

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2012



MAGDALEN COLLEGE SCHOOL OXFORD LIMITED
YEAR ENDED 31 JULY 2012

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MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED
YEAR ENDED 31ST JULY 2012

ANNUAL REPORT AND FINANCIAL STATEMENTS

COMPANY INFORMATION

Governors:

Mr J D F Palmer * ♦ # @ & (Chairman)
Sir J Baker # @ ♦ (Vice Chairman)
Dr M Allingham * (Resigned 16 11 11)
Dr C Benson
Mr M Bullock * (Appointed 16 11 11)
Mrs P Cameron Watt * (Chair)
Mr T Edwards (Appointed 01 04 12)
Mrs C Hall ■
Mr T M Knowles * %

Ms J Longworth ♦
Mr J D Martin ♦ ■ (Resigned 14 03 12)
Mrs S McKimm &
Rev'd Dr M J Piret &
Mr N P Record # @
Dr N P V Richardson ■ #
Prof J A C Smith ■ @
Rev'd Canon K Wilkinson
Mr C Young * % (Appointed 14 03 12)

* = Member of Finance and General Purposes Committee ♦ = Member of Development Committee
■ = Member of Education Committee % = Member of Estates Committee
= Member of Remuneration Committee @ = Member of Nominations Committee
& = Member of Policies & Procedures Review 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

02106661

Registered Charity Number

295785

Auditor:

Crowe Clark Whitehill LLP
Statutory Auditor
Carnock House
Lypiatt Road
Cheltenham
Glos GL50 2QJ

Bankers:

National Westminster Bank plc
Oxford

AIB Bank Limited
Jersey

Solicitors:

Veale Wasbrough Vizards LLP

Blake Laphorn

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

YEAR ENDED 31ST JULY 2012

GOVERNORS' REPORT

The Chairman and Governors present their annual report for the year ended 31 July 2012 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, 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 and Governance

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. The Nominations Committee meets regularly and, over the last 12 months, 3 new Governors were appointed. Four Governors are nominated by Magdalen College, to represent our shareholders' interests. Governors serve for a 3 - year term which is normally renewable up to a maximum of 3 terms.

The Governing body is chaired by Mr Jeremy Palmer, an existing Governor. He is supported by Sir Jonathan Baker as Vice Chairman. Both are parents of former pupils.

All Governors, as Trustees, give their time freely and no remuneration is paid to them. No Governor or a person connected with a Governor received any benefit from either contractual work from the school or any form of fee remission.

Governor Training

New Governors are inducted into the workings of the school, as a company and as a charity both by their attendance at 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. The Governors' annual strategic away-day meeting normally includes an AGBIS representative or professional advisor to provide specific advice to Governors. They are also supplied annually with details of occasions to which they are particularly welcome to see first-hand, including 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 & General Purposes, Education and Estates, all of which meet at least termly in advance of the full, Governors' meeting. In addition, the following committees meet at least annually, or as appropriate: Policies and Procedures Review, Development, Nominations, and Remuneration. Sub-committee membership may also include co-opted non-Governors who can offer professional advice and experience in their fields. There are normally annual strategy discussions held in addition to the regular, termly, meetings.

The day-to-day running of the school is delegated to the Master, Dr T Hands, the Usher, and the Bursar, supported by other teaching members of the Master's Advisory Committee. The recently-completed school year 2011-12 was the first year in office for the new Usher, James Hodgson, who joined the school from Tonbridge School.

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YEAR ENDED 31ST JULY 2012

GOVERNORS' REPORT (CONTINUED)

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

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 and disaster planning. This process is reviewed regularly and compared with similar institutions to ensure best practice.

The Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that while this process provides reasonable assurance that identified risks are being mitigated, it 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.*

More recently, the Governors and Master agreed to define its **Aims and Objectives** more fully as follows –

- To provide an education for pupils aged 7 to 18 which enables each pupil 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 pupil'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 pupil's skill and knowledge in these areas
- To provide a safe, friendly and supportive environment in which each pupil can feel he or she is valued as an individual and where he learns that their 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 pupils 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 help all pupils to recognise the value of the commitments they make to those around them, as well as to their own studies, not least so that they can understand their lasting responsibility to the wider community. In doing this, the school seeks also to prepare pupils socially, morally and philosophically for life in a wider sense, stretching chronologically as well as geographically beyond the confines of school.

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YEAR ENDED 31ST JULY 2012

GOVERNORS' REPORT (CONTINUED)

The Means to achieve the above-stated Aims have also been agreed as follows –

- Foster good relations between College and School, as intended by the Founder in 1480
- Seek able men and women to serve as Governors and to use their experience to help the school to map out a successful future
- Recruit, appoint and assist with the development of talented and inspirational staff
- Seek close relations with staff, parents, pupils, alumni and the community generally, including in particular, other schools, colleges and universities
- Foster a good working environment for learning and teaching and in particular, to have an agreed development plan for new buildings, playing areas and facilities
- Provide increased funding for bursaries, to allow a wide intake from the locality
- Pursue a prudential financial management aiming to produce a minimum annual operating surplus of 10%, in order to provide support for the agreed aims, and the development plan, and to increase endowed funds to provide long-term bursarial support

As a charitable trust, the school seeks to benefit the public through its stated aims and its academic fees are set to ensure its continued financial viability while providing a first-class education to its pupils who are welcomed from all backgrounds. Entrance examinations and interviews are undertaken to ensure that potential pupils will be able to cope with the pace of learning and to benefit from the high level of education and extra-curricular activities which the school provides.

The School's published policies include its commitment to equal opportunity and to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. Reasonable adjustments are made on a case by case basis to meet the needs of staff and pupils who are temporarily or permanently disabled.

Pastoral care and the safeguarding of the welfare of the school's pupils are given a high priority by all staff. This is managed in part through the house tutorial system and Heads of Section who gain detailed knowledge of pupils and their specific issues. One member of staff is given specific responsibility for child protection issues. Parents are provided with regular feedback through parent evenings as well as specific communication from Tutors or Section Heads if appropriate.

MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED
YEAR ENDED 31ST JULY 2012

GOVERNORS' REPORT (CONTINUED)

Objectives for the Year

The School's objectives have been set by the Governors, having given careful consideration to the Charity Commission's general guidance on public benefit

For this latest school year, the main objective has not altered significantly from recent years in the provision of 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 continues to work to attain a position in the premier league of independent schools in public examination league tables and to ensure that all departing 6th formers have the best chance of entering the university of their choice. Its objectives include the 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, calculated as the net operating surplus plus depreciation as a percentage of net fee income after Governors' Remissions. The Governors recently agreed that a minimum of 10% is appropriate.

Strategies to achieve the year's objectives

Development Plan

The current development plan was drawn up by the Master and approved by the Governors. It focuses on continued academic achievement and is supported by an on-going 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. It focuses on the operation of the Charity, premises and infrastructure, finance and the relationship between the Charity and its wider community. The structure of the plan is to indicate but not prescribe possible future directions. The plan is reviewed annually by Governors and is available on the Charity's website. Objectives for each term are set by the Master in consultation with his senior management team and reviewed by Governors, with subsequent termly review of progress and achievements.

The charity is mindful that it must continue to improve the fabric of the school buildings in order to fulfil its educational objectives. The current year's surplus has been directed to construction of an extension to the Sports Centre and improvements to the Colin Sanders teaching building. In addition, the charity has engaged architects to draw up preliminary plans for a major refurbishment of Big School in order that it provides an improved environment for performing arts. It has also requested planning permission for an all-weather hockey pitch.

An updated Strategic Plan Summary was drafted by the Master in June 2012, covering operational, premises & infrastructure, finance and the wider community matters.

Principal activities during the year

The school principally provides a high level of education to pupils from Oxfordshire and neighbouring counties from the ages of 7 to 18 years. It also runs Easter and summer schools for examination revision, sporting and linguistic tuition for UK and overseas students to make full use of its facilities. During the course of the academic year it had an average of 843 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.

Access and Bursarial Policy

Entry to the school is based on examination and interview as detailed above. It is not, however, limited to those whose family circumstances enable them to pay the fees in full. The school is a diverse community and pupils clearly benefit from mixing with and understanding the perspectives of pupils from a broad social mix. The School's bursarial policy has been put in place to ensure that qualifying entrants from families who would have difficulty in paying the fees can access the high level of education that the school offers. The Governors'

MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED
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GOVERNORS' REPORT (CONTINUED)

Bursary awards are offered on a means-tested basis and take into account family income, net worth, dependent relatives and education of siblings. The Waynflete Awards Fund (Note 11 to accounts) is a modest endowment, the income from which assists a small number of pupils. The majority of bursaries are funded from fee income and therefore the Governors are mindful to balance the contribution from fee-paying parents with those who benefit from bursarial awards in order to ensure the on-going financial viability of the charity.

Governors' Bursaries ranging from 10% to 100% of fees were awarded to 80 pupils and, in addition, a further 8 pupils were awarded bursaries funded from Endowed and Restricted funds. During the year, bursaries and other remissions totalling £635,998 were awarded to pupils of the school (2010-11 - £547,933). Bursaries are normally re-awarded to families each year unless their financial position improves significantly. A small number of bursaries are designated as Hardship Bursaries which are awarded for one year in the first instance and normally assist families who are experiencing redundancy, serious illness or divorce and have temporary difficulty in paying the academic bills.

Scholarships The policy of the school has been to reduce the monetary value of academic and sporting scholarships to make more funds available for Governors' Bursaries. Scholarships are awarded to pupils for academic merit, or for noteworthy achievement in Art, Music or Sports. The total number of scholarships awarded in 2011-12, both existing and new awards, was 249, with a monetary value of £66,997.

Educational links with the Community – Outreach Programme

The school is involved in a variety of initiatives which are of benefit to the local community. The main activities can be summarised under the following headings although, due to the number and variety, not all events and initiatives can be included –

Academic – Easter revision courses offered to outside pupils for A-level and GCSE preparation. Subsidised places offered to Oxford Academy, Gifted & Talented 4-day course for local primary school pupils, Primary Liaison Day providing sessions on languages, science, sport and music for c. 200 local primary school pupils, Latin and Waynflete Studies collaboration with Oxford Spires Academy.

Music & Drama – Arts Festival Week, plays, concerts, workshops and speaker events open to the whole community, Oxford Playhouse collaboration to develop dramatic and educational opportunities through the National Theatre Connections, Oxford Sixth, being a mixed voice choir drawing singers from a number of Oxfordshire schools.

Sport – Oxford University Rugby Academy Partnership, coached by school staff open to all young players, Hosts U15, U16 rugby 7's tournament for local schools and clubs, Hosts local primary schools football tournament, Organising committee of Oxfordshire Sports Partnership festival coinciding with the Olympics, Sports camps involving school-aged participants in rugby, hockey and cricket in partnership with Northampton Saints RFC, Living Hockey and MCC Cricket Academy.

Community Service – Pupils from the school are involved in many projects including CSO Primary school support (sports coaching, science and Maths enrichment, Latin clubs, Chess clubs, English, Drama and Film workshops), Community Placements (work with Thames Valley Police, volunteering in charity shops, care homes, hospitals, community associations etc), Parasol Project (pupil involvement in local charity assisting local teenagers at risk of social exclusion).

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

The 2011/12 academic year again produced an excellent performance as measured by public examination results. By most measures, this was again a very good year for the school and placed it in the top tier of the published league tables. At A2 level, a rate of 97.2% was achieved at A*, A and B level (2010-11 – 98.19%). Of these, 85.8% were A* or A grade which was commendable but, understandably, fell short of the previous year's record result for the school (2010-11 – 91.9%). 27 of U6 pupils gained 3 or more A* grades. The majority (87%) of leavers have been offered places at the university of their first choice and in excess of 90% gained places at 'Russell Group' universities.

AS results were also very encouraging with 93.2% achieving A or B grades (2010-11 – 91.23%).

MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED
YEAR ENDED 31ST JULY 2012

GOVERNORS' REPORT (CONTINUED)

At GCSE level 92.9% of results were at A or A* (2010-11 – 99.52%) which was again a solid achievement for the school in a year when grade boundaries were reduced nationally

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

Co-curricular activities:

The School does not place emphasis on academic results alone. Its Aims and Objectives, as summarised above, ensure that resources are available to support both the pastoral wellbeing of the pupils as well as the opportunity to participate in a full range of extra-curricular activities

All pupils have the opportunity to participate in all major and minor sporting activities and the level of their achievement can be seen from the excellent results at inter-school level for all age groups. A good number of pupils represent the County or region and a number compete at national level

Music, Art and Drama, Both individual coaching and group workshops take place throughout the year as well as a number of public performances which have been well received. The culmination for the school year is the range of activities which take place during Arts Week at the end of Trinity Term. The high quality of performances has been reflected in productions at the Edinburgh Fringe and *The Aeneid*, performed in the Oxford Playhouse. Pupils will continue to benefit from the joint venture between the School and Oxford Playhouse which will provide access to professional direction as well as excellent theatrical facilities

Many pupils participate also in an ever increasing number of activities including CCF, local community work, academic Olympiads, overseas trips and many more. Details of many of these activities can be found on the school website - <http://www.mcsoxford.org/correspondence/masters-letters>

Fundraising Performance

The last major development programme came to a satisfactory conclusion in 2008 with the occupation of the New Building. This raised in excess of £2 million to support the financing of the New Building and increase endowed funds to support additional Governors' Bursaries. The school's fundraising activity was in a 'quiet phase' in 2011/12 with emphasis placed on further development of relationships with Old Waynfletes and key potential donors through various events. Planning also took place for an 'annual giving' and telethon campaign scheduled for August – September 2012

In relation to the physical fabric of the school, the emphasis in 2011/12 was on a major extension to the Sports Centre to provide a large, multi-purpose studio as well as additional classrooms. These improvements were funded from the current year's operating surplus. The longer-term premises plans within the current Development Plan are for a major refurbishment of Big School, an improved frontage onto Cowley Place and the Plain, and a further multi-purpose building on the site currently occupied by the 1920's Building

During the year, benefactors donated £166,030 in total, both in restricted and unrestricted funds

Investment Performance against Objectives

Endowed funds are managed by Cazenove Capital Management under parameters set by the charity's Governors. Asset allocation is reviewed regularly and a Governor attends a personal meeting with the managers annually. Quarterly, detailed reports provide both valuations and market benchmarking. Investments are benchmarked against the FTSE all-share index (Equities), the FTSE All-stocks Gilts index (UK Bonds), cash 7-day Libid (Hedge Funds)

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GOVERNORS' REPORT (CONTINUED)

For the last financial year, the annual return on Equities was (2.12)% (benchmark – (3.13%)), UK Bonds 7.57% (benchmark – 15.9%), Hedge-Fund units (7.37)% (benchmark 0.58%) The school reviews investment performance on a quarterly basis and recently took the decision to liquidate the Hedge Fund investments

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School's operating surplus for the 2011-12 year reached £1.39 million. Significant capital expenditure was again incurred in relation to IT infrastructure and building refurbishment. The trustees have reviewed the accounts and believe that the financial results for the charity are satisfactory.

Total Income for the year reached £12 million which was an increase of 9.3% on the previous year. Total outgoings were £10.6 million, an increase of 7.1%. In relation to key financial targets, the ratio of Operating Surplus plus Depreciation to Net Fee Income was 18.5% as compared to the target of 10% minimum. The surplus has been utilised in the main to finance an extension to the Sports Centre which will provide an excellent, multi-purpose recreation and meeting room as well as additional teaching rooms.

The Charity's trading subsidiary continues to hire out the School's facilities to other educational bodies, sports clubs, religious organizations and others. Income passed to the School in the form of fees and gift aid payments totalled £90,851 which made a useful contribution to specific asset improvements.

The charity's trustees ensure that all net income is applied for educational purposes. The charity benefits from tax exemption on educational activities and investment income and these benefits are applied to the school's charitable aims. However, as an educational charity, the school is unable to reclaim vat input tax on our costs as it is exempt for vat purposes. Normal, employers' pay-roll taxes are payable by the school. A further, unquantified, financial benefit to the community exists through the school's bursary scheme and Outreach initiatives which are social assets without cost to the Exchequer.

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 has negative free reserves of £1.17 million, due to the level of capital spend, which is financed from a mixture of working capital and bank loans. The Governors have agreed that the current year's surplus should be allocated to the premises refurbishment work in accordance with the development plan.

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.

RELATED AND CONNECTED PARTY TRANSACTIONS

The school had no related or connected party transactions with the exception of those transactions disclosed in note 7.

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.

MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED
YEAR ENDED 31ST JULY 2012

GOVERNORS' REPORT (CONTINUED)

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 2006 and Charities Act 2011. 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 auditor is 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.

AUDITOR

Crowe 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 14/11/12 and signed on its behalf by



Mr J D F Palmer
Chairman of Governors

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

We have audited the financial statements of Magdalen College School Oxford Limited for the year ended 31 July 2012 set out on pages 12 to 28

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the parent charitable company has not kept adequate accounting records, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Timothy Baines
Senior Statutory Auditor
for and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor
Carrick House
Lypiatt Road
Cheltenham
Gloucestershire
GL50 2QJ

12 December 2012

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating a Consolidated Income and Expenditure account) FOR THE YEAR ENDED 31 JULY 2012

		Unrestricted School	Funds Other	Restricted Funds	Endowed Funds	Total Funds 2012	Total Funds 2011
		£	£	£	£	£	£
	Notes						
INCOMING RESOURCES							
Income from charitable activities							
School fees	2(a)	10,619,055	-	-	-	10,619,055	9,724,894
Other educational income	4	532,989	-	-	-	532,989	485,721
Other ancillary trading income	4	362,425	-	-	-	362,425	330,313
Incoming resources from generated funds							
Voluntary income		9,978	-	156,052	-	166,030	135,645
Activities for generating funds							
MCS Asset Management Limited	3	-	279,510	-	-	279,510	256,508
Investment income	5	15,973	75	35,800	-	51,848	52,869
Non ancillary trading income	4	-	-	-	-	-	826
Total Incoming Resources		11,540,420	279,585	191,852	-	12,011,857	10,986,776
RESOURCES EXPENDED							
Costs of generating funds							
MCS Asset Management Limited	3	-	191,895	-	-	191,895	187,829
Financing costs		98,680	-	-	-	98,680	128,080
Costs of generating voluntary income		124,008	-	-	-	124,008	66,248
		<u>222,688</u>	<u>191,895</u>	<u>-</u>	<u>-</u>	<u>414,583</u>	<u>382,157</u>
Charitable activities							
Education and grantmaking		10,061,931	-	63,171	-	10,125,102	9,320,604
Governance		<u>72,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,717</u>	<u>203,207</u>
Total resources expended	8	10,357,336	191,895	63,171	-	10,612,402	9,905,968
Net incoming resources before transfers							
		1,183,084	87,690	128,681	-	1,399,455	1,080,808
Transfers between funds	15c	90,851	(90,851)	-	-	-	-
NET INCOMING RESOURCES		1,273,935	(3,161)	128,681	-	1,399,455	1,080,808
Realised losses on investments							
		-	-	-	(1,705)	(1,705)	963
SURPLUS FOR THE YEAR		1,273,935	(3,161)	128,681	(1,705)	1,397,750	1,081,771
Unrealised losses on investments	11	-	-	856	(2,957)	(2,101)	36,027
NET MOVEMENT IN FUNDS		1,273,935	(3,161)	129,537	(4,662)	1,395,649	1,117,798
Fund balances at 1 August 2011		<u>12,880,553</u>	<u>11,124</u>	<u>800,737</u>	<u>623,873</u>	<u>14,316,287</u>	<u>13,198,489</u>
FUND BALANCES at 31 July 2012	15	14,154,488	7,963	930,274	619,211	15,711,936	14,316,287

All amounts relate to continuing operations. The notes on pages 15 to 28 form part of these financial statements.

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

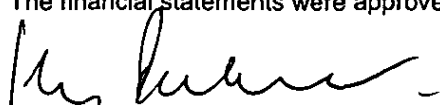
COMPANY NUMBER: 02106661

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 JULY 2012

		Group		Company	
	Notes	2012	2011	2012	2011
		£	£	£	£
FIXED ASSETS					
Tangible assets	9,10	15,949,590	14,402,887	15,933,550	14,379,786
Investment assets	11	<u>931,796</u>	<u>935,245</u>	<u>931,797</u>	<u>935,246</u>
		16,881,386	15,338,132	16,865,347	15,315,032
CURRENT ASSETS					
Stock		5,607	5,065	5,607	5,065
Debtors	12	538,097	520,614	652,039	745,557
Cash at bank and in hand		<u>2,111,616</u>	<u>2,595,558</u>	<u>1,967,157</u>	<u>2,351,239</u>
		2,655,320	3,121,237	2,624,803	3,101,861
CREDITORS Amounts falling due within one year	13	<u>(1,151,109)</u>	<u>(1,135,342)</u>	<u>(1,118,118)</u>	<u>(1,116,190)</u>
NET CURRENT ASSETS		1,504,211	1,985,895	1,506,685	1,985,671
TOTAL ASSETS LESS CURRENT LIABILITIES		18,385,597	17,324,027	18,372,032	17,300,703
CREDITORS: Amounts falling due after one year	14	<u>(2,673,661)</u>	<u>(3,007,740)</u>	<u>(2,668,059)</u>	<u>(2,995,540)</u>
NET ASSETS		<u>15,711,936</u>	<u>14,316,287</u>	<u>15,703,973</u>	<u>14,305,163</u>
CAPITAL AND RESERVES					
ENDOWED RESERVES (Includes revaluation reserve of £52,557, 2011 £53,796)	15a	619,211	623,873	619,211	623,873
RESTRICTED RESERVES	15b	930,274	800,737	930,274	800,737
DESIGNATED RESERVES	15c	51,827	42,154	51,827	42,154
UNRESTRICTED FUNDS (Includes revaluation reserve of £698,530, 2011 £714,984)	15c	<u>14,110,624</u>	<u>12,849,523</u>	<u>14,102,661</u>	<u>12,838,399</u>
TOTAL FUNDS	15	<u>15,711,936</u>	<u>14,316,287</u>	<u>15,703,973</u>	<u>14,305,163</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 14/11/12


Mr J D F Palmer
Chairman

The notes on pages 15 to 28 form part of these financial statements

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

CONSOLIDATED CASHFLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2012

	Notes	2012 £	2012 £	2011 £
NET CASH INFLOW FROM OPERATIONS	18		1,930,589	1,803,571
RETURNS ON INVESTMENT AND SERVICING OF FINANCE				
Investment income receipts		51,848		52,869
Interest paid and finance costs		<u>(98,680)</u>		<u>(111,005)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE			(46,832)	(58,136)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payment for tangible fixed assets		(2,117,341)		(755,602)
Payment for investments		<u>(249,701)</u>		<u>(147,875)</u>
Proceeds from sale of investments		<u>26,203</u>		<u>30,408</u>
NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES			<u>(2,340,839)</u>	<u>(873,069)</u>
NET CASH (OUTFLOW)/ INFLOW FOR THE YEAR BEFORE FINANCING	20		(457,082)	872,366
FINANCING				
Finance leases		-		(9,244)
Repayment of bank loan		<u>(250,000)</u>		<u>(250,000)</u>
NET CASH OUTFLOW FROM FINANCING			<u>(250,000)</u>	<u>(259,244)</u>
NET CASH (OUTFLOW)/INFLOW FOR THE YEAR	20		<u>(707,082)</u>	<u>613,122</u>

The notes on pages 15 to 28 form part of these financial statements

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2012

1 ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006 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 2012. MCS 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.

As permitted by section 408 of the Companies Act 2006, the Parent Company's Income and Expenditure account has not been included in these financial statements. The Parent Company's income was £11,858,123 (2011 - £10,814,528) and expenditure was £10,455,507 (2011 - £9,753,138) giving net incoming resources of £1,402,616 (2011 - £1,061,390).

(c) Going concern

The School depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the company expects to be able to operate within these facilities for whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Governors are not aware, however, of any circumstances that may adversely affect the renewal of these facilities. Accordingly, the directors believe it is appropriate to prepare the financial statements on the going concern basis.

(d) 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.

(e) 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.

(f) 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.

(g) 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.

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

1 ACCOUNTING POLICIES (Continued)

(h) Operating leases

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

(i) 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.

(j) 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 properties	2 – 2.5% 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.

(k) 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.

(l) Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

(m) Liabilities

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

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

1 ACCOUNTING POLICIES (Continued)

(n) 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

(o) Finance leases

Assets obtained under finance leases are capitalised as tangible fixed assets and depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

(p) Fee extras

The school collects monies in respect of trips and pays these monies out in full to third parties. As those funds do not represent income for the school, they are not accounted for in the Statement of Financial Activities

2. SCHOOL FEES

	2012 £	2011 £
(a) The School's fee income comprised		
Gross fees	11,255,053	10,272,827
Less Total bursaries, grants and allowances	<u>(690,633)</u>	<u>(597,397)</u>
	10,564,420	9,675,430
Add back Scholarships and discounts paid for by Restricted Funds	<u>54,635</u>	<u>49,464</u>
	<u>10,619,055</u>	<u>9,724,894</u>

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

	2012 £	2011 £
Bursaries	54,635	49,464
Prizes and leaving awards	<u>8,536</u>	<u>6,967</u>
	<u>63,171</u>	<u>56,431</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

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:

	2012 £	2011 £
Turnover	314,510	291,508
Administration expenses	<u>(271,119)</u>	<u>(270,677)</u>
Operating profit	43,391	20,831
Interest Receivable	75	88
Interest Payable	(300)	(500)
Gift aid	<u>(46,327)</u>	<u>(1,002)</u>
(Loss)/Profit for year	<u>(3,161)</u>	<u>19,417</u>
Shareholders' Funds	<u>7,963</u>	<u>11,124</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 £35,000 (2011 - £35,000), expenses of £79,224 (2011 - £83,348) and interest of £300 (2011 - £500). The net contribution to the school for the year totalled £90,851 (2011 - £49,850). This is made up of the gift aid of £46,327 (2011 - £1,002) and the net costs paid to the School during the year of £44,524 (2011 - £48,848).

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

4. OTHER INCOMING RESOURCES

	2012 £	2011 £
Other educational income		
Registration and assessment fees	34,435	39,074
Music lessons	265,188	236,674
Departmental income	66,396	77,469
Games income	28,890	19,185
Exam fees and remarks	35,739	68,380
Other School income	12,376	42,116
Recoverable account income	<u>89,965</u>	<u>2,823</u>
	<u>532,989</u>	<u>485,721</u>
Other ancillary trading income		
Lunch tickets	348,148	323,020
Fee remission and pupil accident insurance	7,608	3,009
Miscellaneous	5,284	2,476
Merchandise	<u>1,385</u>	<u>1,808</u>
	<u>362,425</u>	<u>330,313</u>
Non ancillary trading income		
Interest on late fees	—	826
	<u>—</u>	<u>826</u>

5. INVESTMENT INCOME

	2012 £	2011 £
Dividends receivable	28,650	20,588
Bank interest receivable	<u>23,198</u>	<u>32,281</u>
	<u>51,848</u>	<u>52,869</u>

6. NET INCOMING RESOURCES

	2012 £	2011 £
Net incoming resources is stated after charging		
Bank loan interest	87,362	104,942
Auditors' remuneration		
For audit services	14,000	13,500
For other services	4,890	8,451
Depreciation		
Assets owned by the Group	570,639	481,311
Operating lease costs	<u>26,742</u>	<u>26,864</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

7. STAFF COSTS	2012 £	2011 £
Wages and salaries	5,708,062	5,147,369
Social security costs	453,083	447,775
Pension contributions	<u>545,633</u>	<u>488,737</u>
	<u>6,706,778</u>	<u>6,083,881</u>

Included within wages and salaries above is £271,989 (2011 - £265,854) 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 133 (2011 - 124) of which 89 (2011 - 81) were teaching staff

Neither the Governors nor persons connected with them received any emoluments from the School during the year (2011 - £NIL)

Three Governors received reimbursement of out of pocket expenses amounting to £1,242 in the current year (2011 - £2,235 for five Governors)

The number of higher paid employees was

	2012 No	2011 No
£60,001 - £70,000	4	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£140,001 - £150,000	-	-
£150,001 - £160,000	<u>1</u>	<u>1</u>

In the year contributions were made for six (2011 - four) higher paid employees, to the Teachers' superannuation scheme, and one (2011 - one) to a personal pension scheme for non-teaching staff

8 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other costs £	Depreciation £	Total £
Costs of generating funds				
Financing costs	-	98,680	-	98,680
Costs of generating voluntary income	<u>81,751</u>	<u>42,257</u>	-	<u>124,008</u>
	<u>81,751</u>	<u>140,937</u>	-	<u>222,688</u>
Charitable activities				
Teaching	5,152,040	1,351,095	-	6,503,135
Welfare	308,733	242,180	-	550,913
Premises	329,278	1,005,754	563,578	1,898,610
Support costs	806,383	302,890	-	1,109,273
Grants, awards and prizes	-	63,171	-	63,171
	<u>6,596,434</u>	<u>2,965,090</u>	<u>563,578</u>	<u>10,125,102</u>
Governance costs	-	72,717	-	72,717
Total for Company	<u>6,678,185</u>	<u>3,178,744</u>	<u>563,578</u>	<u>10,420,507</u>
Trading costs of the Subsidiary	<u>28,593</u>	<u>156,241</u>	<u>7,061</u>	<u>191,895</u>
Total for Group	<u>6,706,778</u>	<u>3,334,985</u>	<u>570,639</u>	<u>10,612,402</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

9. TANGIBLE FIXED ASSETS - SCHOOL

	Long leasehold property £	Equipment & computers £	Company Total £
Cost			
At 1 August 2011	16,152,424	1,240,096	17,392,520
Additions	1,904,696	212,646	2,117,342
Disposals	-	-	-
At 31 July 2012	<u>18,057,120</u>	<u>1,452,742</u>	<u>19,509,862</u>
Depreciation			
At 1 August 2011	2,380,503	632,231	3,012,734
Charge for year	367,297	196,281	563,578
Disposals	-	-	-
At 31 July 2012	<u>2,747,800</u>	<u>828,512</u>	<u>3,576,312</u>
Net book values			
At 31 July 2012	<u>15,309,320</u>	<u>624,230</u>	<u>15,933,550</u>
At 31 July 2011	<u>13,771,921</u>	<u>607,865</u>	<u>14,379,786</u>

10 TANGIBLE FIXED ASSETS - GROUP

	Long leasehold property £	Equipment & computers £	Motor vehicles £	Group Total £
Cost				
At 1 August 2011	16,152,424	1,330,011	82,830	17,565,265
Additions	1,904,696	212,646	-	2,117,342
Disposals	-	-	-	-
At 31 July 2012	<u>18,057,120</u>	<u>1,542,657</u>	<u>82,830</u>	<u>19,682,607</u>
Depreciation				
At 1 August 2011	2,380,503	722,146	59,729	3,162,378
Charge for year	367,297	196,281	7,061	570,639
Disposals	-	-	-	-
At 31 July 2012	<u>2,747,800</u>	<u>918,427</u>	<u>66,790</u>	<u>3,733,017</u>
At 31 July 2012	<u>15,309,320</u>	<u>624,230</u>	<u>16,040</u>	<u>15,949,590</u>
At 31 July 2011	<u>13,771,921</u>	<u>607,865</u>	<u>23,101</u>	<u>14,402,887</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

10. TANGIBLE FIXED ASSETS – GROUP (Continued)

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.

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

	Property £
Cost	17,070,140
Accumulated depreciation	<u>(2,454,434)</u>
Net book value at 31 July 2012	<u>14,615,706</u>
<i>Net book value at 31 July 2011</i>	<i>13,052,846</i>

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

11. INVESTMENTS	Unlisted	Waynflete Award Fund	The Leo Goldschmidt Fund	D A Brunton Fund	Total
	£	£	£	£	£
<i>Company</i>					
At 1 August 2011	1	549,040	286,556	99,649	935,245
Additions	-	156,404	35,281	58,015	249,701
Disposals	-	-	(26,203)	-	(26,203)
Unrealised gains/(losses)	-	(432)	(2,525)	856	(2,101)
Change in cash	-	(156,154)	(9,090)	(57,896)	(223,140)
Profit/(loss) on sale	-	-	(1,705)	-	(1,705)
Balance at 31 July 2012	<u>1</u>	<u>548,858</u>	<u>282,314</u>	<u>100,624</u>	<u>931,797</u>
These comprise					
Listed on the Stock					
Exchange	-	538,569	276,819	100,252	915,640
Cash deposits	-	10,289	5,495	372	16,156
Unlisted	<u>1</u>	-	-	-	1
	<u>1</u>	<u>548,858</u>	<u>282,314</u>	<u>100,624</u>	<u>931,797</u>
Historical cost of unlisted investments	<u>1</u>	<u>500,166</u>	<u>262,444</u>	<u>119,729</u>	<u>882,339</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2012

11. INVESTMENTS (Continued)

Included within investments, are the following which exceed 5% of the total value at 31 July 2012

	Waynflete Award Fund		The Leo Goldschmidt Fund		D A Brunton Fund	
	£	%	£	%	£	%
M&G Investment fund management optimal income sterling	51,437	5	26,763	3	9,334	1
Cazenove Investment fund management income trust for Charities	53,429	6	27,144	3	9,978	1
Cazenove Investment fund management equity income trust for Charities	140,562	15	72,305	8	25,741	3
Cazenove Investment fund management growth trust for Charities	148,645	16	76,493	8	27,291	3
Cazenove Investment fund management absolute return trust for Charities	50,903	5	26,698	3	9,190	1
Cash held by investment managers	10,289		5,495		372	

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	
	2012 £	2011 £	2012 £	2011 £
School fees and trade debtors	386,676	311,097	303,673	244,205
Other debtors	117,362	160,527	103,806	157,598
Prepayments and accrued income	34,059	48,990	34,059	48,990
Owed by subsidiary	-	-	210,501	294,764
	<u>538,097</u>	<u>520,614</u>	<u>652,039</u>	<u>745,557</u>

Included within amounts owed by subsidiary above is a £5,000 (2011 - £5,000) loan to MCS Asset Management Limited. Interest on this loan is charged at 6% (2011 - 10%) per annum, and accordingly the School has received £300 (2011 - £500) loan interest during the year

13. CREDITORS: Amounts falling due within one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loan (see note 14)	250,000	250,000	250,000	250,000
Trade creditors	189,922	360,509	178,977	360,509
Taxation and social security	8,280	13,625	5,149	6,515
Deposits held	131,527	36,605	131,527	36,605
Other creditors	314,231	194,780	298,646	182,738
Accruals and deferred income	257,149	279,823	253,819	279,823
	<u>1,151,109</u>	<u>1,135,342</u>	<u>1,118,118</u>	<u>1,116,190</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

14. CREDITORS Amounts falling due after more than one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans (see below)	2,250,000	2,500,000	2,250,000	2,500,000
Deposits held	385,393	485,540	385,389	485,540
Deferred income	<u>38,268</u>	<u>22,200</u>	<u>32,670</u>	<u>10,000</u>
	<u>2,673,661</u>	<u>3,007,740</u>	<u>2,668,059</u>	<u>2,995,540</u>
The bank loan is repayable by instalments				
Due after five years	1,000,000	1,250,000	1,000,000	1,250,000
Due within two to five years	1,000,000	1,000,000	1,000,000	1,000,000
Due within one to two years	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
	2,250,000	2,500,000	2,250,000	2,500,000
Due within one year	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
	<u>2,500,000</u>	<u>2,750,000</u>	<u>2,500,000</u>	<u>2,750,000</u>

The bank loans are secured on an informal deposit of the lease of the School premises. The proportion of the bank loan to the value of the property charged was 16% (2011 – 20%).

The bank loan of £3 million is repayable in 3 termly instalments of £83,333 for 15 years. £2 million of the loan carries a fixed rate of interest of 3.98% and the remainder of the loan has interest charged at 0.75% above the base rate.

15. NET ASSETS OF THE FUNDS OF THE COMPANY AND GROUP

The net assets belong to the various funds as follows:

	Fixed assets £	Net current assets £	Long term liabilities £	Fund Balances £
Endowed Funds	619,211	-	-	619,211
Restricted Funds	312,525	617,749	-	930,274
Unrestricted Funds	<u>15,933,610</u>	<u>888,939</u>	<u>(2,668,061)</u>	<u>14,154,488</u>
Company	<u>16,865,346</u>	<u>1,506,688</u>	<u>(2,668,061)</u>	<u>15,703,973</u>
Subsidiary reserves	<u>16,040</u>	<u>(2,477)</u>	<u>(5,600)</u>	<u>7,963</u>
Group	<u>16,881,386</u>	<u>1,504,211</u>	<u>(2,673,661)</u>	<u>15,711,936</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

15A ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	<i>Balance at 1 August 2011</i> £	Investment losses £	Balance at 31 July 2012 £
Waynflete Award Fund	344,183	(432)	343,751
The Leo Goldschmidt Fund	<u>279,690</u>	<u>(4,230)</u>	<u>275,460</u>
Company and Group	<u>623,873</u>	<u>(4,662)</u>	<u>619,211</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

15B RESTRICTED FUNDS: MOVEMENTS IN THE YEAR

	<i>Balance at 1 August 2011</i> £	Income £	Expended £	Transfer £	Balance at 31 July 2012 £
Magdalen College					
Restricted funds	-	66,130	-	-	66,130
Master Fund	1,384	17	-	-	1,401
Dr Winch Memorial Fund	205,166	2,246	(26,250)	-	181,162
Prize and Other Funds	52,918	11,999	(8,536)	-	56,381
Hardship Bursary	14,607	178	-	-	14,785
Building Development Fund	60,587	22,060	(1,085)	-	81,562
Waynflete Award Fund	260,378	66,362	(27,300)	-	299,440
The Leo Goldschmidt Fund	71,591	10,373	-	-	81,964
The David Brunton Fund	120,839	6,400	-	-	127,239
OW Hardship Fund	<u>13,267</u>	<u>6,943</u>	<u>-</u>	<u>-</u>	<u>20,210</u>
Company and Group	<u>800,737</u>	<u>192,708</u>	<u>(63,171)</u>	<u>-</u>	<u>930,274</u>

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

The majority of the building development fund has been transferred to unrestricted reserves upon the completion of the New Building. The remaining balance relates to donations for an outside classroom for the junior school, and for the provision of rowing boats

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

The OW Hardship Fund was set up to support pupils whose family are facing financial hardship

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

15C. UNRESTRICTED FUNDS. MOVEMENTS IN THE YEAR

Company and Group	Balance at 1 August 2011 £	Income £	Expended £	Transfers £	Balance at 31 July 2012 £
Designated funds					
Master Fund	1,884	24	-	-	1,908
Building Development Fund	<u>40,270</u>	<u>9,649</u>	-	-	<u>49,919</u>
	42,154	9,673	-	-	51,827
Unrestricted funds					
Income and Expenditure Account	<u>12,838,399</u>	<u>11,530,747</u>	<u>(10,357,336)</u>	<u>90,851</u>	<u>14,102,661</u>
Company	<u>12,880,553</u>	<u>11,540,420</u>	<u>(10,357,336)</u>	<u>90,851</u>	<u>14,154,488</u>
Non-charitable trading funds	<u>11,124</u>	<u>279,585</u>	<u>(191,895)</u>	<u>(90,851)</u>	<u>7,963</u>
Group	<u>12,891,677</u>	<u>11,820,005</u>	<u>(10,549,231)</u>	<u>-</u>	<u>14,162,451</u>

16. CONTRACTS AND COMMITMENTS

At the year end the School has capital commitments totalling £82,609 (2011 - £292,341), relating to the various building projects

Operating lease commitments	2012 £	2011 £
Other		
Expiring within one year	11,712	-
Expiring between two and five years	<u>4,975</u>	<u>26,742</u>
	<u>16,687</u>	<u>26,472</u>

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

17 PENSION SCHEMES

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

Under the TPS Agreement, employer contribution rates from 1 April 2012 are continuing at 14.1% with employee rates varying between 6.4% and 8.8%. For subsequent years data and information is being collated to inform a Government review of the tiering structures in advance of the Department for Education consulting on contribution increases for 2013/14 onwards.

The government have set a gross cost ceiling for the main public service pension schemes of 21.7% with a net cost ceiling of 12.1% and an average employee contribution of 9.6%.

The Government Actuary's Department has in a report dated 9 March 2012 concluded that the TPS Agreement scheme design is within this required cost ceiling. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted and further details on these are available in the full Government Actuary's report which is available on the Department for Education website.

The pension charge for the year includes contributions payable to the scheme of £503,193 (2011 - £452,514).

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 £42,440 (2011 - £36,223).

18 RECONCILIATION OF GROUP NET INCOMING RESOURCES TO NET CASH INFLOW FROM GROUP OPERATIONS

	2012		2011	
	£	£	£	£
Net Incoming resources		1,399,455		1,080,808
Non-operating cashflows eliminated				
Financing costs	98,680		111,005	
Depreciation charges added back	570,639		481,311	
Loss on disposal of fixed assets	-		42,801	
Increase in stock	(542)		(189)	
(Increase)/decrease in debtors	(17,483)		902	
(Increase)/decrease in creditors	(68,312)		139,802	
Investment income	(51,848)		(52,869)	
		531,134		722,763
Net cash inflow from group operations		1,930,589		1,803,571

MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2012

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

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(707,082)	613,122
Cash outflow from decrease in bank loans and finance leases	<u>250,000</u>	<u>259,244</u>
Changes in net funds resulting from cash flows	(457,082)	872,366
Movement in debt funds in the year	<u>(457,082)</u>	<u>872,366</u>
Net debt at 1 August 2011	<u>84,854</u>	<u>(787,512)</u>
Net debt at 31 July 2012	<u>(372,228)</u>	<u>84,854</u>

20. ANALYSIS OF CHANGES IN NET CASH RESOURCES OF THE GROUP

	As at 1 August 2011 £	Cashflows £	As at 31 July 2012 £
Cash at bank and in hand	2,595,558	(483,942)	2,111,616
Cash held as investments	<u>239,296</u>	<u>(223,140)</u>	<u>16,156</u>
	2,834,854	(707,082)	2,127,772
Debt due after 1 year	(2,500,000)	250,000	(2,250,000)
Debt due within 1 year	(250,000)	-	(250,000)
Finance leases	<u>-</u>	<u>-</u>	<u>-</u>
	<u>84,854</u>	<u>(457,082)</u>	<u>(372,228)</u>