

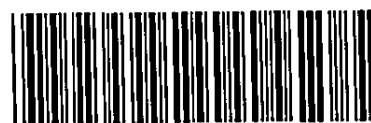
Registered Company Number: 2106661  
Registered Charity Number: 295785

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2008**

FRIDAY



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12/12/2008  
COMPANIES HOUSE

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2008**

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# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

### COMPANY INFORMATION

#### Governors:

Mr J D F Palmer \* ♦ # @ (Chairman)  
Mr J Baker QC # @ % (Vice Chairman)  
Dr M Allingham \*  
Prof B J Bellhouse % (Resigned 01.10.07)  
Mr A Grabowski \* (Resigned 29.11.07)  
Mrs W E Hart \*

Mr T M Knowles \*  
Mr J D Martin ♦ ■

Dr F Nizami ■ \*  
Rev'd Dr M J Piret  
Mr G Pye %  
Mr N P Record ♦  
Prof J A C Smith ■ @  
Dr B J Sutton % ■  
Mrs J Townsend ■  
Sir M Wheeler-Booth KCB \* ♦ #

\* = Member of Finance and General Purposes Committee  
% = Member of Estates Committee

# = Member of Remuneration Committee

■ = Member of Education Committee  
♦ = Member of Development Committee  
@ = Member of Nominations Committee

#### Secretary:

Dr N A Carter

#### Members:

The President and Fellows of the College of  
St Mary Magdalen  
The Senior Bursar of Magdalen College

#### Registered Office:

Cowley Place  
Oxford  
OX4 1DZ

#### Registered Number:

2106661

#### Registered Charity Number:

295785

#### Auditors:

Horwath Clark Whitehill LLP  
Chartered Accountants and Registered Auditors  
Carrick House  
Lypiatt Road  
Cheltenham  
Gloucestershire, GL50 2QJ

#### Bankers:

National Westminster Bank plc  
Oxford

Barclays Bank plc  
Oxford

AIB Bank Limited  
Jersey

#### Solicitors:

Veale Wasbrough  
Bristol

#### Investment Advisers:

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

#### The Bursar and The Clerk to the Governors:

Dr N A Carter

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

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## GOVERNORS' REPORT FOR THE YEAR ENDED 31 JULY 2008

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The Chairman and Governors present their annual report for the year ended 31 July 2008 under the Charities Act 1993, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 1985, the Company's Memorandum & Articles of Association and the Charities SORP 2005.

### REFERENCE & ADMINISTRATIVE INFORMATION

Magdalen College School was founded in 1480 by William of Waynflete. It was established as a charitable company, charity registration number 295785, company registration number 2106661 with the liability of its members limited to £1 each by guarantee. The Registered Office and principal address of the Company is at Cowley Place, Oxford OX4 1DZ. Particulars of the Charity's professional advisors are shown on page 1.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing Document

The Company is governed by its Memorandum and Articles of Association, dated 5 March 1987.

#### Governing Body

The Governors, who are also required under the Articles to serve as members of the Company, are identified and chosen by the Nominations Committee and proposed to the full Governors' Meeting. Candidates are selected based on eligibility, personal competence, specialist professional skills which can benefit the Company, and local availability. Two Governors are nominated by the parent body, one by the Senior Common Room, and four by Magdalen College, to represent their specific interests. Governors serve for a 3 year term which can be renewed for up to 3 terms.

#### Governor Training

New Governors are inducted into the workings of the school, as a company and as a charity both by their attendance of the termly meetings of the Board of Governors as well as the various sub-committees. They are issued with the Independent School Council's guidelines for governors as well as further guidance and are required to attend courses run by the Association of Governing Bodies of Independent Schools. They are also invited to spend a whole day in school, observing lessons as well as the many other aspects of the school's daily life.

#### Organisational Management

The Governors meet on a termly basis. Implementation of their policies is carried out by the following sub-committees – Finance and General Purposes; Education; Development; all of which meet termly in advance of the full, Governors' meeting. In addition, the Nominations, Estates and Remuneration Committees meet at least annually, or as appropriate. Sub-committee membership includes co-opted non-Governors who can offer professional advice and experience in their fields.

The day-to-day running of the school is delegated to the Master, Dr T Hands, the Usher, Mr S Griffiths and the Bursar, Dr N Carter, supported by other teaching members of the Master's Advisory Committee.

#### Group Structure and Relationships

The School has a wholly-owned non-charitable subsidiary, Magdalen College School Asset Management Limited, whose activities and trading performance are discussed below.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

### Risk Management

The Board of Governors is responsible for the management of the risks faced by the school. On an annual basis at a full Governors' meeting, they formally review the identified risks which the school may face. One Governor is delegated to liaise with the school's management in this regard. Controls and safeguards which are put in place to manage the major risks include – appropriate levels of insurance cover; terms of reference for all the Governors' sub-committees; strategic planning, budgeting and management accounting; formal written policies; clear authorisation and approval levels; strict adherence to CRB vetting procedures in order to protect school pupils; completion of appropriate risk assessments on relevant aspects of the school's activities.

The Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that this process provides reasonable assurance that identified risks are being mitigated, but this cannot provide absolute assurance.

### OBJECTS, AIMS, OBJECTIVES and PRINCIPAL ACTIVITIES

The Objects of the Charity, in accordance with its Memorandum and Articles of Association are to promote and provide for the advancement of education of children in the United Kingdom. In 2005, the Governors agreed to define its aims and objectives more fully as follows –

- To provide an education for boys aged 7 to 18 which enables each boy to develop an independent and searching mind, to take pleasure in the life of ideas, and to do his best in public examinations without losing sight of the importance of all the "non-examined" aspects of his school years.
- To develop each boy's interest in and enjoyment of a broad range of activities including sport, music, art, drama, outdoor pursuits, and community service, providing opportunities for developing each boy's skill and knowledge in these areas.
- To provide a safe, friendly and supportive environment in which each boy can feel he is valued as an individual and where he learns that his own attitude to others is fundamental to the success of this aim.
- To preserve the Christian framework of the school so that the values of Christian teaching can be seen to underpin the school, albeit unobtrusively and in such a way that those of other faiths feel that their beliefs are treated with equal respect and tolerance.
- To be a school where boys from a variety of backgrounds feel equal and at home and where their pastoral, social and academic needs are met in an atmosphere of mutual respect and support.
- To seek an increasingly close relationship with schools in the maintained sector without ever compromising its independence of government control.
- To help each boy to recognise the value of the commitments he makes to those around him, as well as to his own studies. In doing this, to understand his responsibility to the wider community, not only that of the school.
- To appoint and assist with the development of talented and inspirational staff.
- To seek able men and women to serve as governors and to use their experience to help the school to map out a successful future.
- To foster good relations between College and School, as intended by the Founder in 1480.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

### Objectives for the Year

For this year, the main objective has again been to provide a first-class academic education to its pupils as well as benefiting the pupils by exposure to a range of non-academic pursuits. As part of this objective, the school has worked to retain its position in the premier league of independent schools in public examination league tables and to ensure that all 6<sup>th</sup> formers have the best chance of entering the university of their choice. Its objectives include maintenance (with appropriate succession planning and training) of an experienced, high quality group of teachers. The school strives to further enhance local community support and access to pupils with limited financial resources.

In terms of financial objectives, the Charity's endowed funds are managed by professional fund managers and returns are measured against market benchmarks. The Governors have also set a target for generation of operating surplus by the school, whereby net operating surplus plus depreciation should equal or better 10% of net fee income after Governors' Remissions.

### Strategies to achieve the year's objectives

Continued academic achievement is supported by an ongoing review of the academic syllabus in order to provide a broad range of subjects, as well as directing further resources to school departments and extra-curricular activities, including local community work. The strategy has been formulated by the new Master into a Development Plan which will be reviewed by the Governors at their Michaelmas meeting. Additionally, a £5 million fund-raising plan had been approved by the Governors in order to 1). provide a larger endowment to fund Bursaries and 2). to finance in part the New Building which was handed over to the School on 1<sup>st</sup> September 2008 which will provide new Art and Design/Technology facilities, a new Senior Common Room and first-class catering and dining facilities. So far, in excess of £2.3 million has been raised or firmly pledged by donors.

### Principal activities of the year

The school principally provides a high level of education to boys from Oxford and the surrounding areas from the ages of 7 to 18 years. It also runs summer schools for sporting and linguistic tuition for overseas students to make full use of its facilities. During the course of the academic year it had an average of 696 day pupils. Entry takes place at ages 7, 11, 13 and 16 years and the school continues to have a large number of applicants of high academic ability for the places on offer.

### Grant-making policy

During the year, scholarships and bursaries totalling £368,000 were awarded to pupils of the school. The policy of the school has been to reduce the monetary value of academic and sporting scholarships to make more funds available for means-tested bursaries to relieve financial hardship on families where the pupil's education and future prospects would otherwise be at risk. £20,908 of the total bursaries is derived from income from Endowed funds and £19,700 from restricted funds, subject to the original conditions imposed by the donor.

## REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

### Operational Performance of the School

The 2007-08 academic year again produced an excellent performance as measured by public examination results. At A2 level, a rate of 99.6% was achieved at A and B level which was an outstanding achievement. It was not only a record for the school (2007 - 96.2%) but also the highest set of results yet achieved by any UK school. 81% of all results were grade A and 63% of U6 pupils gained 3 or more A grades. 30% of pupils gained 4 or more A grades and 16% pupils gained 5 or more A grades. Almost all leavers have been offered places at the university of their first choice.

AS results were also very encouraging with 88.9% achieving A or B grades which was one of the best results for this year group.

## MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

### GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

At GCSE level 97.5% of results were at A or A\* which is again a record for the school and compares with 90.7% achieved in 2007. At the time of writing, no boys or co-educational school has achieved better results. In addition to the public examination results, the School also subscribes to baseline independent assessment tests to predict future public examination results and thereby assess the value-added performance which it provides. Current results, as in previous years, indicate that pupils have exceeded original predictions by 1 examination grade per pupil per subject, compared with pupils of comparable ability across the UK.

As a result of all of the above, the School is confident that it has achieved its objective in terms of academic performance which has led to the maintenance of a high position in the published league tables of independent schools and university entrance.

Wider access to our schooling was achieved in 2007-08 through the provision of scholarships and bursaries totalling £353,770. (2006-07 £330,000). Following the decisions taken in previous years, the value of academic, music, art and sports scholarships was reduced so that more funds are available for means-tested bursaries. In the last year, 85 pupils (representing 12% of the pupil body) were given assistance towards fees in a total amount equivalent to 22 full-fee places. Two promising new pupils from families with particularly limited financial resources will be admitted in the forthcoming year with full fee remission, the first time the School has funded such awards.

In relation to the School's objective to further support the local community, financial and teaching resources have been provided to the Oxford Community School with which the school is forging closer links. Teaching assistance as well as preparation for Oxbridge university entrance are two such examples in this area. The School also provides wider support to the community by making available its classrooms and other facilities to language and other teaching establishments, churches and academic groups, often at rental rates below commercial levels.

The school was again both active and successful across a range of major and minor sports and notable achievements have been reached in many fields. Rugby teams performed well with the 1<sup>st</sup> XV winning 9 out of 16 matches and winning the County Cup. County honours were awarded to 6 senior boys and one younger player represented the South West U 16's. Hockey had an excellent season with all age groups winning or drawing over 75% of matches. The 1<sup>st</sup> XI won all but one of their matches and collected the U18 County Cup. Junior teams also performed well – the U14's reached the County Cup Final and the U12's won their County Cup. Sailing continues to thrive and recorded various successes, one being a combined MCS/Abingdon team which beat the first teams of both Oxford and Southampton Universities. At Warwick, the school was the only school side out of 19 teams and defeated Bath University in the final. In July, the school became national sailing champions. Individual boys and representative teams also performed well and recorded noteworthy victories in badminton and rowing with pupils reaching the final of the national trials in sculling and the Fours Head U18 quadruple sculls. In athletics, successes were achieved in the City championships and one pupil was County champion at 1500 metres, narrowly missing English Schools qualification. Tennis is played by many boys and notable victories were recorded over strong teams from larger schools. The U15 VI triumphed in the Oxfordshire Independent Schools Tournament and the U13 A squad reached the final of the Oxfordshire Cup.

In the performing arts, pupils were again involved in many productions. Our choristers recorded an ethereal song written by Kate Bush for the film *The Golden Compass* and, as part of Magdalen College Choir, recorded a new CD – *William Byrd's Second Service and Consort Anthems*, which received excellent reviews. Noteworthy group performances have varied from Sibelius' *Finlandia* to *Grease*. Individual performances and awards involved the Junior Academy Young Opera Company, the Junior Royal College of Music chamber choir, the award of the Anna Lampard singing prize for the most promising singer at the Junior Royal Academy and playing at the Albert Hall Proms with the National Youth Orchestra. Mention should again be made of the School's broad participation and success at chess where several pupils played at national championship level and one represented England U16s in the Commonwealth Championships. Our senior chess team beat strong competition in the Zonal Finals of the ECF National Schools Chess Championships and the U9 and U11 teams also won the EPSA Zonal Championships.

## MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

### GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

#### Fundraising Performance

The Governors have approved a £5 million development programme to partially finance the planned Phase 1 building, as well as to increase the Endowed Funds in order to generate further investment income to offer more bursaries to qualifying parents. At the end of the current year the amount raised plus firm commitments from donors has reached £2.3 million.

#### Investment Performance against Objectives

This was the third year of activity by the school's newly appointed fund managers. For the Endowed Funds, an asset allocation was agreed with the Governors and investments are benchmarked against the FTSE all-share index (Equities), the FTSE All-stocks Gilts index (UK Bonds), cash 7-day Libid (Hedge Funds) and the IPD Balanced Put Index (Property Units). For the last year, the annual return on Equities was -13.2% (benchmark -13.03%); UK Bonds 5.66% (benchmark 6.18%); Hedge-Fund units 9.94% (benchmark 5.75%) and Property units -10.34% (benchmark -14.18%). The school reviews investment performance on a quarterly basis.

#### Governance

The Governing body is Chaired by Mr J D F Palmer, an existing Governor and parent of the school. He is supported by Mr J Baker QC as Vice Chairman. Two Governors resigned during the year and the Governors' Nominations Committee is seeking replacements that can bring the requisite skills to the Governing Body. Following the decision of the Members of Magdalen College School Oxford Limited, the Memorandum & Articles of association of the Company were amended during the year in order to limit the tenure of Governors to 9 years and to allow Governors without a maximum age limit to serve on the Governing Body. This amendment has been recorded at Companies House and with the Charity Commission.

Following the resignation of the previous Master, Mr Andrew Halls, who took up the appointment of Headmaster at Kings College School, Wimbledon, Dr T Hands, previously Headmaster of Portsmouth Grammar School, took up the position of Master on 1<sup>st</sup> January 2008. The Governors are confident that Dr Hands will provide the experience and expertise to ensure that the school continues to achieve its objectives and maintain the high performance and standards set by the previous Master.

#### FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's operating surplus for the 2007-08 year reached £1,314,563. Significant capital expenditure was incurred in relation to the New Building, the creation of a fourth Chemistry laboratory, the Master's Lodgings and other improvements to teaching buildings. The trustees believe that the financial result is satisfactory.

Total Income for the year reached £8,701,131 which was an increase of 9% on the previous year. In relation to financial targets, the ratio of Operating Surplus plus Depreciation to net fee income was 22½% as compared to the target of 10%. The surplus has been utilised to meet a portion of the construction costs of the New Building which will be handed over to the school for the start of the Michaelmas 2008 term.

The Charity's trading subsidiary continues to hire out the School's facilities to other educational bodies, sports clubs, religious organisations and others. Income passed to the School in the form of fees and gift aid payments totalled £85,488 which made a useful contribution to specific asset improvements.

#### Reserves Policy

According to the Charities SORP definition, free reserves are calculated as total reserves excluding fixed assets, restricted and endowed investments and cash. Using this definition, the group would have negative free reserves of £3,073,539, due to the building work undertaken during the year. (2007 – £762,331). The Governors have agreed that the current year's surplus will again be contributed towards the estimated £6.5 million construction and fit-out costs of the New Building in order that the school can reduce bank borrowings to fund this project.



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

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## GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

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### Investment Policy and Objectives

The Governors' objectives are to maximise total investment returns and to preserve the real value of endowed investments. Surpluses held pending disbursement are invested in short-term bank deposits.

### FUTURE PLANS

After an initial review of the school's current structure and operation, the Master commenced preparation of a new Development Plan for the school during Trinity term. This Plan is currently being finalised and will be presented to Governors for their Michaelmas 2008 meeting.

### RELATED AND CONNECTED PARTY TRANSACTIONS

The school had no related or connected party transactions with the exception of those transactions disclosed in note 17.

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus of the charity for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 and Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Governors are aware, there is no relevant audit information of which the charity's auditors are unaware. The Governors have taken all the steps that we ought to have taken as Governors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 JULY 2008**

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**AUDITORS**

Horwath Clark Whitehill LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted to the forthcoming Annual General Meeting.

Approved by the Board of Governors of Magdalen College School Oxford Limited on 29.11.08 and signed on its behalf by:



**Mr J D F Palmer**  
Chairman of Governors

## MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

### INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

We have audited the group financial statements of Magdalen College School Oxford Limited for the year ended 31 July 2008 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and the related notes set out on pages 10 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

#### Respective responsibilities of the governors and auditors

The responsibilities of the governors, who are also the charity trustees for the purposes of charity law, for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Governors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Governors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions with the charity is not disclosed.

We read the Governors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. We also read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 July 2008 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Governors' Report is consistent with the financial statements.

Horwath Clark Whitehill LLP  
Chartered Accountants and Registered Auditors  
Date 3 December 2008

Carrick House, Lypiatt Road  
Cheltenham, Glos, GL50 2QJ

*Horwath Clark Whitehill LLP*<sup>9</sup>

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating a Consolidated Income and Expenditure account)**  
**FOR THE YEAR ENDED 31 JULY 2008**

		Unrestricted Funds Other		Restricted Funds	Endowed Funds	Total Funds 2008	Total Funds 2007
		£	£	£	£	£	£
	Notes						
<b>INCOMING RESOURCES</b>							
<b>Income from charitable activities</b>							
School fees	2(a)	7,452,059	-	-	-	7,452,059	6,815,894
Other educational income	4	335,343	-	-	-	335,343	276,445
Other ancillary trading income	4	239,345	-	-	-	239,345	193,146
<b>Incoming resources from generated funds</b>							
Voluntary income		132,332	-	262,767	-	395,099	358,865
Activities for generating funds:-							
MCS Asset Management Limited	3	-	149,247	-	-	149,247	161,910
Investment income	5	80,165	-	48,884	-	129,049	164,080
Non ancillary trading income	4	989	-	-	-	989	3,970
<b>Total Incoming Resources</b>		<u>8,240,233</u>	<u>149,247</u>	<u>311,651</u>	<u>-</u>	<u>8,701,131</u>	<u>7,974,310</u>
<b>RESOURCES EXPENDED</b>							
<b>Costs of generating funds</b>							
MCS Asset Management Limited	3	-	63,759	-	-	63,759	76,353
Financing costs		68,046	-	-	-	68,046	123,349
Costs of generating voluntary income		<u>106,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,916</u>	<u>132,991</u>
		<u>174,962</u>	<u>63,759</u>	<u>-</u>	<u>-</u>	<u>238,721</u>	<u>332,693</u>
<b>Charitable activities</b>							
Education and grantmaking		7,046,001	-	56,699	-	7,102,700	6,783,393
<b>Governance</b>		<u>45,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,147</u>	<u>57,419</u>
<b>Total resources expended</b>	8	<u>7,266,110</u>	<u>63,759</u>	<u>56,699</u>	<u>-</u>	<u>7,386,568</u>	<u>7,173,505</u>
<b>Net Incoming resources before transfers</b>		974,123	85,488	254,952	-	1,314,563	800,805
Transfers between funds	16c	<u>85,488</u>	<u>(85,488)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCOMING RESOURCES</b>		1,059,611	-	254,952	-	1,314,563	800,805
Realised gains on investments		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SURPLUS FOR THE YEAR</b>		1,059,611	-	254,952	-	1,314,563	800,805
Unrealised gains/(losses) on investments	11	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,469)</u>	<u>(60,469)</u>	<u>30,153</u>
<b>NET MOVEMENT IN FUNDS</b>		1,059,611	-	254,952	(60,469)	1,254,094	830,958
Fund balances at 1 August 2007		<u>9,073,856</u>	<u>(8,293)</u>	<u>440,952</u>	<u>664,360</u>	<u>10,170,875</u>	<u>9,339,917</u>
<b>FUND BALANCES at 31 July 2008</b>	16	<u>10,133,467</u>	<u>(8,293)</u>	<u>695,904</u>	<u>603,891</u>	<u>11,424,969</u>	<u>10,170,875</u>

All amounts relate to continuing operations. The notes on pages 13 to 25 form part of these financial statements.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## CONSOLIDATED COMPANY AND BALANCE SHEETS

AS AT 31 JULY 2008

		Group		Company	
	Notes	2008	2007	2008	2007
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9,10	13,198,713	8,303,232	13,182,594	8,274,420
Investment assets	11	<u>596,353</u>	<u>651,825</u>	<u>596,354</u>	<u>651,826</u>
		<b>13,795,066</b>	<b>8,955,057</b>	<b>13,778,948</b>	<b>8,926,246</b>
<b>CURRENT ASSETS</b>					
Stock		1,756	-	1,756	-
Debtors	12	296,667	286,256	377,676	321,876
Cash at bank and in hand		<u>1,241,170</u>	<u>3,012,375</u>	<u>1,162,801</u>	<u>2,985,328</u>
		<b>1,539,593</b>	<b>3,298,631</b>	<b>1,542,233</b>	<b>3,307,204</b>
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(1,836,893)</u>	<u>(1,217,771)</u>	<u>(1,822,001)</u>	<u>(1,200,710)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(297,300)</b>	<b>2,080,860</b>	<b>(279,768)</b>	<b>2,106,494</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>13,497,766</b>	<b>11,035,917</b>	<b>13,499,180</b>	<b>11,032,740</b>
<b>CREDITORS: Amounts falling due after one year</b>	14	<u>(2,072,797)</u>	<u>(865,042)</u>	<u>(2,065,917)</u>	<u>(853,572)</u>
<b>TOTAL NET ASSETS</b>		<b><u>11,424,969</u></b>	<b><u>10,170,875</u></b>	<b><u>11,433,263</u></b>	<b><u>10,179,168</u></b>
<b>CAPITAL AND RESERVES</b>					
<b>ENDOWED RESERVES</b> (Includes revaluation reserve of £37,300; 2007 £97,768)	16a	603,891	664,360	603,891	664,360
<b>RESTRICTED RESERVES</b>	16b	695,904	440,952	695,904	440,952
<b>DESIGNATED RESERVES</b>	16c	1,123,064	967,094	1,123,064	967,094
<b>UNRESTRICTED FUNDS</b> (Includes revaluation reserve of £756,547; 2007 £771,418)	16c	<u>9,002,110</u>	<u>8,098,469</u>	<u>9,010,404</u>	<u>8,106,762</u>
<b>TOTAL FUNDS</b>	16	<b><u>11,424,969</u></b>	<b><u>10,170,875</u></b>	<b><u>11,433,263</u></b>	<b><u>10,179,168</u></b>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20.11.08



Mr J D F Palmer  
Chairman

The notes on pages 13 to 25 form part of these financial statements.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**CONSOLIDATED CASHFLOW STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2008**

	Notes	2008 £	2008 £	2007 £
<b>NET CASH INFLOW FROM OPERATIONS</b>	20		<b>2,205,505</b>	<b>1,668,038</b>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>				
Investment income receipts		<b>129,049</b>		<b>164,080</b>
Interest paid and finance costs		<b><u>(68,046)</u></b>		<b><u>(123,349)</u></b>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			<b>61,003</b>	<b>40,731</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>				
Payment for tangible fixed assets		<b>(5,328,715)</b>		<b>(1,018,485)</b>
Payment for investments		<b><u>-</u></b>		<b><u>(46,640)</u></b>
<b>NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES</b>			<b><u>(5,328,715)</u></b>	<b><u>(1,065,125)</u></b>
<b>NET CASH (OUTFLOW)/INFLOW FOR THE YEAR BEFORE FINANCING</b>	22		<b>(3,062,207)</b>	<b>643,644</b>
<b>FINANCING</b>				
Repayment of bank loan		<b>(204,000)</b>		<b>(204,000)</b>
New bank loan		<b><u>1,500,000</u></b>		<b><u>-</u></b>
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING</b>			<b><u>1,296,000</u></b>	<b><u>(204,000)</u></b>
<b>NET CASH (OUTFLOW)/INFLOW FOR THE YEAR</b>	22		<b><u>(1,766,207)</u></b>	<b><u>439,644</u></b>

The notes on pages 13 to 25 form part of these financial statements.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2008

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The financial statements have been prepared under the Companies Act 1985 in accordance with applicable accounting and financial reporting standards in the United Kingdom, and the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities issued in 2005.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

#### (b) Basis of consolidation

The consolidated Statement of Financial Activities and Balance Sheet include the financial statements of Magdalen College School Oxford Limited and its subsidiary MCS Asset Management Limited made up to the year ended 31 July 2008. MSC Asset Management Limited is involved in property management and letting on behalf of the school and all intra group sales and profits are eliminated fully on consolidation.

#### (c) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school, but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received for education to be provided in future years are carried forward as deferred income in the balance sheet.

#### (d) Donations

Donations are accounted for on a received basis. Donations receivable for the general purposes of the Charity are credited to unrestricted funds or as a designated fund as allocated by the Governors. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowed expendable or permanent funds according to the nature of the restriction.

#### (e) Resources expended

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that cost in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds includes all the financing costs of the entity in addition to the costs of the development office.

Included within Governance costs are the costs of complying with constitutional and statutory requirements of the school.

#### (f) Taxation

As a registered Charity the School is entitled to taxation exemptions on all its income and gains, as long as they are properly applied for its charitable purpose.

#### (g) Operating leases

Rentals payable in respect of operating leases are charged on a time basis over the lease term.

#### (h) Pension schemes

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the school. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme.

The company also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

### 1 ACCOUNTING POLICIES (Continued)

#### (i) Tangible fixed assets

The school has a policy of capitalising fixed assets where expenditure on such assets is in excess of £500.

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:-

Assets under construction	Nil
Leasehold buildings	2% straight line
Equipment	10% reducing balance
Computers	33% straight line
Motor Vehicles	20% straight line

The leasehold property was valued by James Styles and Whitlock (Chartered Surveyors) at £5,090,000 on 27 July 1999. The school has taken advantage of the transitional provisions of FRS 15 whereby the valuation of the property has been frozen at its value as at 27 July 1999. Subsequent additions have been included at cost.

Equipment was valued by the Governors at £50,000 on 29 September 1987; the valuation of the equipment has been frozen at this valuation and subsequent additions have been included at cost.

#### (j) Investments

Listed investments are valued in the balance sheet at the market value on the last day of the accounting year.

Gains and losses arising from the sale of investments are disclosed as realised gains or losses, being the difference between the sale proceeds and the market value at the last accounting date. Changes in the valuation of investments during the year are shown as unrealised gains or losses.

#### (k) Liabilities

*Liabilities are recognised once there is a legal or constructive obligation that commits the charity to the obligation.*

#### (l) Funds

Unrestricted funds are expendable at the discretion of the Governors in furtherance of the objects or administration of the charity.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowed funds comprise of individual trust funds set up by specific donors, the capital of which may not be expended. The trusts are not pooled for investment and each is credited with the relevant investment income and bears its own expenses. The purposes and uses of the endowed funds are set out in the notes to the financial statements.



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

2. SCHOOL FEES	2008 £	2007 £
(a) The school's fee income comprised:		
Gross fees	7,783,556	7,147,106
Less: Total bursaries, grants and allowances	<u>(372,105)</u>	<u>(373,970)</u>
	7,411,451	6,773,136
Add back: Scholarships and discounts paid for by Restricted funds	<u>40,608</u>	<u>42,758</u>
	<u>7,452,059</u>	<u>6,815,894</u>

(b) Awards, prizes, and discounts paid for by Restricted Funds comprised:

	2008 £	2007 £
Bursaries	40,608	42,758
Prizes and leaving awards	<u>6,140</u>	<u>5,349</u>
	<u>46,748</u>	<u>48,107</u>

### 3. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The school owns MCS Asset Management Limited, which provides leisure facilities, lettings and promotional goods relating to the school.

Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2008 £	2007 £
Turnover	184,470	201,560
Administration	<u>(135,040)</u>	<u>(145,084)</u>
Operating profit	49,430	56,476
Interest Payable	(1,000)	(1,500)
Gift aid	<u>(48,430)</u>	<u>(49,880)</u>
Profit for year	<u>-</u>	<u>5,096</u>
Shareholders' Deficit	<u>(8,293)</u>	<u>(8,293)</u>

Turnover, administration costs and interest payable in the Consolidated Statement of Financial Activities excludes income and costs which have been recharged from Magdalen College School Oxford Limited totalling income of £35,223 (2007 - £39,650) and expenses of £72,281 (2007 - £70,231). The net contribution to the school for the year totalled £85,488. Being the gift aid of £48,430 and £37,058, being the net costs paid to the school during the year.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

### 4. OTHER INCOMING RESOURCES

	2008 £	2007 £
<b>Other Educational Income</b>		
Registration and assessment fees	13,900	13,220
Music lessons	164,889	148,782
Departmental Income	48,195	35,683
Games Income	23,948	22,831
Library Income	475	837
Exam fees and remarks	57,307	55,092
Other School income	17,961	-
Other academic income	662	-
Recoverable account income	<u>8,006</u>	<u>-</u>
	<b><u>335,343</u></b>	<b><u>276,445</u></b>
 <b>Other ancillary trading income</b>		
School shop	-	6,296
After school care	12,356	6,414
Other resources	-	14,586
Lunch tickets	160,554	159,114
Fee remission and pupil accident insurance	9,960	713
Miscellaneous	56,774	6,577
Christchurch Income	-	-
Tuck Shop	<u>(299)</u>	<u>(554)</u>
	<b><u>239,345</u></b>	<b><u>193,146</u></b>
 <b>Non ancillary trading income</b>		
Interest on late fees	<u>989</u>	<u>3,970</u>

### 5. INVESTMENT INCOME

	2008 £	2007 £
Dividends receivable	27,665	21,857
Bank Interest receivable	<u>101,384</u>	<u>142,223</u>
	<b><u>129,049</u></b>	<b><u>164,080</u></b>

### 6. NET INCOMING RESOURCES

	2008 £	2007 £
Net incoming resources is stated after charging:		
Bank loan interest	58,595	74,617
Auditors' remuneration: for audit services	19,564	18,624
Auditors' remuneration: for non audit services	<u>6,737</u>	<u>6,416</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

7. STAFF COSTS	2008 £	2007 £
Wages and salaries	4,070,979	3,791,305
Social security costs	327,903	297,131
Pension contributions	<u>415,135</u>	<u>377,154</u>
	<u>4,814,017</u>	<u>4,465,590</u>

Included within wages and salaries above is £170,746 (2007 - £170,394) relating to catering wages for staff that are not directly employed by the School, but by the catering suppliers.

The average number of employees in the year was 109 (2007 - 111) of which 72 (2007 - 71) were teaching staff.

Neither the Governors nor persons connected with them received any emoluments from the school during the year (2007 - £NIL).

One of the Governors received reimbursement of out of pocket expenses amounting to £124 in the current year (2007 - £116 for one Governor).

The number of higher paid employees was:

	2008 No.	2007 No.
£60,000 - £70,000	1	1
£80,000 - £90,000	1	1
£140,000 - £150,000	<u>1</u>	<u>1</u>

In the year contributions were made for higher paid employees, two (2007 - two) to the Teachers' superannuation scheme, and one (2007 - one) to a personal pension scheme for non-teaching staff.

## 8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	Depreciation £	Total £
<b>Costs of generating funds</b>				
Financing costs	-	68,046	-	68,046
Costs of generating voluntary income	<u>85,878</u>	<u>21,038</u>	-	<u>106,916</u>
	<u>85,878</u>	<u>89,084</u>	-	<u>174,962</u>
<b>Charitable activities</b>				
Teaching	3,749,577	768,139	-	4,517,716
Welfare	205,723	143,367	-	349,090
Premises	269,043	757,957	420,541	1,447,541
Support costs	482,011	259,594	-	741,605
Grants, awards and prizes	-	46,748	-	46,748
	<u>4,706,354</u>	<u>1,975,805</u>	<u>420,541</u>	<u>7,102,700</u>
<b>Governance costs</b>	-	45,147	-	45,147
<b>Total for Company</b>	4,792,232	2,110,036	420,541	7,322,809
Trading costs of the subsidiary	<u>21,785</u>	<u>29,280</u>	<u>12,694</u>	<u>63,759</u>
<b>Total for Group</b>	<u>4,814,017</u>	<u>2,139,316</u>	<u>433,235</u>	<u>7,386,568</u>

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2008**

**9. TANGIBLE FIXED ASSETS - COMPANY**

	Assets under Construction £	Long Leasehold Property £	Equipment & Computers £	Company Total £
<b>Cost</b>				
At 1 August 2007	721,079	8,336,285	767,671	9,825,035
Additions	4,609,313	450,108	269,294	5,328,715
Disposals	-	-	-	-
At 31 July 2008	<u>5,330,392</u>	<u>8,786,393</u>	<u>1,036,965</u>	<u>15,153,750</u>
<b>Depreciation</b>				
At 1 August 2007	-	1,168,922	381,693	1,550,615
Charge for year	-	172,204	248,337	420,541
Disposals	-	-	-	-
At 31 July 2008	<u>-</u>	<u>1,341,126</u>	<u>630,030</u>	<u>1,971,156</u>
<b>Net book values</b>				
At 31 July 2008	<u>5,330,392</u>	<u>7,445,267</u>	<u>406,935</u>	<u>13,182,594</u>
At 31 July 2007	<u>721,079</u>	<u>7,167,363</u>	<u>385,978</u>	<u>8,274,420</u>

**10. TANGIBLE FIXED ASSETS - GROUP**

	Assets under Construction £	Long Leasehold Property £	Equipment & Computers £	Motor Vehicles £	Group Total £
<b>Cost</b>					
At 1 August 2007	721,079	8,336,285	857,585	63,468	9,978,417
Additions	4,609,313	450,108	269,295	-	5,328,716
Disposals	-	-	-	-	-
At 31 July 2008	<u>5,330,392</u>	<u>8,786,393</u>	<u>1,126,880</u>	<u>63,468</u>	<u>15,307,133</u>
<b>Depreciation</b>					
At 1 August 2007	-	1,168,922	471,607	34,656	1,675,185
Charge for year	-	172,204	248,337	12,694	433,235
Disposals	-	-	-	-	-
At 31 July 2008	<u>-</u>	<u>1,341,126</u>	<u>719,944</u>	<u>47,350</u>	<u>2,108,420</u>
<b>Net book values</b>					
At 31 July 2008	<u>5,330,392</u>	<u>7,445,267</u>	<u>406,936</u>	<u>16,118</u>	<u>13,198,713</u>
At 31 July 2007	<u>721,079</u>	<u>7,167,363</u>	<u>385,978</u>	<u>28,812</u>	<u>8,303,232</u>

The leasehold property was valued by James, Styles & Whitlock (Chartered Surveyors) at £5,090,000 on 27 July 1999. The School has followed the transitional provisions of FRS 15 and has not updated this valuation. Subsequent additions are included at cost.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2008

### 10. TANGIBLE FIXED ASSETS – GROUP (Continued)

The comparable amount of long leasehold property included above at valuation determined according to the historical cost accounting rules are as follows:

	Property £
<b>Cost</b>	<b>7,866,529</b>
<b>Accumulated depreciation</b>	<b><u>(1,177,809)</u></b>
<b>Net book value at 31 July 2008</b>	<b><u>6,688,720</u></b>
<i>Net book value at 31 July 2007</i>	<i><u>6,395,946</u></i>

The Governors valued the equipment at the school to be worth £50,000 on 29 September 1987. This equipment has now been fully written down. The valuation has not been updated since this valuation as in the Governor's opinion the market value has not materially changed. Subsequent additions have been included at cost.

Assets under construction relate to phase 1 development costs detailed as in the Governors' Annual Report. No depreciation is charged whilst these assets are under construction.

11. INVESTMENTS	Unlisted £	Waynflete Award Fund £	The Leo Goldschmidt Fund £	Total £
<b>Company:-</b>				
At 1 August 2007	1	349,360	302,465	651,826
Additions	-	-	-	-
Unrealised losses	-	(32,426)	(28,043)	(60,469)
Change in cash	-	<u>2,680</u>	<u>2,317</u>	<u>4,997</u>
<b>Balance at 31 July 2008</b>	<b><u>1</u></b>	<b><u>319,614</u></b>	<b><u>276,739</u></b>	<b><u>596,354</u></b>
These comprise:				
Listed on the Stock Exchange	-	278,609	241,436	520,045
Cash deposits	-	41,005	35,303	76,308
Unlisted	<u>1</u>	-	-	1
	<u>1</u>	<u>319,614</u>	<u>276,739</u>	<u>596,354</u>
Historical cost of Listed Investments	<u>-</u>	<u>258,685</u>	<u>224,061</u>	<u>482,746</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

### 11. INVESTMENTS (Continued)

Included within investments, are the following which exceed 5% of the total value at 31 July 2008:-

	Waynflete Award Fund		The Leo Goldschmidt Fund	
	£	%	£	%
Cazenove Investment fund management income trust for Charities	42,216	7	36,414	6
Cazenove Investment fund management equity income trust for Charities	103,194	17	89,317	15
Cazenove Investment fund management growth trust for Charities	57,467	10	49,719	8
Cazenove Investment fund management absolute return trust for Charities	54,442	9	47,557	8
Cash held by investment managers	41,004	7	35,303	6

All of the investments are held within the United Kingdom.

The consolidated balance sheet shows the same investments as the Company, with the exception of the unlisted investment of £1 in MCS Asset Management Limited.

### 12. DEBTORS

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
School fees and trade debtors	208,001	210,270	201,189	166,068
Other debtors	56,740	49,946	42,880	39,754
Prepayments and accrued income	31,926	26,040	30,399	24,513
Owed by subsidiary	-	-	103,208	91,541
	<u>296,667</u>	<u>286,256</u>	<u>377,676</u>	<u>321,876</u>

Included within amounts owed by subsidiary above is a £10,000 (2007 - £15,000) loan to MCS Asset Management Limited. Interest on this loan is charged at 10% per annum, and accordingly the school has received £1,000 (2007 - £1,500) loan interest during the year.

### 13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank loan	204,000	204,000	204,000	204,000
Trade creditors	664,932	26,707	664,932	24,392
Taxation and social security	69,930	59,941	69,798	59,917
Deposits held	317,880	319,917	317,880	319,917
Other creditors	150,478	167,165	149,689	167,165
Accruals and deferred income	417,944	429,081	403,973	414,359
Fees in advance (note 15)	11,729	10,960	11,729	10,960
	<u>1,836,893</u>	<u>1,217,771</u>	<u>1,822,001</u>	<u>1,200,710</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

### 14. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Bank loans	1,872,000	576,000	1,872,000	576,000
Taxation and social security	132,033	197,255	132,033	197,255
Fees in advance (note 15)	11,884	30,317	11,884	30,317
Deferred income	<u>56,880</u>	<u>61,470</u>	<u>50,000</u>	<u>50,000</u>
	<b><u>2,072,797</u></b>	<b><u>865,042</u></b>	<b><u>2,065,917</u></b>	<b><u>853,572</u></b>
The bank loan is repayable by instalments:				
Due within two to five years	1,668,000	372,000	1,668,000	372,000
Due within one to two years	<u>204,000</u>	<u>204,000</u>	<u>204,000</u>	<u>204,000</u>
	<b><u>1,872,000</u></b>	<b><u>576,000</u></b>	<b><u>1,872,000</u></b>	<b><u>576,000</u></b>
Due within one year	<u>204,000</u>	<u>204,000</u>	<u>204,000</u>	<u>204,000</u>
	<b><u>2,076,000</u></b>	<b><u>780,000</u></b>	<b><u>2,076,000</u></b>	<b><u>780,000</u></b>

The bank loan is secured on an informal deposit of the lease of the school premises.

The bank loan is repayable annually in 3 termly instalments of £68,000. A fixed interest rate of 7.97% is charged on the loan.

### 15. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the school tuition fees in advance. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2008 £	2007 £
Due within two to five years	-	11,292
Due within one to two years	<u>11,884</u>	<u>19,025</u>
	<b><u>11,884</u></b>	<b><u>30,317</u></b>
Due with one year	<u>11,729</u>	<u>10,960</u>
	<b><u>23,613</u></b>	<b><u>41,277</u></b>

The movement during the year on advanced fees were as follows:

	£
Balance at 1 August 2007	41,277
New advanced fees received in the year	-
Amounts utilised in payments of fees	<u>(17,664)</u>
Balance at 31 July 2008	<b><u>23,613</u></b>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

### 16. NET ASSETS OF THE FUNDS OF THE COMPANY AND GROUP

The net assets belong to the various funds (including Advance Fees) as follows:

	Fixed Assets £	Net Current Assets/(liabilities) £	Long Term Liabilities £	Fund Balances £
Endowed Funds	596,353	7,538	-	603,891
Restricted Funds	-	695,904	-	695,904
Unrestricted Funds	<u>13,182,595</u>	<u>(983,210)</u>	<u>(2,065,917)</u>	<u>10,133,468</u>
<b>Company</b>	13,778,948	(279,768)	(2,065,917)	11,433,263
Subsidiary reserves	<u>16,118</u>	<u>(17,532)</u>	<u>(6,880)</u>	<u>(8,294)</u>
<b>Group</b>	<u>13,795,066</u>	<u>(297,300)</u>	<u>(2,072,797)</u>	<u>11,424,969</u>

### 16A ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2007 £	Investment losses £	Balance at 31 July 2008 £
Waynflete Award Fund	366,322	(32,425)	333,897
The Leo Goldschmidt Fund	<u>298,038</u>	<u>(28,044)</u>	<u>269,994</u>
<b>Company and Group</b>	<u>664,360</u>	<u>(60,469)</u>	<u>603,891</u>

The Waynflete Award Fund is invested to provide an income which will be used to provide bursaries to qualifying pupils.

The Leo Goldschmidt Fund is an expendable endowment fund where the investment income will provide bursaries to qualifying pupils.



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

### 16B RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2007 £	Income £	Expended £	Transfer £	Balance at 31 July 2008 £
Master Fund	1,273	64	-	-	1,337
Dr. Winch Memorial Fund	193,548	38,820	(19,700)	-	212,668
Prize and Other Funds	37,272	10,484	(6,140)	-	41,616
Hardship Bursary	13,318	666	-	-	13,984
Building Development Fund	112,174	175,424	(9,951)	-	277,647
Waynflete Award Fund	33,650	30,679	(20,908)	-	43,421
The Leo Goldschmidt Fund	26,421	12,825	-	-	39,246
The David Brunton Fund	23,296	42,689	-	-	65,985
<b>Company and Group</b>	<b>440,952</b>	<b>311,651</b>	<b>(56,699)</b>	<b>-</b>	<b>695,904</b>

The Master Fund was set up for the use of the Headmaster to achieve academic excellence at the school.

Dr. Winch Memorial Fund was set up to create a new programme of bursary awards at the school.

Prize and other funds represent a number of individual prize funds and a mini bus fund set up by individual donors.

Hardship Bursary is a specific fund provided by Old Waynfletes to support one outstanding pupil whose family is facing severe financial hardship.

Building Development fund is donations received towards the New Building, which will be handed over to the school on 1 September 2008 and the balance of this fund will then be transferred to unrestricted reserves.

The Waynflete Award Fund and the Leo Goldschmidt Fund are used to provide bursaries to pupils.

The David Brunton fund was set up to create a partially funded bursary.

### 16C. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	Balance at 1 August 2007 £	Income £	Expended £	Transfers £	Balance at 31 July 2008 £
<b>Designated funds</b>					
Master Fund	1,750	88	(19)	-	1,819
Building Development Fund	965,344	159,592	(3,691)	-	1,121,245
	967,094	159,680	(3,710)	-	1,123,064
<b>Unrestricted funds</b>					
Income and Expenditure account	8,106,762	8,080,553	(7,262,400)	85,488	9,010,403
<b>Company</b>	9,073,856	8,240,233	(7,266,110)	85,488	10,133,467
Non-charitable trading funds	(8,293)	149,247	(63,759)	(85,488)	(8,293)
<b>Group</b>	<b>9,065,563</b>	<b>8,389,480</b>	<b>(7,329,869)</b>	<b>-</b>	<b>10,125,174</b>

The transfer of £85,488 relates to contributions from the trading subsidiary to the school's operations. Please refer to note 3 in these financial statements for further information.

Unrestricted donations received during the year have been designated to the Building Development fund as the Governors have seen fit, and will be used to meet final payments for the New Building in the accounting year ended 31 July 2009.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

### 17. RELATED PARTY TRANSACTIONS

Mr G Pye is a Governor of the school and is also a Trustee of Mr & Mrs J A Pye's Charitable Settlement (Registered Charity Number 242677). This Trust made an interest free loan to the school in 2003 for £50,000. It is intended that this loan will be released to the school as a donation during the period June 2009 to 2013 at a rate of £10,000 per annum, and accordingly has been treated as a deferred income within creditors. As Mr G Pye is a Governor of the school this is deemed to be a related party transaction.

### 18. CONTRACTS AND COMMITMENTS

At the year end the school has capital commitments totalling £384,352 (2007 - £4,338,694), relating to the phase 1 building project.

	2008	2007
Operating lease commitments		
Other		
Expiring between two and five years	<u>23,424</u>	<u>-</u>

### 19. PENSION SCHEMES

The school participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the school.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, with a supplementary contribution of 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced – effective for the first time from the 2008 valuation – a 14% cap on employer contributions payable.

The pension charge for the year includes contributions payable to the scheme of £374,513 £ (2007 - £326,482).

The school also runs a scheme for its non-teaching staff, which is a defined contribution scheme. The total contribution payable to this scheme during the year was £40,910 (2007 - £50,672).

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2008

### 20. RECONCILIATION OF GROUP NET INCOMING RESOURCES TO NET CASH INFLOW FROM GROUP OPERATIONS

	2008	2007
	£	£
Net Incoming resources	1,314,563	800,805
Non-operating cashflows eliminated:		
Financing costs	68,046	123,349
Depreciation charges added back	433,235	364,018
Loss on disposal of fixed assets	-	226,070
Increase in stock	(1,756)	-
(Increase)/Decrease in debtors	(10,411)	38,540
Increase in creditors	530,877	279,336
Investment income	<u>(129,049)</u>	<u>(164,080)</u>
	<u>890,942</u>	<u>867,233</u>
Net cash inflow from group operations	<u>2,205,505</u>	<u>1,668,038</u>

### 21. ANALYSIS OF CHANGES IN NET CASH RESOURCES OF THE GROUP (NOTE 22)

	2008	2007
	£	£
(Decrease)/Increase in cash in the year	(1,766,207)	439,644
Cash (outflow)/inflow from decrease in bank loans	<u>(1,296,000)</u>	<u>204,000</u>
Changes in net funds	(3,062,207)	643,644
Net funds at 1 August 2007	<u>2,303,685</u>	<u>1,660,041</u>
Net funds at 31 July 2008	<u>(758,522)</u>	<u>2,303,685</u>

### 22. ANALYSIS OF CHANGES IN NET CASH RESOURCES OF THE GROUP

	As at 1 August 2007	Cashflows	As at 31 July 2008
	£	£	£
Cash at bank and in hand	3,012,375	(1,771,205)	1,241,170
Cash held as investments	<u>71,310</u>	<u>4,998</u>	<u>76,308</u>
	3,083,685	(1,766,207)	1,317,478
Debt due after 1 year	(576,000)	(1,296,000)	(1,872,000)
Debt due within 1 year	<u>(204,000)</u>	<u>-</u>	<u>(204,000)</u>
	<u>2,303,685</u>	<u>(3,062,207)</u>	<u>(758,522)</u>