

# Lady Margaret Hall

Annual Report and Financial Statements

Year ended 31 July 2020

**LADY MARGARET HALL**  
**Annual Report and Financial Statements**  
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## LADY MARGARET HALL

### Governing Body, Officers and Advisers

Year ended 31 July 2020

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#### 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 2019 to 30 September 2020 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	(retired 30 September 2020)										
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 Xon de Ros											
Professor Francis DiTraglia			•								
Rev'd Dr Allan Doig	(retired 30 September 2019)										
Professor Ana Domingos											
Dr Hanne Eckhoff											
Professor Vanessa Ferreira											

## LADY MARGARET HALL

### Governing Body, Officers and Advisers

Year ended 31 July 2020

		(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					•						
Mr. Richard Hunt	(from 4 November 2020)										
Professor Kyle Jaros	(resigned 02 August 2020)										
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	(resigned 31 August 2019)										
Dr Anne Mullen		•		•	•		•	•			
Professor Jill O'Reilly											
Professor Gascia Ouzounian					•						
Dr Katrina Palmer											
Mr Tim Pottle	(resigned 6 March 2020)	•			•		•				
Dr Natalie Quinn			•								
Dr Sophie Ratcliffe					•						
Professor Dominic Scott	(resigned 31 December 2019)								•		
Professor Helen Scott		•		•							
Dr Fiona Spensley				•				•			
Professor Robert Stevens											•
Dr James Studd											
Dr Grant Tapsell				•	•						
Professor Adrian Thomas		•									
Professor Jan Westerhoff											

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### Governing Body, Officers and Advisers

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Investment Committee, Development Committee, Strategy Committee, Buildings Committee and Garden Committee have appropriately qualified external members. The Remuneration Committee consists of six 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 (resigned 6 March 2020)	<i>Development Director</i>
Mr Richard Hunt (from 1 July 2020)	
H Ms Jo Murray	<i>Head of Communications</i>

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**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](http://www.lmh.ox.ac.uk)

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**Year ended 31 July 2020**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2020 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, of remuneration levels in other Oxford colleges, reviewed by the Remuneration Committee and then approved by Governing Body.

**Organisational management**

The members of the Governing Body meet at least 6 and up to 9 times a year. The work of developing their policies and monitoring the implementation of these is carried out by ten main Committees:

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

**Investment Committee** - considers all business relating to the College's investments (including those of trust funds).

**Academic Policy Committee** – advises on:

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

**Development Committee** - is responsible for implementing, monitoring, and reviewing the College's fund-raising objectives and alumni 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. The Team's purpose is to connect and engage Alumni in the work of the College and to generate funds to support the College's long-term strategy and in-year activities.

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.



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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.

In normal times, when no pandemic restrictions are in force, 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:

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- 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 (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and to graduate students; 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 2019-20, the number of awards made was 97, out of a Home/EU undergraduate population of 399, with a total value of £283,000, of which £105,000 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 £49,000 for this purpose in 2019-20.

To support the costs of graduate students, the College provides substantial financial assistance. This includes scholarships of £143,000 in the academic year 2019-20.

The College also makes awards for academic development and provided £30,000 in academic development grants, covering both graduates and undergraduates, in 2019-20.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship and provided £71,000 under this heading in 2019-20. The College also provides access to hardship schemes operated by the University.

In times when travel has not been restricted as a result of Covid-19, 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. LMH continues to work with the University to develop "Outreach Consortia" activity involving groups of colleges and Local Education Authorities (LEAs) to increase visibility and impact. In 2019, LMH worked with the University's Undergraduate Admissions and Outreach Department to support them in restructuring regional outreach across the colleges. As part of this, from Trinity Term 2019, LMH relinquished its links with schools in Wales and Herefordshire, and took on schools in South Gloucestershire and Bristol (in collaboration with Merton and Exeter colleges as part of the South West Consortium) in addition to its existing links in Gloucestershire and Haringey. The College has particular strengths in digital outreach and maintained as much of its outreach activity as possible on a virtual basis during the pandemic.

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 2019-20, the fourth cohort successfully completed the course and all 8 students have progressed onto full-time undergraduate study at LMH. Four of the first cohort of Foundation Year students successfully completed their Final Honours Degrees, achieving one 1st and three 2:1s.

### **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, in normal times, when no pandemic restrictions are operating, 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**

In common with other universities and colleges in the UK, the College's financial year was affected significantly by the impact of the Covid-19 pandemic from March 2020, eight months from the start of the year.

The College's key achievements in 2019-20 were:

<b>Key Goals</b>	<b>Achievements 2019-20</b>
Academic distinction: undergraduate mission	<ul style="list-style-type: none"> <li>• Held constructive Senior Tutor/Tutor meetings with students to incentivise continued excellent academic performance and the fulfilment of academic potential.</li> <li>• 97% of undergraduates achieved a first or an upper second class degree.</li> <li>• Recruited 131 undergraduates for 2020 entry and 5 for 2021 entry.</li> <li>• Recruited 8 Foundation Year students for 2020 start, and celebrated the academic success of the FY "graduates" who all completed the course with Distinction.</li> <li>• Celebrated the success of four of the first cohort of Foundation Year students who successfully completed their Oxford University degrees.</li> <li>• Presented a report on Year 3 of the Foundation Year to Governing Body and the central University.</li> <li>• Recruited excellent new tutors: 13 Stipendiary Lecturers.</li> <li>• Recruited a total of 27.5 FTE Visiting Students for 2020-21 (though only a few participated in the course because of the pandemic).</li> <li>• Noted successful second 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.</li> </ul>
Academic distinction: postgraduate mission	<ul style="list-style-type: none"> <li>• Recruited 162 new graduates for 2020-21, of which 16 are part time.</li> <li>• 90 graduates selected LMH as first choice college.</li> <li>• Accommodated 96 graduates in 2019-20; on site, in two leased off-site buildings and through rental agreements with the central University.</li> <li>• 76 Masters students successfully completed their degrees, with 54 obtaining Distinction or Merit. 27 students successfully completed their Doctorates (D Phil).</li> <li>• Continued work to identify and grow financial support for postgraduate scholarships, including close working with the University.</li> </ul>

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<p>Academic distinction: teaching and research mission</p>	<ul style="list-style-type: none"> <li>• Achieved swift and successful switch to online teaching, learning and support resources (Library, Study Skills Centre), and online examinations in Trinity Term 2020, informed and supported by University and College IT provision.</li> <li>• Publicised academic results and prizes for undergraduates, graduates and tutors. 43% of undergraduate finalists obtained a 1<sup>st</sup> and 52% obtained a 2:1.</li> <li>• Undertook Academic Office restructuring including: a dedicated postholder to support registered disabled students, and office support for academics to ensure coherent and timely service.</li> <li>• Implemented improved budgetary controls and close and collaborative working continued with College Accounts Team.</li> </ul>
<p>Health, Wellbeing and Welfare</p>	<ul style="list-style-type: none"> <li>• Continued to focus on the welfare of students through Michaelmas and Hilary Terms. The impact of Covid-19 and the limited access to the College in Trinity Term meant many students were studying at home.</li> <li>• Made considerable efforts to ensure the wellbeing and health of over 100 students remaining on site in Trinity Term.</li> <li>• Prepared for the start of the new academic year under Covid-19 restrictions aiming to ensure that students remained well-supported and safe and the College compliant with Government guidelines.</li> <li>• Developed plans to technical design stage for a new punt house on the LMH river bank.</li> </ul>
<p>A Diverse/Inclusive College</p>	<ul style="list-style-type: none"> <li>• Piloted the College's first 'Half-Term' tours in February 2020. Ran 4 tours, and a total of 70 prospective applicants attended.</li> <li>• Held a total of 37 outreach events, many of which were run digitally once schools returned after the spring 'lockdown'.</li> <li>• Produced an extensive range of digital content for outreach purposes eg a video in collaboration with student influencer Eve Bennett – '5 Things I Love About LMH' - which has had 36,000 views on YouTube.</li> <li>• Noted that LMH has the largest number of followers of all Oxford Colleges on Instagram (11,300).</li> </ul>

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<p>Strengthening the LMH Community</p>	<ul style="list-style-type: none"> <li>• Launched the new LMH Intranet - new design, easy to use and delivered on budget.</li> <li>• Held a series of successful 'In Conversation' events, many on a virtual basis, attended by LMH students, staff, alumni and prospective applicants. Live audience numbers ranged from 50 – 150.</li> <li>• Held a virtual Interfaith Iftaar event to celebrate Ramadan.</li> <li>• Established a working group to address equality and racism concerns within the community. Held the first Black Histories and Futures academic event.</li> <li>• Arranged a series of pandemic communications to assist members of the community during the spring 'lockdown'.</li> <li>• Completed to concept design stage a new communal space at the garden level of the Talbot building.</li> </ul>
<p>Alumni engagement</p>	<ul style="list-style-type: none"> <li>• Transitioned rapidly to webinars and digital content for events when spring 'lockdown' started.</li> <li>• Ran a successful Covid-19 appeal, generating over £0.19m.</li> <li>• Raised £0.66m (target £0.55m) in unrestricted gifts.</li> <li>• Raised £2.2m towards the current major fundraising Campaign.</li> </ul>
<p>Conferences and other Commercial Developments</p>	<ul style="list-style-type: none"> <li>• Half-year income growth was achieved by success of Summer Academic Programmes in August and September 2019. Student numbers attending LMH Programmes increased by 82% year on year.</li> <li>• Almost all conference events cancelled between March and July 2020, due to the Coronavirus pandemic.</li> <li>• Full year turnover was significantly below target at £1.4m. Net income was £0.5m, approximately half its previous level.</li> </ul>

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Covid-19	<ul style="list-style-type: none"> <li>• Developed new processes to manage the operational and financial risks of Covid-19 pandemic from end March 2020.</li> <li>• Created two ad hoc committees (Operational and Policy &amp; Planning) which met at least weekly during the crisis. Operational risks reported to the Policy &amp; Planning Committee and a weekly report was then sent to Governing Body.</li> <li>• Established an additional unsecured credit line with Barclays Bank and ring-fenced cash reserves in the endowment in the early months of the pandemic. Neither reserve was needed because teaching income was not disrupted in Trinity Term 2020 and the College acted swiftly to reduce its costs.</li> <li>• Established additional Covid-19 security measures and processes to allow a full provision of residential accommodation and supporting services for the beginning of Michaelmas Term 2020.</li> </ul>
Finances, Endowment, Estate, Gardens, IT and Governance	<ul style="list-style-type: none"> <li>• Generated a sufficient cash surplus to repay £0.6mn in outstanding debt.</li> <li>• Upgraded infrastructure leading to improved ICT security and reach.</li> <li>• Maintained compliance under data protection and GDPR regulations.</li> <li>• Agreed targets for priorities in College's 2019 Sustainability Framework and efforts continued to operate sustainably in all areas, working with staff and students.</li> <li>• Continued efforts to encourage Near Miss reporting following incidents and to minimise the risks of and occurrence of accidents.</li> <li>• Decorated 70 student study bedrooms and southern elevations of three college buildings.</li> </ul>

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**FINANCIAL REVIEW**

The financial results for 2019-20 show a net movement in funds of -£2.092m, reducing the Funds of the College to £64.477m.

Total Incoming Resources were £11.786m (£11.589m in 2018-19) including donations of £3.126m and investment income of £0.939m. Incoming resources excluding these two items came to £7.721m, a decrease of 10% on the previous year. Academic income and residential income from members was down 4% year-on-year, largely due to the impact of the pandemic on Trinity Term student accommodation occupancy levels.

The resources expended in achieving this income of £7.721m were £11.087m, being Total Resources Expended of £11.195m, less investment management expenses of £0.108m. These resources expended were 13.8% lower than the previous year's equivalent figure and include a £0.402m decrease in pension provision.

Scholarships, prizes and grants awarded to students decreased to £0.221m, down 10%, while bursaries and hardship awards increased to £0.176m, up 12.8%. The College received support from the College Contributions Scheme for additional buildings maintenance costs, library costs, graduate scholarships and fundraising costs, receiving £0.269m in support in 2019-20. A reduction in this funding to £0.83m is expected in 2020-21.

The incoming resources of £7.721m, less the resources expended of £11.087m, gives an "operating deficit" of £3.366m. The College covers this deficit in three ways: (1) using donations to Unrestricted Funds of £1.571m; (2) drawing on Endowment Funds and designated capital funds within Unrestricted Funds under a sustainable spending rule for £1.650m; and (3) drawing on Restricted Funds, where both income and capital are available for spending, for £0.686m.

After these draw downs and donations, the operating deficit is converted to a surplus of £0.541m. The surplus is calculated after a depreciation charge of £1.266m and a pension provision of -£0.402m. Adding back these non-cash items gives an "operating cash inflow" of £1.405m. The College repaid £0.6m of its outstanding debt.

In 2019-20, because of the impact of the pandemic on financial markets, the "total return" on investments was -£1.852m, net of investment expenses of £0.108m (£0.109m in 2018-19), and the amount withdrawn from the investment portfolio £1.650m.

The net movement in funds of -£2.092m comprises: the surplus of £0.541m; the "total return" on investments of -£1.852m; new donations received for Endowment Funds of £0.220m and for Restricted Funds of £1.335m; less amounts withdrawn from Endowments of £1.650m and from Restricted funds of £0.686m.

**Reserves policy**

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

Total funds of the College and its subsidiaries at the year-end amounted to £64.477m (2019: £66.569). This includes endowment capital of £36.279m and unspent restricted income funds totalling £2.177m. Unrestricted reserves at the year end were £26.021m (2019: £25.702m), of which £20.545m is designated to cover the £31.375m net book value of fixed assets net of their associated funding arrangements. A further £7.563m is designated as capital funds and a reserve of £2.010m reflects the provision for future payments to fund the pension scheme deficits.

At the year end, general Unrestricted Funds were negative £0.078m but offset by a cash balance of £1.575m, making a net overall positive position of £1.497m. Whilst the College's strategy is to restore its reserves through accumulating positive surpluses after servicing loan repayments, the impact of the pandemic on conference income will continue to be significant and therefore a considerable deficit is forecast for 2020-21. In the short term, the College forecasts that it will be able to cover this deficit from free reserves and an overdraft facility with Barclays. In the longer term, the College will take measures to return the College's operating accounts to surplus. As a backstop, the College can cover the forecast deficit because it has the option to remove the "capital funds" designation from part of its Unrestricted Funds, thereby freeing such funds to cover the expected 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 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 including public health crises; 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;
- Establishing emergency Operational and Policy & Planning committee structures to react to fast moving events such as a pandemic;
- 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

**LADY MARGARET HALL**  
**Report of the Governing Body**  
**Year ended 31 July 2020**

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appropriate proportion of the unapplied total return. The investment policy and strategy are set by the Governing Body, as advised by the Investment Committee from time to time, and performance is regularly monitored by the Investment Committee.

At the year end, the College's long term securities investments totalled £40.991m and the College also held property investments of £2.245m. The total securities investment return was -4.1% in the year to 31 July 2020. This compared to -4.56% for the relevant benchmark return and the target total return of 6.09% for the year to 31 July 2020. 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 2020-21 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. Uncertainty remains in various areas because of the continuing impact of Covid-19.

The College's objectives for 2020-21 are summarised as follows:

<b>Key Goals</b>	<b>Objectives 2020-2021</b>
Academic distinction: undergraduate mission	<ul style="list-style-type: none"> <li>• Continue to promote high academic performance from students through provision of targeted support and ongoing consultation with students</li> <li>• Maintain 2020 Final Honours School success rate of <math>\geq 95\%</math> of undergraduate students achieving at least an upper second class degree</li> <li>• Recruit 125 very able undergraduates plus up to 8 Foundation Year students.</li> <li>• Recruit excellent new tutors for vacancies.</li> <li>• Improve and refresh systems for feedback between students and Tutors.</li> <li>• Continue to develop the reach and stretch of the Study Skills Centre.</li> <li>• Recruit 30 FTE Visiting Students.</li> </ul>
Academic distinction: postgraduate mission	<ul style="list-style-type: none"> <li>• Recruit 135 post-graduate students and maintain the growth of overall numbers to c. 280.</li> <li>• Continue to improve our postgraduate offering and scholarships to attract and support well-qualified graduate students.</li> <li>• Develop University links to explore joint scholarship provision.</li> <li>• Continue to monitor numbers of post-graduate students selecting LMH as first-choice college.</li> <li>• Continue to provide practical support for postgraduate students who are not offered accommodation in College.</li> <li>• Monitor completion rates and investigate support initiatives to improve timely completion of research degrees.</li> </ul>
Academic distinction: Teaching and research mission	<ul style="list-style-type: none"> <li>• Undertake further restructuring of the Academic Office to support Fellows and other academic staff in their primary missions of teaching and research.</li> <li>• 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.</li> <li>• Continue to increase visibility of academic publications and achievements on the website and in other ways.</li> </ul>

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<p>Health, Wellbeing and Welfare</p>	<ul style="list-style-type: none"> <li>• Structure additional processes and support to make sure both resident and non-resident students are safe, well, and able to meet their academic potential.</li> <li>• Continue to develop innovative ways to improve the wellbeing and welfare of the LMH community.</li> <li>• 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.</li> <li>• Complete designs for a shared community space in the Talbot building at the heart of the College.</li> <li>• Submit planning application for the redevelopment of the punt house.</li> <li>• Continue to run and develop College Welfare weeks.</li> <li>• Positively engage students and staff to get involved in the College gardens through a variety of new initiatives.</li> </ul>
<p>A Diverse/Inclusive College</p>	<ul style="list-style-type: none"> <li>• Continue the Foundation Year pilot, leading into the University's Foundation Oxford scheme starting from 2022 entry.</li> <li>• Continue to improve contextual candidate data for admissions rounds and evaluation and use it to support admissions decisions consistently in real time.</li> <li>• Further engage students in outreach and University participation activities.</li> <li>• Continue the use of social media and use other innovative ways to reach the widest possible pool of capable potential candidates.</li> <li>• Improve accessibility and inclusivity through physical means across the site.</li> <li>• Ensure that the College remains an inclusive environment for everyone in the LMH Community.</li> </ul>
<p>Strengthening the LMH Community</p>	<ul style="list-style-type: none"> <li>• Strengthen LMH's claim to be a first choice Oxford college for academics and staff as well as students.</li> <li>• Continue to improve internal and external communication by organising profile-raising events and developing the College's digital presence.</li> <li>• Increase publicity for academic, cultural, musical, intellectual and sporting endeavor.</li> <li>• Respond proactively to the challenge of increasing diversity and challenging racism and discrimination. Develop a Black Histories and Futures program across the year to encourage an academic, artistic and intellectual response.</li> <li>• Develop training for students and staff on issues of race and diversity.</li> </ul>

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**Year ended 31 July 2020**

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<p>Alumni engagement</p>	<ul style="list-style-type: none"> <li>• Develop College’s major donor base.</li> <li>• Revise the case for support in line with College strategy.</li> <li>• Develop College’s legacy programme to become the largest legacy society in Oxford in five years.</li> <li>• Develop an alumni engagement strategy focussing on bringing value to alumni. Areas to include: intellectual content, professional networks and mentoring.</li> <li>• Complete the ‘quiet-phase’ of the fundraising campaign and prepare the public-phase.</li> </ul>
<p>Conferences and other Commercial Developments</p>	<ul style="list-style-type: none"> <li>• Be ready to capture new business when demand returns.</li> <li>• Undertake the necessary measures to be a Covid secure conference venue.</li> <li>• Invest in streaming facilities and provision of on-line academic content, so that the College can provide hybrid remote and in person events and academic programmes.</li> <li>• Develop a contact strategy for new and existing customers.</li> <li>• Develop summer academic programmes to offer in August 2021 and widen participation internationally.</li> </ul>
<p>Finances, Endowment, Estate, Gardens, IT and Governance</p>	<ul style="list-style-type: none"> <li>• Minimise the College’s forecast operating deficit as a result of the pandemic and make structural changes to ensure that the College breaks even again in 2021/22.</li> <li>• Meet all loan repayments and start to restore College free Reserves.</li> <li>• Agree updates to the College Statutes and initiate the external process for these to be approved.</li> <li>• Maintain data protection and compliance under GDPR regulations.</li> <li>• Take advantage of the lack of conference occupancy to deliver refurbishment projects in Talbot and New Old Hall.</li> <li>• Continue to encourage Near Miss reporting following incidents and minimise risks of and occurrence of any accidents.</li> </ul>

## **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 2 December 2020 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 2020 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 34. 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 2020 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 21, 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](http://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.*



**LADY MARGARET HALL**  
**Statement of Accounting Policies**  
**Year ended 31 July 2020**

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**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 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.

**LADY MARGARET HALL**  
**Statement of Accounting Policies**  
**Year ended 31 July 2020**

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**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 at transaction price. Debtors and creditors that are receivable or payable in more than one year and not

**LADY MARGARET HALL**  
**Statement of Accounting Policies**  
**Year ended 31 July 2020**

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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-

**LADY MARGARET HALL**  
**Statement of Accounting Policies**  
**Year ended 31 July 2020**

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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 2020**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000	2019 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential	1	6,821	-	-	6,821	7,109
<b>Other Trading Income</b>	3	502	-	-	502	1,435
<b>Donations and legacies</b>	2	1,571	1,335	220	3,126	2,099
<b>Investments</b>						
Investment income	4	151	-	788	939	901
Total return allocated to income	13	1,376	-	(1,376)	-	-
Other income	33	398	-	-	398	45
<b>Total income</b>		10,819	1,335	(368)	11,786	11,589
<b>EXPENDITURE ON:</b>						
<b>Charitable activities:</b>						
Teaching, research and residential		9,288	686	-	9,974	11,366
<b>Generating funds:</b>						
Fundraising		524	-	-	524	514
Trading expenditure		589	-	-	589	987
Investment management costs		17	-	91	108	109
<b>Total Expenditure</b>		10,418	686	91	11,195	12,976
<b>Net Income/(Expenditure) before gains</b>		401	649	(459)	591	(1,387)
Net gains/(losses) on investments	10, 11	(438)	-	(2,245)	(2,683)	1,476
<b>Net Income/(Expenditure)</b>		(37)	649	(2,704)	(2,092)	89
<b>Transfers between funds</b>	18	356	(323)	(33)	-	-
<b>Other recognised gains/losses</b>						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
<b>Net movement in funds for the year</b>		319	326	(2,737)	(2,092)	89
Fund balances brought forward	18	25,702	1,851	39,016	66,569	66,480
<b>Funds carried forward at 31 July</b>		26,021	2,177	36,279	64,477	66,569

**Lady Margaret Hall**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2020**

	Notes	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	31,375	32,359	31,375	32,359
Property investments	10	2,245	1,775	2,245	1,775
Other Investments	11	40,991	44,273	40,995	44,277
<b>Total Fixed Assets</b>		<b>74,611</b>	<b>78,407</b>	<b>74,615</b>	<b>78,411</b>
<b>CURRENT ASSETS</b>					
Stocks		164	182	164	182
Debtors	14	636	1,614	628	978
Investments		1,958	1,019	1,958	1,019
Cash at bank and in hand		1,575	1,744	1,515	1,404
<b>Total Current Assets</b>		<b>4,333</b>	<b>4,559</b>	<b>4,265</b>	<b>3,583</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	15	2,332	3,260	2,263	2,286
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>2,001</b>	<b>1,299</b>	<b>2,002</b>	<b>1,297</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>76,612</b>	<b>79,706</b>	<b>76,617</b>	<b>79,708</b>
<b>CREDITORS: falling due after more than one year</b>	16	<b>10,125</b>	<b>10,725</b>	<b>10,125</b>	<b>10,725</b>
<b>Provisions for liabilities and charges</b>	17	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY</b>		<b>66,487</b>	<b>68,981</b>	<b>66,492</b>	<b>68,983</b>
<b>Defined benefit pension scheme liability</b>	22	<b>2,010</b>	<b>2,412</b>	<b>2,010</b>	<b>2,412</b>
<b>TOTAL NET ASSETS/(LIABILITIES)</b>		<b>64,477</b>	<b>66,569</b>	<b>64,482</b>	<b>66,571</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>		<b>36,279</b>	<b>39,016</b>	<b>36,279</b>	<b>39,016</b>
<b>Restricted funds</b>		<b>2,177</b>	<b>1,851</b>	<b>2,177</b>	<b>1,851</b>
<b>Unrestricted funds</b>					
General funds		(78)	(86)	(78)	(86)
Designated funds		28,109	28,200	28,114	28,202
Revaluation reserve		-	-	-	-
Pension reserve	22	(2,010)	(2,412)	(2,010)	(2,412)
		<b>64,477</b>	<b>66,569</b>	<b>64,482</b>	<b>66,571</b>

The financial statements were approved and authorised for issue by the Governing Body of Lady Margaret Hall on 2 December 2020

Trustee:

Trustee:

**Lady Margaret Hall**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2020**

	Notes	2020 £'000	2019 £'000
<b>Net cash provided by (used in) operating activities</b>	25	<b>(574)</b>	<b>(193)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		939	901
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(282)	(168)
Proceeds from sale of investments		4,263	6,348
Purchase of investments		(4,135)	(5,813)
<b>Net cash provided by (used in) investing activities</b>		<b>785</b>	<b>1,268</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(600)	(600)
Cash inflows from new borrowing		-	-
Receipt of endowment		220	341
<b>Net cash provided by (used in) financing activities</b>		<b>(380)</b>	<b>(259)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(169)</b>	<b>816</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>1,744</b>	<b>928</b>
<b>Change in cash and cash equivalents due to exchange rate movements</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	26	<b>1,575</b>	<b>1,744</b>



**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,798	1,766
Tuition fees - Overseas students	1,018	839
Other fees	432	401
Other HEFCE support	218	206
Other academic income	296	302
College residential income	3,059	3,595
	<u>6,821</u>	<u>7,109</u>
<b>Total Teaching, Research and Residential</b>	<u>6,821</u>	<u>7,109</u>
<b>Total income from charitable activities</b>	<u>6,821</u>	<u>7,109</u>

The above analysis includes £3,034 received from Oxford University from publicly accountable funds under the CFF Scheme (2019: £2,809)

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 £nil (2019: £1k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Unrestricted funds	1,571	458
Restricted funds	1,335	1,300
Endowed funds	220	341
	<u>3,126</u>	<u>2,099</u>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Subsidiary company trading income	502	1,435
Other trading income	-	-
	<u>502</u>	<u>1,435</u>

**4 INVESTMENT INCOME**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	13	19
Equity dividends	-	-
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	138	129
Bank interest	-	-
Other interest	-	-
	<u>151</u>	<u>148</u>
<i>Endowed funds</i>		
Agricultural rent	-	-
Commercial rent	-	-
Other property income	-	-
Equity dividends	788	753
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
Other interest	-	-
	<u>788</u>	<u>753</u>
<b>Total Investment income</b>	<u>939</u>	<u>901</u>

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**5 ANALYSIS OF EXPENDITURE**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	5,513	5,229
Public worship	-	-
Heritage	-	-
Other direct costs allocated to:		
Teaching, research and residential	2,673	2,845
Public worship	-	-
Heritage	-	-
Support and governance costs allocated to:		
Teaching, research and residential	1,788	3,292
Public worship	-	-
Heritage	-	-
<b>Total charitable expenditure</b>	<b>9,974</b>	<b>11,366</b>
<b>Expenditure on raising funds</b>		
Direct staff costs allocated to:		
Fundraising	413	371
Trading expenditure	-	-
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	104	134
Trading expenditure	263	660
Investment management costs	108	109
Support and governance costs allocated to:		
Fundraising	7	9
Trading expenditure	326	327
Investment management costs	-	-
<b>Total expenditure on raising funds</b>	<b>1,221</b>	<b>1,610</b>
<b>Total expenditure</b>	<b>11,195</b>	<b>12,976</b>

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 (2019: £0).

**6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

	Generating Funds £'000	Teaching and Research £'000	<b>2020 Total £'000</b>
Financial administration	120	357	<b>477</b>
Domestic administration	42	126	<b>168</b>
Human resources	-	191	<b>191</b>
IT	-	117	<b>117</b>
Depreciation	165	1,102	<b>1,267</b>
Loss/(profit) on fixed assets	-	-	-
Bank interest payable	6	277	<b>283</b>
Other finance charges	-	(401)	<b>(401)</b>
Governance costs	-	19	<b>19</b>
	<b>333</b>	<b>1,788</b>	<b>2,121</b>

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

	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
	<b>336</b>	<b>3,292</b>	<b>3,628</b>

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.

	2020 £'000	2019 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	19	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	-	-
	<b>19</b>	<b>22</b>

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**

	2020 £'000	2019 £'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	105	102
Grants to other institutions	-	-
<b>Total unrestricted</b>	<b>105</b>	<b>102</b>

**Endowment and Restricted funds**

Grants to individuals:		
Scholarships, prizes and grants	221	246
Bursaries and hardship awards	71	54
Grants to other institutions	-	-
<b>Total restricted</b>	<b>292</b>	<b>300</b>

**Total grants and awards**

	<b>397</b>	<b>402</b>
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The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £105k (2019: £102k) Some of those students also received fee waivers amounting to £nil (2019: £1k).

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 2020**

**8 STAFF COSTS**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	<b>4,995</b>	6,329
Social security costs	<b>381</b>	376
Pension costs:		
Defined benefit schemes	<b>682</b>	721
Defined contribution schemes	<b>155</b>	28
Other benefits	-	-
	<b>6,213</b>	<b>7,454</b>

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

	<b>2020</b>	2019
Tuition and research	<b>27</b>	26
College residential	<b>81</b>	70
Public worship	<b>1</b>	-
Heritage	-	-
Fundraising	<b>6</b>	5
Support	<b>32</b>	27
Total	<b>147</b>	<b>128</b>

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

University Lecturers	<b>22</b>	22
CUF Lecturers	<b>10</b>	10
Other teaching and research	<b>2</b>	3
Other	<b>10</b>	7
Total	<b>44</b>	<b>42</b>

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	<b>2</b>	2
£70,001-£80,001	<b>1</b>	1

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

In defined benefits schemes	<b>2</b>	2
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**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**9 TANGIBLE FIXED ASSETS**

Group and College	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At start of year	38,376	643	3,693	42,712
Additions	8	20	254	282
Disposals	-	-	-	-
<b>At end of year</b>	<b>38,384</b>	<b>663</b>	<b>3,947</b>	<b>42,994</b>
<b>Depreciation and impairment</b>				
At start of year	8,519	628	1,206	10,353
Depreciation charge for the year	1,018	111	137	1,266
Depreciation on disposals	-	-	-	-
Impairment	-	-	-	-
Transfers	-	(195)	195	-
<b>At end of year</b>	<b>9,537</b>	<b>544</b>	<b>1,538</b>	<b>11,619</b>
<b>Net book value</b>				
<b>At end of year</b>	<b>28,847</b>	<b>119</b>	<b>2,409</b>	<b>31,375</b>
At start of year	29,857	15	2,487	32,359

No fixed assets are held under finance leases (2019: 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**  
**(See note 34 b) for comparatives)**

Group & College	Agricultural £'000	Commercial £'000	Other £'000	2020 Total £'000	2019 Total £'000
Valuation at start of year	-	-	1,775	1,775	1,650
Additions and improvements at cost	-	-	470	470	-
Disposals	-	-	-	-	-
Revaluation gains/(losses) in the year	-	-	-	-	125
<b>Valuation at end of year</b>	<b>-</b>	<b>-</b>	<b>2,245</b>	<b>2,245</b>	<b>1,775</b>

The College holds two property investments. A formal valuation of the first property was carried out in July 2019 by an independent third party, where the property was valued at £1,775,000. In the opinion of the Trustees the property value has not materially changed. The second property was gifted to the College in the year and was valued by an independent 3rd party in June 2020.

**11 OTHER INVESTMENTS**

All investments are held at fair value.

	2020 £'000	2019 £'000
<b>Group investments</b>		
Valuation at start of year	44,273	43,457
New money invested	220	340
Amounts withdrawn	(1,650)	(1,666)
Reinvested income	939	901
Investment management fees	(108)	(109)
(Decrease) / increase in value of investments	(2,683)	1,350
<b>Group investments at end of year</b>	<b>40,991</b>	<b>44,273</b>
Investment in subsidiaries	4	4
<b>College investments at end of year</b>	<b>40,995</b>	<b>44,277</b>

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

Group investments comprise:	2020		2020 <b>Total</b> <b>£'000</b>	2019		2019 <b>Total</b> <b>£'000</b>
	Held outside the UK £'000	Held in the UK £'000		Held outside the UK £'000	Held in the UK £'000	
Equity investments	11,674	8,146	<b>19,820</b>	12,101	10,952	23,053
Global multi-asset funds	-	2,619	<b>2,619</b>	-	1,011	1,011
Property funds	-	5,701	<b>5,701</b>	-	5,982	5,982
Fixed interest stocks	-	2,977	<b>2,977</b>	-	980	980
Alternative and other investments	2,368	5,871	<b>8,239</b>	2,391	6,254	8,645
Fixed term deposits and cash	-	1,635	<b>1,635</b>	4,599	3	4,602
<b>Total group investments</b>	<b>14,042</b>	<b>26,949</b>	<b>40,991</b>	<b>19,091</b>	<b>25,182</b>	<b>44,273</b>

**12 PARENT AND SUBSIDIARY UNDERTAKINGS**  
**(See note 34 c) for comparatives)**

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	502	-
Expenditure	(214)	(3)
Donation to College under gift aid	(288)	-
Result for the year	<b>-</b>	<b>(3)</b>
Total assets	309	30
Total liabilities	(305)	(37)
Net funds at the end of year	<b>4</b>	<b>(7)</b>

**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 £429k (2019: £392k) with £nil profit (2019: £nil).

**13 STATEMENT OF INVESTMENT TOTAL RETURN**  
**(See note 34 d) for comparatives)**

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.

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
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
<b>Total Endowments</b>	<b>9,767</b>	<b>7,606</b>	<b>17,373</b>	<b>21,643</b>	<b>39,016</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	-	-	-	220	220
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: total investment income	-	361	361	427	788
Investment return: realised and unrealised gains and losses	-	(1,044)	(1,044)	(1,201)	(2,245)
Less: Investment management costs	-	(42)	(42)	(49)	(91)
Other transfers	-	(20)	(20)	(13)	(33)
<b>Total</b>	<b>-</b>	<b>(745)</b>	<b>(745)</b>	<b>(616)</b>	<b>(1,361)</b>
Unapplied total return allocated to income in the reporting period	-	(589)	(589)	(681)	(1,270)
Expendable endowments transferred to income	-	-	-	(106)	(106)
	-	(589)	(589)	(787)	(1,376)
<b>Net movements in reporting period</b>	<b>-</b>	<b>(1,334)</b>	<b>(1,334)</b>	<b>(1,403)</b>	<b>(2,737)</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	9,767	-	9,767	-	9,767
Unapplied total return	-	6,272	6,272	-	6,272
Expendable endowment	-	-	-	20,240	20,240
<b>Total Endowments</b>	<b>9,767</b>	<b>6,272</b>	<b>16,039</b>	<b>20,240</b>	<b>36,279</b>

**14 DEBTORS**

	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	108	244	100	188
Amounts owed by College members	70	99	70	98
Amounts owed by Group undertakings	53	434	53	434
Loans repayable within one year	-	-	-	-
Prepayments and accrued income	364	813	364	236
Other debtors	41	24	41	22
<b>Amounts falling due after more than one year:</b>				
Loans	-	-	-	-
	<b>636</b>	<b>1,614</b>	<b>628</b>	<b>978</b>

**15 CREDITORS: falling due within one year**

	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
Bank overdrafts	-	-	-	-
Bank loans	600	600	600	600
Obligations under finance leases	-	-	-	-
Trade creditors	860	463	860	463
Amounts owed to College Members	208	181	208	181
Amounts owed to Group undertakings	53	434	-	-
Taxation and social security	83	196	83	197
College contribution	-	-	-	-
Accruals and deferred income	309	798	293	257
Other creditors	219	588	219	588
	<b>2,332</b>	<b>3,260</b>	<b>2,263</b>	<b>2,286</b>

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**16 CREDITORS: falling due after more than one year**

	<b>2020</b>	2019	<b>2020</b>	2019
	<b>Group</b>	Group	<b>College</b>	College
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loans	<b>10,125</b>	10,725	<b>10,125</b>	10,725
Obligations under finance leases	-	-	-	-
Other creditors	-	-	-	-
	<b>10,125</b>	<b>10,725</b>	<b>10,125</b>	<b>10,725</b>

**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 £2.925m of which £1.054m incurs interest at a fixed-rate of 3.7% per annum for the remainder of the loan term and £1.871m incurs interest at a fixed rate of 2.58% per annum above bank base rate.
- (b) 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 the year end of £4.8m. The interest has been fixed at 1.66% above base rate.
- (c) A third unsecured loan of £3m was drawn down by July 2016. £1m of the loan was to repay the £1m bullet loan due for repayment in June 2016. The additional £2m covers the cost of the kitchen refurbishment project. This is a bullet loan where the entire capital balance was originally due in June 2021. This loan was refinanced in December 2019 and the capital balance now falls due in December 2024. The interest is fixed at 1.915%.

**17 PROVISIONS FOR LIABILITIES AND CHARGES**

At 31 July 2020 there were no provisions for liabilities and charges.

**18 ANALYSIS OF MOVEMENTS ON FUNDS**  
**(See note 34 e) for comparatives)**

	At 1 August 2019	Incoming resources	Resources expended	Transfers	Gains/ (losses)	At 31 July 2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Endowment Funds - Permanent</b>						
General purpose funds	6,724	140	(16)	(261)	(405)	<b>6,182</b>
Tutorial and research fellowship funds	7,748	161	(19)	(272)	(465)	<b>7,153</b>
Student support funds	2,564	53	(6)	(64)	(154)	<b>2,393</b>
Other purpose funds	337	7	(1)	(12)	(20)	<b>311</b>
<b>Endowment Funds - Expendable</b>						
General purpose funds	7,019	125	(14)	(211)	(327)	<b>6,592</b>
Tutorial and research fellowship funds	7,131	156	(17)	(381)	(429)	<b>6,460</b>
Student support funds	6,739	352	(16)	(189)	(406)	<b>6,480</b>
Other purpose funds	754	14	(2)	(19)	(39)	<b>708</b>
<b>Total Endowment Funds - College</b>	<b>39,016</b>	<b>1,008</b>	<b>(91)</b>	<b>(1,409)</b>	<b>(2,245)</b>	<b>36,279</b>
Endowment funds held by subsidiaries	-	-	-	-	-	-
<b>Total Endowment Funds - Group</b>	<b>39,016</b>	<b>1,008</b>	<b>(91)</b>	<b>(1,409)</b>	<b>(2,245)</b>	<b>36,279</b>
<b>Restricted Funds</b>						
Buildings funds	-	356	-	(356)	-	-
Tutorial and research fellowship funds	694	584	(333)	33	-	<b>978</b>
Student support funds	1,013	134	(133)	-	-	<b>1,014</b>
Other restricted funds	144	261	(220)	-	-	<b>185</b>
Transfers from specific purpose endowments for spending:						
<i>Applied total return</i>	-	-	-	-	-	-
<i>Other transfers</i>	-	-	-	-	-	-
<b>Total Restricted Funds - College</b>	<b>1,851</b>	<b>1,335</b>	<b>(686)</b>	<b>(323)</b>	<b>-</b>	<b>2,177</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>1,851</b>	<b>1,335</b>	<b>(686)</b>	<b>(323)</b>	<b>-</b>	<b>2,177</b>
<b>Unrestricted Funds</b>						
General funds	(86)	9,292	(9,537)	253	-	<b>(78)</b>
Fixed Asset Designated funds	20,928	-	(1,266)	883	-	<b>20,545</b>
Designated capital funds	7,271	151	(17)	596	(438)	<b>7,563</b>
Designated other funds	-	-	-	-	-	-
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(2,412)	-	402	-	-	<b>(2,010)</b>
<b>Total Unrestricted Funds - College</b>	<b>25,702</b>	<b>9,443</b>	<b>(10,418)</b>	<b>1,732</b>	<b>(438)</b>	<b>26,021</b>
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Unrestricted Funds - Group</b>	<b>25,702</b>	<b>9,443</b>	<b>(10,418)</b>	<b>1,732</b>	<b>(438)</b>	<b>26,021</b>
<b>Total Funds</b>	<b>66,569</b>	<b>11,786</b>	<b>(11,195)</b>	<b>-</b>	<b>(2,683)</b>	<b>64,477</b>



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**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

**Designated Funds**

Fixed asset designated

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

Designated capital funds

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

Other designated funds

Unrestricted Funds allocated by the Trustees for other purposes

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

**20 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2020 Total £'000</b>
Tangible fixed assets	31,375	-	-	<b>31,375</b>
Property investments	-	-	2,245	<b>2,245</b>
Other investments	6,961	-	34,034	<b>40,995</b>
Net current assets	(180)	2,177	-	<b>1,997</b>
Pension deficit liability	(2,010)	-	-	<b>(2,010)</b>
Long term liabilities	(10,125)	-	-	<b>(10,125)</b>
	<b>26,021</b>	<b>2,177</b>	<b>36,279</b>	<b>64,477</b>
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	<b>2019 Total £'000</b>
Tangible fixed assets	32,359	-	-	<b>32,359</b>
Property investments	-	-	1,775	<b>1,775</b>
Other investments	7,036	-	37,241	<b>44,277</b>
Net current assets	(556)	1,851	-	<b>1,295</b>
Pension deficit liability	(2,412)	-	-	<b>(2,412)</b>
Long term liabilities	(10,725)	-	-	<b>(10,725)</b>
	<b>25,702</b>	<b>1,851</b>	<b>39,016</b>	<b>66,569</b>

**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.

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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 30.

Some trustees receive additional allowances for additional work carried out as part time college officers (for example, Vice-Principal, Dean). These amounts are included within the remuneration figures below.

The total remuneration and benefits shown below is £1,735k (2019: £1,624k). The total of pension contributions is £298k (2019: £309k).

**Remuneration paid to trustees**

Range	Number of Trustees/Fellows	2020	Number of Trustees/Fellows	2019
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£0 - £999	9	1,552	11	3,081
£1,000 - £1,999	2	2,708		
£2,000 - £2,999	2	4,940		
£3,000 - £3,999	1	3,618	2	6,665
£6,000 - £6,999	1	6,806		
£7,000 - £7,999	1	7,569	1	7,688
£8,000 - £8,999	1	8,759		
£9,000 - £9,999	1	9,350		
£11,000 - £11,999	1	11,623	2	23,271
£12,000 - £12,999	2	25,332	8	96,930
£13,000 - £13,999	3	40,524	1	13,020
£14,000 - £14,999	2	29,296		
£15,000 - £15,999	2	31,038		
£17,000 - £17,999	1	17,880		
£19,000 - £19,999			1	19,011
£22,000 - £22,999			6	135,489
£23,000 - £23,999	1	23,474	1	23,016
£24,000 - £24,999			2	48,407
£25,000 - £25,999	7	178,803		
£27,000 - £27,999			1	27,884
£28,000 - £28,999	1	28,708		
£31,000 - £31,999	1	31,437		
£45,000 - £45,999			1	45,317
£50,000 - £50,999			1	50,194
£51,000 - £51,999	1	51,294		
£52,000 - £52,999			1	52,853
£53,000 - £53,999	1	53,312		
£55,000 - £55,999			3	166,576
£56,000 - £56,999			1	56,025
£57,000 - £57,999			2	114,429
£58,000 - £58,999			1	58,604
£61,000 - £61,999	1	61,780		
£62,000 - £62,999	4	249,834	1	62,808
£63,000 - £63,999			1	63,880
£64,000 - £64,999	2	128,970		
£66,000 - £66,999	1	66,749		
£71,000 - £71,999			1	71,614
£73,000 - £73,999	1	73,005		
£74,000 - £74,999	1	74,573		
£86,000 - £86,999			1	86,603
£88,000 - £88,999			1	88,239
£95,000 - £95,999			1	95,695
£97,000 - £97,999	2	194,681		
£99,000 - £99,999	1	99,237	1	99,561
£107,000 - £107,999			1	107,559
£108,000 - £108,999	1	108,156		
£109,000 - £109,999	1	109,890		
<b>Total</b>	<b>56</b>	<b>1,734,898</b>	<b>54</b>	<b>1,624,419</b>

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**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 £nil (2019: £nil) was reimbursed to zero (2019: zero) of the Trustees.

See also note 30 Related Party Transactions

**Key management remuneration**

The total remuneration, including pension contributions, paid to key management was £701k (2019: £659k)

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 or OSPS, 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.

The College has made available the National Employment Savings Trust for non-employees who are eligible under automatic enrolment regulations to pension benefits but not eligible for either USS or OSPS.

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

**Actuarial valuations**

Qualified actuaries periodically value USS and OSPS defined benefits 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 were:

	<u>USS</u>	<u>OSPS</u>
Date of valuation:	31 March 2018	31 March 2019
Date valuation results published:	16 September 2019	19 June 2020
Value of liabilities:	£67.3bn	£848m
Value of assets:	£63.7bn	£735m
Funding surplus / (deficit):	(£3.6bn) [a]	(£113m) [b]
Principal assumptions:	CPI – 0.73% to CPI – 2.52%pa	
- Investment return	<b>a</b>	Gilts +0.5%-2.25%
- Rate of increase in salaries	n/a	RPI
- Rate of increase in pensions	CPI <b>c</b>	Average RPI/CPI <b>d</b>
Assumed life expectancies on retirement at age 65:		
- Males currently aged 65	24.4 yrs	21.7 yrs
- Females currently aged 65	25.9 yrs	24.4 yrs
- Males currently aged 45	26.3 yrs	23.0 yrs
- Females currently aged 45	27.7 yrs	25.8 yrs
Funding Ratios:		
- Technical provisions basis	95%	87%
- Statutory Pension Protection Fund basis	76%	74%
- 'Buy-out' basis	56%	60%
Recommended employer's contribution rate (as % of pensionable salaries):	21.1% increasing to 23.7% by 01/10/21	19%
Effective date of next valuation:	31 March 2020	31 March 2022

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a. The discount rate (forward rates) for the USS valuation was:  
 Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%  
 Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21  
 Years 21 +: CPI + 1.55%

b. The discount rate for the OSPS valuation was:  
 Pre-retirement: Equal to the UK nominal gilt curve at the valuation date plus 2.25% p.a. at each term.  
 Post-retirement: Equal to the UK nominal gilt curve at the valuation date plus 0.5% p.a. at each term.

c. Pensions increases (CPI) for the USS valuation were:  
 Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

d. Increases to pensions in payment for the OSPS valuation were:  
 RPI inflation is derived from the geometric difference between the UK nominal gilt curve and the UK index-linked curve at the valuation date, less 0.3% p.a. at each term. CPI inflation is derived from the RPI inflation assumption, less the Scheme Actuary's best estimate of the long-term difference between RPI and CPI inflation as applies from time to time (1.0% p.a. as at 31 March 2019).  
 For pension increases linked to inflation, a pension increase curve is constructed based on either the RPI, CPI or the average of the RPI and CPI inflation curves described above, adjusted to allow for the different maximum and minimum annual increases that apply, and the Scheme Actuary's best estimate of inflation volatility as applies from time to time.

e. The USS and OSPS employer contribution rates include provisions for the cost of future accrual of defined benefits, deficit contributions, administrative expenses and defined contributions.

**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 by 0.1%	decrease by £1.2bn
Asset Values	reduce by 10%	increase by £6.4bn
RPI inflation	increase by 0.1%	decrease by £0.7bn
Rate of mortality	more prudent assumption (mortality rated down by a further year)	increase by £1.6bn

OSPS

<u>Assumption</u>	<u>Change in assumption</u>	<u>Impact on OSPS technical provisions</u>
Valuation rate of interest	decrease by 0.25%	increase by £45m
Rate of pension increases	increase by 1.0%	increase by £40m

**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 January 2028	31 March 2028
Average staff number increase	0%	0%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	0.74%	0.63%
Effect of 0.5% change in discount rate	£21k	£25k
Effect of 1% change in staff growth	£45k	£53k

A provision of £2,010k has been made at 31 July 2020 (2019: £2,412k) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

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**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	2020 £000's	2019 £000's
Universities Superannuation Scheme	481	411
University of Oxford Staff Pension Scheme	331	310
Other schemes – contributions	25	28
<b>Total</b>	<b>837</b>	<b>749</b>

Included in other creditors and accruals are pension contributions payable of £102k (2019: £92k).

**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**

	2020 Group £'000	2019 Group £'000
<b>Net income/(expenditure)</b>	<b>(2,092)</b>	89
Elimination of non-operating cash flows:		
Investment income	(939)	(901)
(Gains)/losses in investments	2,683	(1,476)
Endowment donations	(220)	(341)
Depreciation	1,267	1,221
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in current asset investments	(939)	(115)
Decrease/(Increase) in stock	18	8
Decrease/(Increase) in debtors	978	(61)
(Decrease)/Increase in creditors	(928)	227
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	(402)	1,156
<b>Net cash provided by (used in) operating activities</b>	<b>(574)</b>	<b>(193)</b>

**26 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2020 £'000	2019 £'000
Cash at bank and in hand	1,575	1,744
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
<b>Total cash and cash equivalents</b>	<b>1,575</b>	<b>1,744</b>

**27 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 August 2019	Cash flows	At 31 July 2020
Cash	1,744	(169)	1,575
Cash Equivalents	1,019	939	1,958
Loans Falling due within one year	(600)	0	(600)
Loans falling due after more than one year	(10,725)	600	(10,125)
<b>Total</b>	<b>(8,562)</b>	<b>1,370</b>	<b>(7,192)</b>

**28 FINANCIAL COMMITMENTS**

At 31 July 2020 the College had no annual commitments under non-cancellable operating leases (2019: nil).

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**29 CAPITAL COMMITMENTS**

The College had no capital commitments at 31 July 2020.

**30 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.

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Trustee		
Dr A Aboobaker	<b>259</b>	266
Prof J Goicoechea	<b>121</b>	126
Prof N Hankins	<b>97</b>	101
Prof BT Huffman	<b>104</b>	107
Prof R Harding	<b>280</b>	287
Prof H Scott	<b>191</b>	196
Total net book value of properties owned jointly with trustees	<b>1,052</b>	1,083

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

**31 CONTINGENT LIABILITIES**

There are no contingent liabilities which require disclosure.

**32 POST BALANCE SHEET EVENTS**

There are no post balance sheet events that require disclosure.

**33 OTHER INCOME**

£368k of other income relates to the government Coronavirus Job Retention Scheme grant.

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**34 ADDITIONAL PRIOR YEAR COMPARATIVES**

**a) Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2019 (See SOFA for current year)**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000
<b>INCOME AND ENDOWMENTS FROM:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential	1	7,109	-	-	7,109
Public worship		-	-	-	-
Heritage		-	-	-	-
<b>Other Trading Income</b>	3	1,435	-	-	1,435
<b>Donations and legacies</b>	2	458	1,300	341	2,099
<b>Investments</b>					
Investment income	4	148	-	753	901
Total return allocated to income	13	1,331	-	(1,331)	-
Other income		45	-	-	45
<b>Total income</b>		10,526	1,300	(237)	11,589
<b>EXPENDITURE ON:</b>					
<b>Charitable activities:</b>					
Teaching, research and residential		10,490	876	-	11,366
Public worship		-	-	-	-
Heritage		-	-	-	-
<b>Generating funds:</b>					
Fundraising		514	-	-	514
Trading expenditure		987	-	-	987
Investment management costs		17	-	92	109
<b>Total Expenditure</b>		12,008	876	92	12,976
<b>Net Income/(Expenditure) before gains</b>		(1,482)	424	(329)	(1,387)
Net gains/(losses) on investments	10, 11	222	-	1,254	1,476
<b>Net Income/(Expenditure)</b>		(1,260)	424	925	89
<b>Transfers between funds</b>	18	361	(330)	(31)	-
<b>Other recognised gains/losses</b>					
Gains/(losses) on revaluation of fixed assets		-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-
<b>Net movement in funds for the year</b>		(899)	94	894	89
Fund balances brought forward	18	26,601	1,757	38,122	66,480
<b>Funds carried forward at 31 July</b>		25,702	1,851	39,016	66,569

**b) Property Investments**  
**For the year ended 31 July 2019 (See note 10 for current year)**

**Group & College**

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

**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**c) Parent and Subsidiary Undertakings**  
**For the year ended 31 July 2019 (See note 12 for current year)**

The results and their assets and liabilities of the parent and subsidiaries at the year ended 31 July 2019 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	<u>-</u>	<u>-</u>
Total assets	1,386	31
Total liabilities	(1,382)	(36)
Net funds at the end of year	<u>4</u>	<u>(5)</u>

**d) Statement of Investment Total Return**  
**For the year ended 31 July 2019 (See note 13 for current year)**

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
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
<b>Total Endowments</b>	<u>9,528</u>	<u>7,379</u>	<u>16,907</u>	<u>21,215</u>	<u>38,122</u>
<b>Movements in the reporting period:</b>					
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)
<b>Total</b>	<u>239</u>	<u>811</u>	<u>1,050</u>	<u>1,175</u>	<u>2,225</u>
Unapplied total return allocated to income in the reporting period	-	(584)	(584)	(669)	(1,253)
Expendable endowments transferred to income	-	-	-	(78)	(78)
	<u>-</u>	<u>(584)</u>	<u>(584)</u>	<u>(747)</u>	<u>(1,331)</u>
<b>Net movements in reporting period</b>	<u>239</u>	<u>227</u>	<u>466</u>	<u>428</u>	<u>894</u>
<b>At end of the reporting period:</b>					
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
<b>Total Endowments</b>	<u>9,767</u>	<u>7,606</u>	<u>17,373</u>	<u>21,643</u>	<u>39,016</u>



**Lady Margaret Hall**  
**Notes to the financial statements**  
**For the year ended 31 July 2020**

**e) Analysis of Movements on Funds**

**For the year ended 31 July 2019 (See note 18 for current year)**

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
<b>Endowment Funds - Permanent</b>						
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
<b>Endowment Funds - Expendable</b>						
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
<b>Total Endowment Funds - College</b>	<b>38,122</b>	<b>1,094</b>	<b>(92)</b>	<b>(1,362)</b>	<b>1,254</b>	<b>39,016</b>
Endowment funds held by subsidiaries	-	-	-	-	-	-
<b>Total Endowment Funds - Group</b>	<b>38,122</b>	<b>1,094</b>	<b>(92)</b>	<b>(1,362)</b>	<b>1,254</b>	<b>39,016</b>
<b>Restricted Funds</b>						
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>	-	-	-	-	-	-
<b>Total Restricted Funds - College</b>	<b>1,757</b>	<b>1,300</b>	<b>(876)</b>	<b>(330)</b>	<b>-</b>	<b>1,851</b>
Restricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Restricted Funds - Group</b>	<b>1,757</b>	<b>1,300</b>	<b>(876)</b>	<b>(330)</b>	<b>-</b>	<b>1,851</b>
<b>Unrestricted Funds</b>						
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)
<b>Total Unrestricted Funds - College</b>	<b>26,601</b>	<b>9,195</b>	<b>(12,008)</b>	<b>1,692</b>	<b>222</b>	<b>25,702</b>
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
<b>Total Unrestricted Funds - Group</b>	<b>26,601</b>	<b>9,195</b>	<b>(12,008)</b>	<b>1,692</b>	<b>222</b>	<b>25,702</b>
<b>Total Funds</b>	<b>66,480</b>	<b>11,589</b>	<b>(12,976)</b>	<b>-</b>	<b>1,476</b>	<b>66,569</b>