

Company no. 2106661
Charity no. 295785

Magdalen College School Oxford Limited
Limited by Guarantee

Accounts
for the year ended
31st July 2001



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COMPANIES HOUSE 07/12/01

Wenn Townsend

Chartered Accountants

Oxford

Magdalen College School Oxford Limited
Limited by Guarantee

Directors: Dr M J Peagram (appointed chairman 4th July 2001)
Mr J P Leighfield (retired 4th July 2001)
Mr G G Audley-Miller
Prof B J Bellhouse
Dr L W B Brockliss
Dr R G Denning
Mr D J Eeley
Dr C J Ferdinand
Mrs W Hart
Mr C J G Ives
Mr G W Neilson
Miss M Newton (retired 31st December 2000)
Mr S F Race (retired 31st December 2000)
Dr B J Sutton (appointed 1st January 2001)
Mrs J Townsend
Sir M Wheeler-Booth KCB (appointed 1st April 2001)
Mr W Wyatt

Secretary: Mr M H Kefford

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

Registered Office: Cowley Place
Oxford

Registered Number: 2106661

Registered Charity Number: 295785

Auditors: Wenn Townsend
Chartered Accountants and Registered Auditors
Oxford

Bankers: National Westminster Bank
Oxford

Solicitors: Morgan Cole
Oxford

**Magdalen College School Oxford Limited
Limited by Guarantee**

Report of the Directors

31st July 2001

The directors present their report and the audited financial statements for the year ended 31st July 2001.

Status and Administration

The company is a registered charity (No. 295785) and, under Section 360 of the Income and Corporation Taxes Act 1970, is exempted from income tax and corporation tax.

Charitable Objects

The principal activity of the charity is to promote and provide for the advancement and education of children in the United Kingdom, and in connection therewith to conduct, carry on, acquire and develop any boarding or day school or schools. There has been no significant change in this activity during the year and the directors do not anticipate that the nature and scope of the company's activity will change significantly in the foreseeable future. The charity is a company limited by guarantee whose activities are governed by its memorandum and articles of association.

Board Policy

The charity provides education to boys aged 7 to 18 in its school in Oxford.

Review of Activities and Achievements and Future Developments

The construction of the Sports Hall, the consultations on a new salary scale for the teaching staff and the School inspection in May have dominated the year. Each of these three major events will have a significant impact on the future of the School.

The Sports Hall has received the status of a centre of excellence from the Oxfordshire Cricket Board and also official approval from the English National Basketball Association. Bookings forward to 2002 for the main hall and membership of the sports club have exceeded expectations despite the delays in the official opening. A subsidiary trading company (MCS Asset Management Limited) has been formed to operate the Sports Hall and to run all the other commercial activities of the School.

A new teaching staff pay scale is to become effective from September 2001. Following the introduction by the Government of new enhanced salary scales it was essential that the School at least maintained its differentials, but also used the opportunity to encourage and reward the staff of the enormous contribution they make to the excellence of the School. Throughout the consultation period the teaching staff remained extremely co-operative and supportive in our efforts to resolve the conflicting issues of reward and profitability. Considerable staff recruitment during the year has produced extremely high quality teachers, and has borne out our intention to ensure staff are able to benefit from the success of the school.

The preparations for the School inspection placed a considerable strain on staff and pupils alike. In the event the inspection passed off well and the school received considerable praise as one of the best academic schools in the country. The full report has been circulated to all the parents and has given much support for the changes that have already been made and offered several positive recommendations for future improvements.

The alterations to the Junior School have been completed and all the Junior classes are full for the coming year. A £40,000 grant from the Wolfson Foundations has made it possible to completely refurbish two Biology laboratories and completely redesign the third Physics laboratory, at a total cost of £182,000. In the coming year it is intended to relocate the Computer Department and to commence the allocation of an annual sum to be set aside to extend the ICT facilities and school intranet. The move of the Computing Department will allow the development of a much needed third Biology laboratory from within the existing classroom stock.

**Magdalen College School Oxford Limited
Limited by Guarantee**

Report of the Directors (continued)

31st July 2001

Review of Activities and Achievements and future Developments (continued)

The next two years should see the consolidation of the Schools position and the opportunity to replenish depleted cash reserves. The Governor's confidence in the Five Year Plan was boosted by the pupils producing the School's best ever results in GCSE, AS and A Level exam results published in August, which placed the School amongst the fifty best schools in the country.

Financial Activities and Results

The new Sports Hall was completed in June at an increased cost of £1,783,000 due to additions as asked for by the School and various sub-contractor delays. The result however, is an outstanding sports complex that will add considerably to the facilities and the attraction of the School, and which it is planned will add a significant income stream within three years. Investment in repairs and refurbishment, together with considerable expenditure on advertising and PR, have seen last year's increase in parental interest in the School maintained. We forecast a net surplus of 5%, a surplus of 7.6% has been achieved for the year under review and the numbers entering the School for the next academic year will be at an all time high of 600.

Fixed assets

Changes in fixed assets during the year are set out in note 11 to the accounts. In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts.

The school has taken advantage of the transitional provisions of FRS15 whereby the valuation of equipment has been frozen at its value as at 31st July 1999. Additions since that date have been included at cost and are being depreciated on an annual basis.

Investment Powers, Policy and Performance

The Governors powers of investments are governed by the Memorandum and Articles of Association which delegates to them the powers of the Members of the Association to control, manage and invest moneys not immediately required in investments, securities or property as thought fit.

The Governors policy is to continue to put any surplus cash funds on Treasury deposits in order to maximise the interest receivable while being able to support the short-term cash flow requirements. A total return of £39,702 has been achieved during the year.

Grant-Making Policy

This year the value of scholarships, grants and other awards made to the School's pupils totalled £228,148. This was made from fee remissions and represents 6.5% of net fee income.

The Governors policy is to make these awards on the basis of the individual's educational ability and where appropriate on the basis of financial need.

It is the Governors intention to build up a separate restricted fund to an appropriate level to provide an investment income to replace fee remissions as the future source of funds for bursaries and awards.

**Magdalen College School Oxford Limited
Limited by Guarantee**

Report of the Directors (continued)

31st July 2001

Risk Management

The Governors have examined the principle areas of the School's operations and considered the major risks faced in each of these areas.

In the opinion of the Governors, the School has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations. The Governors are to carry out formal risk assessments and a review of the necessary controls on a continuing basis in the future.

Reserves Policy

The Governors intend to build up the School's reserves to an amount which equals the School's fixed assets together with six months' revenue expenditures by means of accumulating its operating surpluses over the forthcoming years.

The Board of Governors

A full list of Governors, who are the Directors of the company, is disclosed on the first page. A summary of significant changes is described below:

Mr J P Leighfield retired as Chairman of Governors
Mr S F Race completed his final term as a Parent Governor
Miss M Newton completed her final term as a Governor
Dr M J Peagram was elected as Chairman of Governors
Professor R G Denning was re-elected as Deputy Chairman
Sir Michael Wheeler-Booth was elected as a Governor

Auditors

Wenn Townsend have agreed to offer themselves for re-appointment.

On behalf of the board



Mr M H Kefford

Company Secretary

15th November 2001

**Magdalen College School Oxford Limited
Limited by Guarantee**

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Magdalen College School Oxford Limited
Limited by Guarantee**

Report of the Auditors

to the members of Magdalen College School Oxford

We have audited the financial statements on pages 6 to 19 which have been prepared under the accounting policies set out on page 11.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

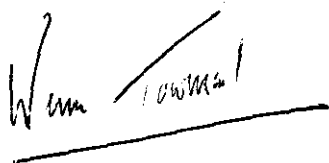
Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or error or other irregularity. 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 of the state of the company's affairs as at 31st July 2001 and of its surplus and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Wenn Townsend

Chartered Accountants and Registered Auditors

Oxford

15th November 2001

**Magdalen College School Oxford Limited
Limited by Guarantee**

Statement of Financial Activities
for the year ended 31st July 2001

	Notes	—Unrestricted funds—		Total Funds	2000
		General	Designated		
Incoming Resources					
Charitable activities					
School Fees	3	3,490,514	-	3,490,514	2,999,077
Donations					
Other donations		66,937	-	66,937	98,760
Investment income	5	41,690	-	41,690	15,081
Other incoming resources	6	247,740	-	247,740	296,087
Total incoming resources		3,846,881	-	3,846,881	3,409,005
Resources Expended					
Costs of generating funds					
Financing costs	7	105,475	-	105,475	41,685
		105,475	-	105,475	41,685
Net incoming resources available for charitable application		3,741,406	-	3,741,406	3,367,320
Direct Charitable Expenditure					
Teaching		2,220,994	-	2,220,994	2,117,750
Welfare		242,828	-	242,828	221,541
Premises		614,672	-	614,672	569,846
Support costs		370,347	-	370,347	298,284
Management and administration		17,222	-	17,222	13,715
Total direct charitable expenditure		3,466,063	-	3,466,063	3,221,136
Total expended	9	3,571,538	-	3,571,538	3,262,821
Net incoming resources before transfers		275,343	-	275,343	146,184
Other recognised gains and losses					
Depreciation charged to reserves		(4,599)	-	(4,599)	(4,599)
Net movement in funds		270,744	-	270,744	141,585
Fund balances at 1st August 2000		2,988,427	2,018,126	5,006,553	4,864,968
Fund balances at 31st July 2001		£3,259,171	2,018,126	5,277,297	5,006,553

Magdalen College School Oxford Limited
Limited by Guarantee

Group Statement of Financial Activities
for the year ended 31st July 2001

	Notes	Unrestricted funds			Total Funds	2000
		School	Designated	Other		
Incoming Resources						
Charitable activities						
School fees	3	3,490,514	-	-	3,490,514	2,999,077
Donations						
Other donations		66,937	-	2,000	68,937	98,760
Other activities to generate funds						
Non-charitable trading	4	-	-	17,023	17,023	-
Investment income	5	39,702	-	145	39,847	15,081
Other incoming resources	6	247,740	-	-	247,740	296,087
<i>Total incoming resources</i>		3,844,893	-	19,168	3,864,061	3,409,005
Resources Expended						
Costs of generating funds						
Non-Charitable trading		-	-	42,207	42,207	-
Financing costs	7	105,475	-	665	106,140	41,685
		105,475	-	42,872	148,347	41,685
<i>Net incoming resources available for charitable application</i>		3,739,418	-	(23,704)	3,715,714	3,367,320
Charitable Expenditure						
Teaching		2,220,994	-	-	2,220,994	2,117,750
Welfare		242,828	-	-	242,828	221,541
Premises		614,672	-	-	614,672	569,846
Support costs		370,347	-	-	370,347	298,284
Management and administration		17,222	-	-	17,222	13,715
Total direct charitable expenditure		3,466,063	-	-	3,466,063	3,221,136
Total expended	9	3,571,538	-	42,872	3,614,410	3,262,821
Net incoming resources before transfers		273,355	-	(23,704)	249,651	146,184
Other recognised gains and losses						
Depreciation charged to reserves		(4,599)	-	-	(4,599)	(4,599)
Net movement in funds		268,756	-	(23,704)	245,052	141,585
Fund balances at 1st August 2000		2,988,427	2,018,126	-	5,006,553	4,864,968
Fund balances at 31st July 2001		£ 3,257,183	2,018,126	(23,704)	5,251,605	5,006,553

Magdalen College School Oxford Limited
Limited by Guarantee

Income and Expenditure Account
for the year ended 31st July 2001

			<u>2000</u>
	Note		
Income	2	3,504,107	3,008,060
Educational costs		(2,729,844)	(2,611,357)
Administrative expenses		(741,400)	(622,302)
Other operating income		301,084	385,864
Operating surplus		<u>333,947</u>	<u>160,265</u>
Investment income	5	41,690	15,081
Interest payable	7	(100,294)	(29,162)
Surplus on ordinary activities before tax		<u>275,343</u>	<u>146,184</u>
Taxation	8	-	-
Surplus for the year		<u>275,343</u>	<u>146,184</u>
Depreciation charges to reserves		(4,599)	(4,599)
Total realised gains and losses relating to the year		<u><u>£ 270,744</u></u>	<u><u>£ 141,585</u></u>

Movements in reserves are shown in note 19.

None of the company's activities was acquired or discontinued during the above financial years.

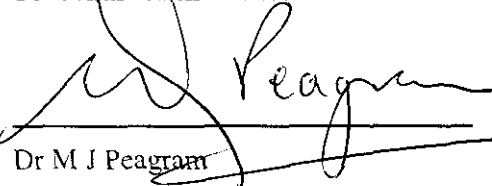
The requirement under company law to provide a statement of total recognised gains and losses is provided by the Statement of Financial Activities on page 6.

Magdalen College School Oxford Limited
Limited by Guarantee

Balance Sheets
31st July 2001

		<u>Group</u>		<u>Charity</u>	
		<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
	Note				
Fixed assets					
Tangible assets	11	7,452,668	5,391,469	7,362,979	5,391,469
Investments	12	-	-	1	-
		<u>7,452,668</u>	<u>5,391,469</u>	<u>7,362,980</u>	<u>5,391,469</u>
Current assets					
Debtors	13	346,061	284,895	381,126	284,895
Investments	14	112,820	566,525	112,820	566,525
Cash at bank and in hand		18,182	2,661	-	2,661
		<u>477,063</u>	<u>854,081</u>	<u>493,946</u>	<u>854,081</u>
Creditors: Amounts falling due within one year	15	(844,430)	(562,497)	(803,629)	(562,497)
Net current (liabilities)/assets		<u>(367,367)</u>	<u>291,584</u>	<u>(309,685)</u>	<u>291,584</u>
Total assets less current liabilities		<u>7,085,301</u>	<u>5,683,053</u>	<u>7,053,297</u>	<u>5,683,053</u>
Creditors: Amounts falling due after one year	16	(1,833,696)	(676,500)	(1,776,000)	(676,500)
Net assets		<u>£5,251,605</u>	<u>5,006,553</u>	<u>5,277,297</u>	<u>5,006,553</u>
Capital and reserves					
Revaluation reserve	17	1,960,874	1,965,473	1,960,874	1,965,473
Other reserves	18	2,018,126	2,018,126	2,018,126	2,018,126
Income and expenditure account	19	1,272,605	1,022,954	1,298,297	1,022,954
Members' funds	20	<u>£5,251,605</u>	<u>5,006,553</u>	<u>5,277,297</u>	<u>5,006,553</u>

On behalf of the board


Dr M J Peagram

Chairman

15th November 2001

Magdalen College School Oxford Limited
Limited by Guarantee

Group Cash Flow Statement
for the year ended 31st July 2001

2000

**Reconciliation of operating surplus to
net cash flow from operating activities:**

Operating surplus	249,651	146,184
Depreciation	51,344	31,410
Depreciation charged to reserves	(4,599)	(4,599)
Increase in debtors	(61,166)	(28,327)
Increase in creditors	46,316	178,053
Investment income	(39,847)	(15,081)
Financing costs	106,140	41,685
	<u>£ 347,839</u>	<u>£ 349,325</u>

Cash flow

Net cash flow from operating activities	347,839	349,325
Returns on investments and servicing of finance (note 21)	(66,293)	(26,604)
Capital expenditure (note 21)	(2,112,543)	(282,879)
	<u>(1,830,997)</u>	<u>39,842</u>
Management of liquid resources (note 21)	453,705	(252,317)
Financing	1,360,274	278,500
	<u>£ (17,018)</u>	<u>£ 66,025</u>

Reconciliation of net cash flow to movement in net funds (note 21)

Decrease in cash	(17,018)	66,025
Change in bank loans	(1,279,500)	(278,500)
Change in finance lease creditor	(80,774)	-
Net debt at 31st August 2000	(673,839)	(461,364)
	<u>£ (2,051,131)</u>	<u>£ (673,839)</u>

**Magdalen College School Oxford Limited
Limited by Guarantee**

Notes to the Accounts
for the year ended 31st July 2001

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules, subject to valuations of leasehold property and equipment. The financial statements have also been prepared in accordance with applicable accounting standards and the Accounting and Reporting by Charities: Statement of Recommended Practice.

Depreciation

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

Leasehold land and buildings	Equal instalments over the lease term
Equipment - purchased prior to 31 st July 1999	0%
- purchased post 1 st August 1999	10% reducing balance
Computers - purchased post 1 st August 1999	33% straight line

The leasehold property was valued by James Styles & Whitlock (Chartered Surveyors) at £5,090,000 on 27th July 1999.

Equipment was valued by the directors at £50,000 on 29th September 1987. The school has taken advantage of the transitional provisions of FRS 15 whereby the valuation of the equipment has been frozen at its value as at 31st July 1999. Subsequent additions have been included at cost.

Surpluses or deficits arising on the disposal of fixed assets are adjusted in the depreciation charge for the year.

Pensions

Defined contribution scheme

Contributions to the defined contribution pension fund are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

Fund accounting

Unrestricted funds comprise funds which the directors may use for the furtherance of the objects of the charity, at their discretion.

2 (i) Income

In the opinion of the directors, none of the income of the company is attributable to geographical markets outside the UK (2000: Nil).

(ii) Incoming resources

Incoming resources represent amounts receivable by the company in respect of the services provided during the year, excluding any value added tax.

Magdalen College School Oxford Limited
Limited by Guarantee

Notes to the Accounts
for the year ended 31st July 2001

3 School Fees

	2001	2000
The schools' fee income comprised:		
Gross fees	3,718,663	3,225,846
Deduct: Total bursaries, grants and allowances	(228,149)	(226,769)
	<u>£3,490,514</u>	<u>£2,999,077</u>

Allowances included a contribution of £83,793 (2000:£99,068) by the school to cover the shortfall in Assisted Places Scheme.

4 Subsidiary Company

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

MCS Asset Management Limited was incorporated, and commenced trading, during the year ended 31st July 2001.

Income from subsidiary company

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

Turnover	17,023
Administration costs	(42,207)
Other operating income	2,000
	<u> </u>
Operating loss	(23,184)
Interest receivable	145
Interest payable	(2,653)
	<u> </u>
Retained loss	<u>£ (25,692)</u>

Related party transactions with subsidiary company

The School has loaned this company £60,000 as start up capital. Repayment of the loan is over three years at 10% per annum, with the first repayment, of £20,000, due in 2002.

At the balance sheet date the following amounts were outstanding relating to the subsidiary :

£1 – Share capital owed to the subsidiary
£1,988 – Interest receivable from the subsidiary
£60,000 – Loan receivable from the subsidiary

In addition, during the period, this company donated equipment valued at £2,000 to the subsidiary.

Magdalen College School Oxford Limited
Limited by Guarantee

Notes to the Accounts
for the year ended 31st July 2001

5 Investment income

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Interest receivable	<u>£ 39,847</u>	<u>£ 15,081</u>	<u>£ 41,690</u>	<u>£ 15,081</u>

6 Other incoming resources (including non-charitable trading activities)

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Registration	13,593	8,983	13,593	8,983
Fee insurance	6,589	4,873	6,589	4,873
Miscellaneous	2,229	41,008	2,229	41,008
Lunch tickets	136,021	128,045	136,021	128,045
Tuck shop	1,428	2,056	1,428	2,056
Lettings	104,903	111,122	87,880	111,122
	<u>£ 264,763</u>	<u>£ 296,087</u>	<u>£ 247,740</u>	<u>£ 296,087</u>

7 Financing costs

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Loan interest payable	100,959	29,162	100,294	29,162
Bank charges	5,181	12,523	5,181	12,523
	<u>£106,140</u>	<u>£ 41,685</u>	<u>£105,475</u>	<u>£ 41,685</u>

8 Taxation

The company is a registered charity and under section 360 of the Income and Corporation Taxes Act 1970, is exempt from income tax and corporation tax.

**Magdalen College School Oxford Limited
Limited by Guarantee**

Notes to the Accounts
for the year ended 31st July 2001

9 Analysis of total resources expended

	Staff costs	Other costs	Depreciation	Total
Charitable activities				
Teaching	1,929,114	291,880	-	2,220,994
Welfare	24,038	218,790	-	242,828
Premises	242,391	325,761	46,520	614,672
Support costs	212,969	157,378	-	370,347
Management and administration	-	17,222	-	17,222
	<u>2,408,512</u>	<u>1,011,031</u>	<u>46,520</u>	<u>3,466,063</u>
Costs of generating funds:				
Financing costs	-	105,475	-	105,475
	<u>-</u>	<u>105,475</u>	<u>-</u>	<u>105,475</u>
Total for charity	<u>2,408,512</u>	<u>1,116,506</u>	<u>46,520</u>	<u>3,571,538</u>
Trading costs of the subsidiary	28,503	14,144	225	42,872
	<u>28,503</u>	<u>14,144</u>	<u>225</u>	<u>42,872</u>
Total for Group	<u>£ 2,437,015</u>	<u>£ 1,130,650</u>	<u>£ 46,745</u>	<u>£ 3,614,410</u>

The depreciation charge of assets held on finance lease was £ Nil (2000: £ Nil).

Charitable expenditure includes:

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Auditors' remuneration:	£ 4,948	£ 4,113	£ 4,348	£ 4,113
	<u>£ 4,948</u>	<u>£ 4,113</u>	<u>£ 4,348</u>	<u>£ 4,113</u>
Governors' liability insurance	£ 3,278	£ 3,148	£ 3,278	£ 3,148
	<u>£ 3,278</u>	<u>£ 3,148</u>	<u>£ 3,278</u>	<u>£ 3,148</u>

10 Directors and employees

Staff costs including directors' emoluments

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Salaries and wages	2,132,031	1,967,976	2,106,872	1,967,976
Social security costs	171,532	157,392	169,355	157,392
Other pension costs	133,452	119,462	132,285	119,462
	<u>2,437,015</u>	<u>2,244,830</u>	<u>2,408,512</u>	<u>2,244,830</u>

Magdalen College School Oxford Limited
Limited by Guarantee

Notes to the Accounts
for the year ended 31st July 2001

10 Directors and employees (continued)

Staff costs including directors' emoluments

	<u>2001</u>	<u>2000</u>
Average number employed including executive directors		
Teaching staff	69	73
Domestic staff	36	37
Administration staff	9	6
Management staff	3	3
	<u>117</u>	<u>119</u>

The number of higher paid employees was as follows:

	<u>2001</u>	<u>2000</u>
£50,000 - £60,000	-	1
£60,000 - £70,000	1	-
	<u>1</u>	<u>1</u>

Directors' emoluments	£ Nil	£ Nil
	<u>Nil</u>	<u>Nil</u>

Expenses reimbursed to the directors	£ Nil	£ Nil
	<u>Nil</u>	<u>Nil</u>

Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £132,285 (2000: £119,462). The group totals amounted to £133,452 (2000: £119,462).

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for the year ended 31st July 2001

11 Tangible fixed assets

	Equipment	Long leasehold property	Assets under construction	Charity total	Subsidiary equipment	Group total
Cost or valuation						
At 1 st August 2000	67,900	5,090,000	264,979	5,422,879	-	5,422,879
Additions	91,120	1,931,509	-	2,022,629	89,914	2,112,543
Transfer between categories	-	264,979	(264,979)	-	-	-
At 31 st July 2001	£ 159,020	7,286,488	-	7,445,508	89,914	7,535,422
Depreciation						
At 1 st August 2000	5,960	25,450	-	31,410	-	31,410
Charge for year	15,081	36,038	-	51,119	225	51,344
At 31 st July 2001	£ 21,041	61,488	-	82,529	225	82,754
Net Book Value						
At 31 st July 2001	£ 137,979	7,225,000	-	7,362,979	89,689	7,452,668
At 31 st July 2000	£ 61,940	5,064,550	264,979	5,391,469	-	5,391,469

The leasehold property was valued by James, Styles & Whitlock (Chartered Surveyors) at £5,090,000 on 27th July 1999. The historical cost was £4,170,139. The school has followed the transitional provisions of FRS 15 whereby the valuation of the equipment has not been updated since it was valued by the directors at £50,000 on 29th September 1987. Additions during the year have been included at cost. The net book value of assets held on finance lease was £89,239 (2000: £Nil).

12 Investments

During the year the charity invested £1 in its 100% wholly owned subsidiary, MCS Asset Management Limited. The results of that company are consolidated into these accounts.

13 Debtors

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Amounts falling due within one year				
Trade debtors	236,275	226,220	227,703	226,220
Other debtors	63,930	20,704	48,253	20,704
Prepayments and accrued income	45,856	37,971	45,170	37,971
Owed by group company	-	-	60,000	-
	<u>£346,061</u>	<u>£284,895</u>	<u>£381,126</u>	<u>£284,895</u>

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Notes to the Accounts
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14 Current asset investments

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Bank deposit account	<u>£112,820</u>	<u>£566,525</u>	<u>£112,820</u>	<u>£566,525</u>

15 Creditors: amounts falling due within one year

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Bank loans	180,000	-	180,000	-
Bank overdraft	32,539	-	20,626	-
Net obligations under finance leases	23,078	-	-	-
Trade creditors	293,407	347,364	292,216	347,364
Other taxation and social security	54,571	52,118	54,571	52,118
Other creditors	64,488	96,929	64,459	96,929
Accruals and deferred income	196,347	66,086	191,757	66,086
	<u>£844,430</u>	<u>£562,497</u>	<u>£803,629</u>	<u>£562,497</u>

The bank overdraft is secured on the company's short term bank deposits, the bank loan on an informal deposit of the lease of the School premises.

16 Creditors: amounts falling due after one year

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Bank loans	1,776,000	676,500	1,776,000	676,500
Net obligations under finance leases	57,696	-	-	-
	<u>£1,833,696</u>	<u>£676,500</u>	<u>£1,776,000</u>	<u>£676,500</u>

Maturity of debt

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Bank loans (repayable by instalments)				
In one year or less	180,000	-	180,000	-
Between one and two years	180,000	180,000	180,000	180,000
Between two and five years	612,000	496,500	612,000	496,500
After five years	984,000	-	984,000	-
	<u>£1,956,000</u>	<u>£676,500</u>	<u>£1,956,000</u>	<u>£676,500</u>

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Notes to the Accounts
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16 Creditors (continued)

Hire purchase and finance leases

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
In one year or less	23,078	-	-	-
Between one year and five years	57,696	-	-	-
	<u>£ 80,774</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

The bank loan is for ten years to 30th June 2010. The loan is at a fixed rate of 7.97%.

17 Revaluation reserve

	<u>2001</u>	<u>2000</u>
1st August 2000	1,965,473	1,970,072
Depreciation charged to reserves	(4,599)	(4,599)
At 31st July 2001	<u>£ 1,960,874</u>	<u>£ 1,965,473</u>

18 Other reserves

	<u>Governor Awards</u>	<u>Fee Insurance</u>	<u>Building Development</u>	<u>Building Improvements</u>	<u>Capital Reserve</u>	<u>2001 Total</u>	<u>2000 Total</u>
At 1st August 2000	413,126	20,000	1,315,000	270,000	-	2,018,126	2,018,126
Transfer for the year	(413,126)	(20,000)	(1,315,000)	(270,000)	2,108,126	-	-
At 31st July 2001	<u>£ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,108,126</u>	<u>2,018,126</u>	<u>2,018,126</u>

The School's Capital Reserve is being built up, in accordance with the Governors' Reserve Policy, to an amount which will equal the School's fixed assets together with six months' revenue expenditures.

19 Income and expenditure account

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
At 1st August 2000	1,022,954	876,770	1,022,954	876,770
Retained surplus for the year	249,651	146,184	275,343	146,184
At 31st July 2001	<u>£ 1,272,605</u>	<u>£ 1,022,954</u>	<u>£ 1,298,297</u>	<u>£ 1,022,954</u>

Magdalen College School Oxford Limited
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Notes to the Accounts
for the year ended 31st July 2001

20 Reconciliation of movements in members' funds

	Group		Charity	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
At 1st August 2000	5,006,553	4,864,968	5,006,553	4,864,968
Surplus for the year	249,651	146,184	275,343	146,184
Other recognised gains during the year	(4,599)	(4,599)	(4,599)	(4,599)
At 31st July 2001	<u>£ 5,251,605</u>	<u>£ 5,006,553</u>	<u>£ 5,277,297</u>	<u>£ 5,006,553</u>

21 Analysis of gross cash flows

Returns on investment and servicing of finance

		<u>2000</u>
Bank deposit interest received	39,847	15,081
Bank interest paid	(100,959)	(29,162)
Bank charges	(5,181)	(12,523)
	<u>£ (66,293)</u>	<u>£ (26,604)</u>

Capital expenditure

Payments to acquire fixed assets	<u>£(2,112,543)</u>	<u>£ (282,879)</u>
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Management of liquid resources

Transfers from/(to) deposit accounts	<u>£ 453,705</u>	<u>£ (252,317)</u>
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Analysis of changes in net debt

	31st July 2000	Cash flow	31st July 2001
Bank current accounts - company	2,661	(35,200)	(32,539)
- subsidiary	-	18,182	18,182
Bank loans	(676,500)	(1,279,500)	(1,956,000)
Finance leases	-	(80,774)	(80,774)
	<u>£ (673,839)</u>	<u>£ (1,377,292)</u>	<u>£(2,051,131)</u>

22 Related parties

Mr J P Leighfield, a Governor of Magdalen College School, is also a director of R M plc.

During the year, transactions to the value of £22,480 were made with R M plc for the purchase of new computer equipment for the school. The transaction was under normal trading terms and the balance due at the end of the year was £2,731 (2000: £ Nil).

23 Approval of accounts

These accounts were approved by the directors at a meeting held on 15th November 2001.