 - £21,999			9	194,346
£22,000 - £22,999	6	135,489		
£23,000 - £23,999	1	23,016		
£24,000 - £24,999	2	48,407		
£27,000 - £27,999	1	27,884		
£29,000 - £29,999			1	29,843
£43,000 - £43,999			1	43,735
£45,000 - £45,999	1	45,317	1	45,783
£50,000 - £50,999	1	50,194		
£52,000 - £52,999	1	52,853		
£53,000 - £53,999			4	214,503
£55,000 - £55,999	3	166,576		
£56,000 - £56,999	1	56,025		
£57,000 - £57,999	2	114,429	1	57,346
£58,000 - £58,999	1	58,604		
£61,000 - £61,999			1	61,260
£62,000 - £62,999	1	62,808	1	62,854
£63,000 - £63,999	1	63,880		
£65,000 - £65,999			1	65,331
£71,000 - £71,999	1	71,614		
£75,000 - £75,999			1	75,348
£83,000 - £83,999			1	83,157
£84,000 - £84,999			1	84,717
£85,000 - £85,999			1	85,092
£86,000 - £86,999	1	86,603	1	86,142
£88,000 - £88,999	1	88,239		
£93,000 - £93,999			1	93,421
£95,000 - £95,999	1	95,695		
£97,000 - £97,999			1	97,608
£99,000 - £99,999	1	99,561		
£107,000 - £107,999	1	107,559		
Total	54	1,624,419	54	1,580,281

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 (2018: £0) was reimbursed to zero (2018: zero) of the Trustees.

See also note 29 Related Party Transactions

Key management remuneration

The total remuneration, including pension contributions, paid to key management was £659k (2018: £642k)

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 two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The assets of the schemes are each held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). Both are multi-employer schemes and the company is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the college accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College has made available the National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits.

Schemes accounted for under FRS 102 paragraph 28.11 as defined contribution schemes

Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results.

	<u>USS</u>	<u>OSPS</u>
Date of valuation:	31 March 2017	31 March 2016
Date valuation results published:	28 January 2019	28 April 2017
Value of liabilities:	£67.5bn	£661m
Value of assets:	£60.0bn	£528m
Funding surplus / (deficit):	(£7.5bn) [a]	(£133m) [b]
Principal assumptions:	CPI – 0.53% to CPI – 1.32%pa	
- Investment return	c	-
- Rate of interest (periods up to retirement)	-	'Gilts' + 1.2%pa
- Rate of interest (periods up after retirement)	-	'Gilts' + 1.2%pa
- Rate of increase in salaries	CPI + 2%pa [d]	RPI + 1%pa
- Rate of increase in pensions	CPI pa [d]	Average RPI/CPI pa
Mortality assumptions:		
- Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
- Assumed life expectancy at age 65 (females)	26 yrs	24.7 yrs
Funding Ratios:		
- Technical provisions basis	89%	80%
- Statutory Pension Protection Fund basis	72%	67%
- 'Buy-out' basis	48%	42%
- Estimated FRS 102 Total Funding level	77%	82%
Recommended employer's contribution rate (as % of pensionable salaries):	18% increasing to 24.2% by 01/04/20 [e]	23% decreasing to 19% from 01/08/2017 [f]
Effective date of next valuation:	31 March 2018	31 March 2019

a. USS' actuarial valuation as at 31 March 2017 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 were 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 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 were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits 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 an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).

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b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.

c. USS' actuary has assumed that the investment return is CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.

d. USS' actuary has assumed that general pay growth will be CPI +2 in year 1, CPI + 2% in year 2 and 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 1.0% p.a.

e. The total USS employer contributions of 18% of salaries 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. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

USS

<u>Assumption</u>	<u>Change in assumption</u>	<u>Impact on USS liabilities</u>
Initial discount rate	increase / reduce by 0.25%	decrease / increase by £3.3bn
Asset Values	reduce by 10%	decrease / increase by £3bn
RPI inflation	increase / reduce by 0.25%	increase / decrease by £3.3bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn

OSPS

<u>Assumption</u>	<u>Change in assumption</u>	<u>Impact on OPS technical provisions</u> (from 80% funded at 31/03/2016)
Valuation rate of interest	decrease by 1.0%	68%
Rate of pension increases	increase by 1.0%	69%
Life expectancy	more prudent assumption (life expectancy increases by 3 years)	72%

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, The College has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

	<u>OSPS</u>	<u>USS</u>
Finish Date for Deficit Recovery Plan	30 June 2027	31 March 1931
Average staff number increase	0%	0%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	1.40%	1.75%
Effect of 0.5% change in discount rate	£21k	£69k
Effect of 1% change in staff growth	£53k	£144k

Lady Margaret Hall
Notes to the financial statements
For the year ended 31 July 2019

A provision of £2,412k has been made at 31 July 2019 (2018: £1,256k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

Pension charge for the year

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

Scheme	2019 £000's	2018 £000's
Universities Superannuation Scheme	411	409
University of Oxford Staff Pension Scheme	310	246
Other schemes – contributions	28	31
Total	749	686

Included in other creditors and accruals are pension contributions payable of £92k (2018: £89k).

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**

	2019 Group £'000	2018 Group £'000
Net income/(expenditure)	89	1,799
Elimination of non-operating cash flows:		
Investment income	(901)	(894)
(Gains)/losses in investments	(1,476)	(2,405)
Endowment donations	(341)	(164)
Depreciation	1,221	1,205
(Surplus)/loss on sale of fixed assets	-	(33)
Decrease/(Increase) in current asset investments	(115)	425
Decrease/(Increase) in stock	8	(5)
Decrease/(Increase) in debtors	(61)	(314)
(Decrease)/Increase in creditors	227	(166)
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	1,156	424
Net cash provided by (used in) operating activities	(193)	(128)

26 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash at bank and in hand	1,744	928
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	1,744	928

27 FINANCIAL COMMITMENTS

At 31 July 2019 the College had no annual commitments under non-cancellable operating leases (2018: nil).

28 CAPITAL COMMITMENTS

The College had no capital commitments at 31 July 2019.

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.

	2019	2018
	£'000	£'000
Trustee		
Dr A Aboobaker	266	272
Prof J Goicoechea	126	130
Prof N Hankins	101	105
Prof BT Huffman	107	111
Prof R Harding	287	295
Prof H Scott	196	201
Total net book value of properties owned jointly with trustees	<u>1,083</u>	<u>1,114</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.