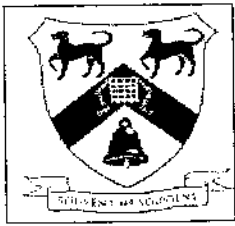


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# LADY MARGARET HALL

## FINANCIAL STATEMENTS

### FOR THE YEAR ENDED

31 JULY 2006

**The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akmc scan.**

## LADY MARGARET HALL

### Report of the Governing Body

The Governing Body of the College of the Lady Margaret in the University of Oxford (commonly known as Lady Margaret Hall) ("the College") presents the annual report and financial statements for the year ended 31 July 2006.

#### Status

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 Tatbot. 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 corporation comprises the Principal and Fellows, who are the charity trustees. The College is an exempt charity under section 3(5)(a) and schedule 2 item (b) of the Charities Act 1993.

#### Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research.

Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

#### Governance

The Governing Body of the College comprises the Principal and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, The Chancellor of the University. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 17 March 1926, and the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by a range of committees which includes the Finance Committee. The members of the Governing Body are:

Dr Frances Lannon (Principal)  
Dr Robert Adlington  
Prof David Andrews  
Dr Helen Barr  
Dr Joanne Begbie (from 1 October 2005)  
Dr Michael Broers  
Dr Dana Brown (from 1 September 2005)  
Dr Garry Brown  
Dr Gavin Cameron  
Dr Ann Childs  
Mrs Jane Day  
Prof John Day  
Dr Xon de Ros (from 1 October 2006)  
Rev Dr Allan Doig  
Prof Antony Gatlione (from 1 January 2006)  
Dr Christine Gerrard  
Prof Vincent Gillespie  
Dr José Goicoechea (from 1 October 2006)  
Prof Robert Griffiths  
Dr Nicholas Hankins (from 1 October 2005)  
Dr Clive Holmes  
Dr Todd Huffman  
Prof Richard Jenkyns  
Miss Ann Kennedy  
Dr Marie-Chantal Killeen  
Prof David Macdonald  
Prof Ewan McKendrick  
Dr Mary MacRobert  
Dr Michael Monoyios (from 1 October 2005)  
Prof Anant Parekh  
Miss Gillian Peele  
Dr Simon Price  
Dr Penny Probert Smith  
Prof Christopher Redman  
Mr Mark Robson  
Dr Jeffrey Sanders  
Dr Christopher Shields

## LADY MARGARET HALL

### Report of the Governing Body (continued)

Dr Nicholas Shrimpton  
Dr Fiona Spensley  
Mr Robert Stevens  
Prof Adrian Thomas  
Prof Alain Viala  
Mr Peter Watson  
Dr Susan Wollenberg

Additionally, Dr Gabrielle Stoy was a member of the Governing Body until 30 September 2006.

#### Responsibilities of Governing Body

In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University. The Governing Body are also responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

In preparing the financial statements, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

- ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud;
- secure the economical, efficient and effective management of the College's resources and expenditure.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Under the Charities Act 1993 the College is an exempt charity and the members of the Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

#### Scope of financial statements

The financial statements consolidate the accounts of the College and its wholly-owned subsidiary undertakings, LMH Conference Services Limited, Lady Margaret Hall Properties Limited and Lady Margaret Hall Trading Limited. LMH Conference Services Limited is the vehicle for trading activities of the College, Lady Margaret Hall Properties Limited is the vehicle for managing the letting of rooms in the College's properties and Lady Margaret Hall Trading Limited is the vehicle for managing new capital building projects.

#### Review of operations and finance

The accounts for the year show a surplus of £125,969 (2.2% of total expenditure). The Governing Body considers this to be satisfactory. The College has accelerated its programme of refurbishment and renovation of its buildings as part of its strategic plan, but still aims in each year to keep income and expenditure broadly in balance.

One change in accounting policies has been made during the year, following a review and resolution by the Governing Body: a sustainable spending rule is now used for the recognition of investment income, based on 3.5% of opening investment asset values. The results for 2005 have been restated accordingly.

Later in the year the College and its subsidiaries changed auditor from Grant Thornton LLP to Critchleys, following a tender exercise, providing an opportunity for a fundamental review of financial operations and controls. While these were found to be satisfactory, a number of measurement issues arose. Some prior year adjustments have been made in consequence, as described in the final note to the accounts, and the measure of market value of the College's unquoted (private equity) investment assets is now taken to be the manager's unaudited valuation rather than cost. The effect of these various changes has been to increase opening fund balances in this year's accounts from £28,970,061 as previously stated to £29,729,523.