

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

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2017**

Registered Company Number: 02106661

Registered Charity Number: 295785

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**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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# **MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

## **YEAR ENDED 31 JULY 2017**

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### **GOVERNORS' REPORT**

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The Chairman and Governors of Magdalen College School Oxford Limited present their Report for the year ended 31 July 2017 under the Charities Act 2011. This Report includes the Governors' Report and the Strategic Report, together with the audited financial statements for the year. The Chairman and Governors, who are Directors of the Company and trustees of the charity, confirm that the audited financial statements comply with the requirements of the Companies Act 2006 and with the Company's Memorandum & Articles of Association.

#### **REFERENCE & ADMINISTRATIVE INFORMATION**

Magdalen College School was founded in 1480 by William of Waynflete. It was established in 1987 as a charitable company, charity registration number 295785, company registration number 02106661. The Members of the Company are the President and Fellows of Magdalen College Oxford and the Bursar of Magdalen College Oxford, and the liability of the Members is limited to £1 each by guarantee. The Registered Office and principal address of the Company is at Cowley Place, Oxford OX4 1DZ.

#### **OBJECTS, AIMS 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 and in connection therewith to conduct, carry on, acquire and develop any boarding or day school or schools.

The School is a selective day school for boys between the ages of 7 and 18 and girls from 16 to 18. Shaped by its Christian collegiate foundation and by its links with the university city of which it is part, the School aims to inspire in all its pupils a desire to learn, to flourish and to serve. The Junior School (boys aged 7-11) retains an identity separate from the Senior School (11-18), being located in School House but making extensive use of the wider School's facilities and premises. The School educates the boy choristers of Magdalen College who number up to 16 at any one time under the terms of the College's founding charter. In 2016-17 the average number of pupils enrolled was 899, including 140 in the Junior School.

The Governors, in consultation with the Master and Senior Management Team, regularly review the School's Aims and conducted such a review at the end of 2016. The School's aims are as follows:

- To facilitate a full and rich intellectual and moral education in a liberal community, fostering a joy in learning which enables each pupil to develop an independent and searching mind.
- To nurture confidence and a willingness to embrace a challenge, developing each individual's participation in and enjoyment of a broad range of pursuits, both within and beyond the classroom.
- To provide a safe, friendly and supportive environment in which individuality is valued through mutual support, respect and toleration
- To equip pupils to make a positive and lasting contribution to their communities, both now and in the future.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

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

##### **Governors, Directors and Charity Trustees**

The Governors of Magdalen College School are the School's trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office as Governors during the year, together with their membership of the various committees of the Board, are listed below and given in the table on page 4. In the list below '\*\*' denotes a Governor nominated by Magdalen College Oxford.

**Tim Edwards**

**Chairman**

Governing Board member of InnovateUK, the UK's innovation agency; Chair, Storm Therapeutics Limited, Cambridge. Parent of two former pupils.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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**GOVERNORS' REPORT (CONTINUED)**

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**Neil Record**

**Vice Chairman**

Chairman of Record plc, a currency risk and asset manager. Old Waynflete.

**Charles Young**

**Vice-Chairman**

Formerly Investment Bursar and Fellow of Magdalen College (retired 2014).

**Dr Catharine Benson \***

GP Principal in central Oxford with a special interest in Child & Adolescent Health.

**Penelope Cameron Watt**

MD of Oxford School of Business English Ltd. Formerly Investment Director of Indosuez Asia Investment Services in Hong Kong.

**Professor Constantin Coussios \***

Lecturer and Tutorial Fellow in Engineering and Professorial Fellow of Magdalen College Oxford. Parent of one current pupil.

**Mary Curnock Cook**

Chief Executive of UCAS. *Resigned from the Board with effect 12<sup>th</sup> November 2016.*

**Adrian James**

Architect and member of the RIBA. Parent of one former pupil.

**Sarah Kerr-Dineen**

Head of Oundle School. *Resigned from the Board with effect 8<sup>th</sup> July 2017.*

**Professor Daniel Kroening \***

Professor of Computer Science at the University of Oxford and a Fellow of Magdalen College (2007). Parent of one current pupil.

**Judy Brooks Longworth**

Formerly Development Director at Balliol and University Colleges (Oxford) and Radley College.

**Professor Stuart Mackenzie \***

University Lecturer in Physical and Theoretical Chemistry at the University of Oxford and Tutorial Fellow of Magdalen College (2008).

**Jan Phillips**

Partner of a US international law firm (head of tax practice, graduate recruitment programme and compliance officer for finance and administrative matters).

**Dr Nigel Richardson**

Formerly Head of the Perse School, Cambridge and the Dragon School, Oxford. Former Chairman of HMC. Board member of AGBIS (Association of Governing Bodies of Independent Schools) since 2014.

**The Rev'd Canon Keith Wilkinson**

Conduct and Senior Chaplain, Eton College. Formerly Headmaster, King's School, Canterbury.

**Dr Paul Withers**

Director of Devro plc; Senior Independent Director at Keller plc; Director of The Boat Race Company Ltd. Parent of one former pupil.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## YEAR ENDED 31 JULY 2017

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### GOVERNORS' REPORT (CONTINUED)

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#### Governing Body and Governance

During the year under review 17 individuals served as Governors. Three individuals resigned during the course of the year, and at 31<sup>st</sup> July 2017 the Board of Governors numbered 14. The maximum number of Governors, as approved by the Members, is 19. Keith Wilkinson's term of office expires on 31<sup>st</sup> December 2017. Two new Governors will join the Board with effect from 1<sup>st</sup> January 2018. They are:

**Dr Richard Saldanha**

Founder, Oxquant Consulting Ltd., formerly Portfolio Manager, Investec Asset Management.  
Parent of one former pupil.

**Ben Vessey**

Head of Canford School. Old Waynflete.

Governors are required under the Memorandum and Articles of Association to serve as Directors of the Company. They also serve as Trustees of the Charity. Tim Edwards has been Chair of the Board since January 2013. The Chair is supported by Neil Record and Charles Young as Vice Chairmen, and by the other members of the Governing Body. The Board has announced that after an orderly transition Tim Edwards will step down as Chair of the Board and be succeeded by Paul Withers with effect from the start of the Trinity Term 2018.

Four Governors are nominated by the Governing Body of Magdalen College Oxford to represent the Members' interests. Other Governors are identified and chosen by the Board's Nominations Committee and are proposed to a meeting of the full Board of Governors. Candidates' selection is based on eligibility, personal competence and specialist professional skills which can benefit the School; local availability is also a consideration in order to facilitate attendance at meetings. The Nominations Committee meets at least annually and as often as required. 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.

New Governors are inducted into the workings of the School as a Company and as a Charity by their attendance at the termly meetings of the Board of Governors and the various sub-committees. New Governors attend these meetings as observers for several months before they take up their position as a Governor. They are issued with the AGBIS (Association of Governing Bodies of Independent Schools) Guidelines for Governors and the Charity Commission's "The Essential Trustee" as well as further guidance specific to the School. Governors are encouraged to attend courses run by AGBIS. Governors are also encouraged and are expected to attend events during the School year (Open Days, Prize-giving, Commemoration, and the major drama events and concerts) and occasions at which they are particularly welcome to observe first-hand various aspects of the School's daily life, including a day in School observing lessons, drama, music and sporting activities.

During the year the Board carried out a Review of its own structure and governance arrangements. The Review was led by Neil Record and drew on the advice and experience of Boards of Governors at other leading independent schools. The findings of the Review were discussed by the Board at its meeting in June 2017 and included measures designed to regulate the workload accruing to the Chair and to individual Governors; and to streamline the composition of the Board and its various sub-committees. The principal recommendations of the Review, which were accepted by the Board for implementation from 1<sup>st</sup> August 2017, were:

- abolition of the Remuneration and Policies & Procedures sub-committees, to be replaced by individual Governors taking particular responsibility for these matters;
- creation of a new Strategy sub-committee;
- limits on the number of sub-committees on which the Chair and individual Governors may serve;
- measures to reduce the size of the Board to 14 (maximum 17, minimum 12);
- maintaining the current appointment length of "3 terms of 3 years", with ad hominem extension for a fourth term of up to 3 years for no more than two Governors at any one time, at the Board's discretion;
- the Chair should serve a fixed term of five years.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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**GOVERNORS' REPORT (CONTINUED)**

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**Organisational Management**

The business of the Governing Body is carried out through meetings of the Board and its eight sub-committees. Information on the membership of these committees is provided on page 5.

The Board of Governors meets four times per annum. The September meeting is a review and planning meeting at which the Board considers progress made towards the achievement of strategic objectives during the previous year, and identifies likely themes for the forthcoming year. The meetings in December, March and June are decision-making sessions, at which the Board receives reports and considers recommendations from the various sub-committees.

In addition to the four scheduled meetings per annum Governors meet for an Away-day each March at which items of strategic importance are discussed.

Of the sub-committees the following meet at least once per term:

- Education
- Finance & General Purposes
- Estates
- Development

The Nominations Committee meets at least annually or as required. The Remuneration Committee meets twice per annum. The Policies and Procedures Committee meets as required.

Sub-committee membership may also include co-opted non-Governors to offer professional advice and experience in their fields.

The Master attends meetings as an ex officio member of the Board and of each sub-committee. The Clerk to the Governors (who is also the School's Bursar) attends meetings and acts as secretary to the Committees. The Usher, the Deputy Head – Academic and the Deputy Head – Education Development attend meetings of the F&GP and Education Committees as ex officio members of those Committees; the Usher attends meetings of the Estates and Development Committees as an ex officio member of those Committees. Other members of staff of the School attend sub-committee meetings as required and when their areas of responsibility are discussed.

The day-to-day running of the School is delegated by the Governors to the Senior Management Team of the School (comprising the Master, the Usher, the Bursar, the Deputy Head – Academic and the Deputy Head – Education Development). The Senior Management Team is in turn supported by the Master's Advisory Committee, which includes the Head of the Junior School, the Head of Sixth Form and other members of the School's teaching and support staff.

The Senior Management Team holds a [termly] meeting of the Health & Safety Committee at which one Governor attends.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

**GOVERNORS' REPORT (CONTINUED)**

**Governors and membership of committees 2016-17**

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
T Edwards	Chair of Governors	X	X	X	X	X	X	X	
N P Record	Vice Chair, Chair of Development Committee				X	X		X	
C Young	Vice Chair, Chair of Estates Committee	X		X		X			
Dr C Benson *			X				X		X
P Cameron Watt	Chair of F & G P Committee	X		X		X			
Prof. C Coussios *			X						
M Curnock Cook	<i>resigned November 2016</i>		X						
A James				X					
S Kerr-Dineen	<i>resigned July 2017</i>		X						
Prof D Kroening *			X						
J Longworth								X	
Prof S Mackenzie *	Chair of Education Committee		X			X			
J Phillips	Chair of Policies & Procedures Committee						X		
Dr N Richardson			X		X				
Revd Canon K Wilkinson									
P Withers		X		X				X	
from 1 <sup>st</sup> January 2018									
R Saldanha		X							
B Vessey			X						

- (1) Finance and General Purposes Committee  
(2) Education Committee  
(3) Estates Committee  
(4) Remuneration Committee

- (5) Nominations Committee  
(6) Policies & Procedures Committee  
(7) Development Committee  
(8) Health & Safety Committee

\* denotes a Governor nominated by Magdalen College Oxford

**Governors' Policies**

As a charitable trust the School seeks to benefit the public through its stated aims. The Governors set the academic fees each year so as to ensure the School's continued financial viability while providing an excellent education to its pupils, who are welcomed from all backgrounds. In setting fees the Governors give consideration to such factors as:

- the recruitment and retention of the most able teaching and professional staff;
- the maintenance and refurbishment of premises and facilities to ensure a safe environment for pupils and one which facilitates high quality academic and extra-curricular activities;
- the School's policy with respect to financial reserves;
- the affordability of the School for current and potential pupils and their families.

The School provides financial assistance to pupils who might otherwise not be able to attend the School via a bursary scheme under the direction of the Bursar, the Registrar and other key members of staff. 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. Parents are provided with regular feedback through parents' evenings as well as specific communication from Tutors or Section Heads if appropriate. One member of staff, the Usher, has specific responsibility for child protection issues and is the School's nominated Safeguarding Officer. The Deputy Head – Education Development and the Head of the Junior School are Deputy Safeguarding Officers.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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**GOVERNORS' REPORT (CONTINUED)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES IN CONNECTION WITH THESE FINANCIAL STATEMENTS**

The Governors (who are also directors of Magdalen College School Oxford Limited for the purposes of company law) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

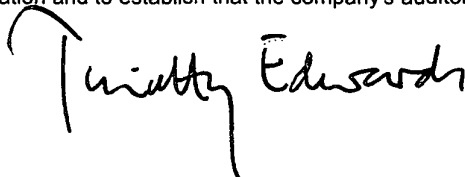
Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (Statement of Recommended Practice);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the Group 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 they 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.

Mr T.P.W. Edwards



Chair of Governors  
6th December 2017



**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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**GENERAL COMPANY INFORMATION**

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Members	:	The President and Fellows of the College of St Mary Magdalen, Oxford ("Magdalen College, Oxford") & The Bursar of Magdalen College, Oxford	
Registered office	:	Cowley Place Oxford OX4 1DZ	
Registered company number	:	02106661	
Registered charity number	:	295785	
Bankers	:	National Westminster Bank plc High Street Oxford OX1 4DD	Svenska Handelsbanken AB Seacourt Tower West Way Oxford OX2 0JJ
Solicitors	:	Blake Morgan Seacourt Tower West Way Oxford OX2 0FB	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditor	:	Critchleys Audit LLP Beaver House 23-38 Hythe Bridge Street Oxford OX1 2EP	
Investment advisor	:	Cazenove Capital Management Ltd 6 Worcester Street Oxford OX1 2BX	
Insurance broker	:	SFS Group Ltd Spring Court Dorking Surrey RH4 1EB	
Master	:	Dr T R Hands (to 14 <sup>th</sup> August 2016) H L Pike (from 15 <sup>th</sup> August 2016)	
Usher	:	T M G J Beaumont	
Deputy Head - Academic	:	B D White	
Deputy Head – Education Development	:	Dr A K Cotton	
Bursar and Clerk to Governors	:	T M Knowles	
Head of Junior School	:	T E Skipwith	
Head of Sixth Form	:	Dr C G Pearson	

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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**GENERAL COMPANY INFORMATION (CONTINUED)**

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**Group Structure and Relationships**

The School has two wholly-owned non-charitable subsidiaries:

Magdalen College School Asset Management Limited  
Magdalen College School International Limited

The activities and trading performance of these companies during 2016-17 are described in the *Financial Review and Results of the Year* below.

The Master is ex officio a trustee of Oxford Festival of the Arts, a charitable company.

The School is a member of the Headmasters' and Headmistresses' Conference (HMC), the Association of Governing Bodies in Independent Schools (AGBIS), the Independent Schools Bursars Association (ISBA) and the Independent Association of Prep Schools (IAPS).

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## YEAR ENDED 31 JULY 2017

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### STRATEGIC REPORT

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The School's objectives have been set by the Governors having given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. In the most recent year the main objective has been consistent with earlier years, being the provision of both an excellent academic education and a wide range of extra-curricular activities to the School's pupils.

The extent to which the School is meeting its main objective was tested in March 2017 when the School was subject to Focused Compliance Inspection and Education Quality Inspection by the Independent Schools Inspectorate. The School was found to be wholly compliant with the standards specified in the Education (Independent School Standards) Regulations 2014. The Education Quality Inspection Report was highly complementary of the School, commenting on the "exceptional" achievements of pupils in academic and extra-curricular spheres and the high quality of teaching provision throughout the School.

#### Strategic Development Plan

The Master and her Senior Management Team have produced a Development Strategy for the School based on three strategic tenets:

- To remain a top-tier academic school which is a leading and guiding educational voice in the UK and beyond
- To build on extra-curricular excellence by improving current success and ensuring a reputation for that excellence locally and nationally
- To operate on a sustainable basis which secures an MCS education for future generations, regardless of their background

During the most recent year the focus of the Pastoral, Academic and Professional Development Policy Committees has been set by the Senior Team to focus on the School's fourth aim,

"To equip pupils to make a positive and lasting contribution to their communities, both now and in the future."

Initiatives undertaken in 2016-17 towards the fulfilment of this aim have included:

- the introduction of Computing as a GCSE subject;
- provision of a wider choice of modern foreign languages at GCSE;
- the introduction of an Activities Afternoon in the Junior School;
- modification of marking and assessment procedures;
- revised entrance exams and procedures for sixth form and 11+ admissions;
- a new PSHCE curriculum for 11-16 year old pupils, focusing on life skills;
- introduction of Whole School Council;
- work with staff, pupils and the parent body to emphasise the key values and dispositions which underpin the School's ethos.

For the future, consideration is being given to the introduction of a "Service Afternoon" for pupils aged 14 and above.

In addition there has been a sharper focus on the Junior School. The future of the Junior School forms a key element of the School-wide Development Strategy. The School has undertaken extensive consultation of its parent body in respect of the Junior School, and during 2016-17 the School commissioned an architect to investigate the potential for changes to the Junior School within its current home, the late 19<sup>th</sup> century School House.

Governors review the Development Strategy regularly, particularly at the annual March Away-day. Objectives consistent with the Plan are set for each term by the Master in consultation with the senior management team and reviewed by Governors, with subsequent termly review of progress and achievements.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

**STRATEGIC REPORT (CONTINUED)**

**Public Benefit : Principal activities**

The School's principal activity is to provide a high quality education to pupils from Oxfordshire and neighbouring counties from the ages of 7 to 18 years for boys and from 16 to 18 years for girls. During the course of the academic year it had an average of 899 pupils. Entry for boys takes place at ages 7, 11, 13 and 16 years, and for girls at 16 years. The School continues to have a large number of applicants of high academic ability for the places on offer. The School does not offer boarding facilities, so all pupils are day pupils.

**Public Benefit : Financial support for pupils (access and bursaries policy, and scholarships)**

Entry to the School is based on examination and interview. 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 bursaries 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 quality education that the School offers. The Governors' Bursary awards are offered on a means-tested basis and take into account family net worth, income and other circumstances. 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. The Waynflete Awards Fund, the Leo Goldschmidt Fund and the David Brunton Fund (see Note 11 to accounts) are endowment funds, the income from which provides bursaries for a small number of pupils. Other bursaries are funded directly from annual donations and from restricted income funds.

Bursaries are subject to annual re-assessment. Although in many cases bursaries are re-awarded in successive years the process of re-assessment does sometimes result in an increase or a reduction in the amount of financial assistance that is offered, reflecting material changes in the financial position of the recipient families. Some financial assistance is designated as "hardship bursaries", this support being awarded for limited defined periods in the first instance, normally to assist families who experience redundancy, serious illness or divorce/parental separation and who have temporary difficulty in paying fees. Bursary grants are also made available to cover the costs of "extras" such as trips, uniform and travel.

In recent years the amount of financial assistance provided by the School to pupils and their families has increased significantly. In 2016-17 Governors' Bursaries ranging from 5% to 100% of fees were awarded to 64 pupils. In addition, a further 7 pupils were awarded bursaries funded from the endowment and restricted income funds mentioned above; 3 pupils received financial assistance from hardship funds supported jointly by the School and the Old Waynfletes' Club; and children of members of staff benefited from fee remission of up to 50% of the annual fee.

In addition to those pupils who received support from the School and its associated funds, a number of pupils received assistance from external independent organisations having varying degrees of association with the School. The 16 boy choristers of Magdalen College Chapel received a subsidy to their School fees from the College. And at least 8 pupils received financial support from separate charitable organisations remitted to support education in general and the School and Oxfordshire schools in particular.

In addition to the bursaries awarded in cases of financial need, scholarships and exhibitions are awarded to pupils for academic merit or for noteworthy achievement in art, music or sports. The total number of scholarships awarded in 2015-16, both existing and new awards, was 380. The value of these awards was £145,608 (2015-16: £141,376).

Governors' bursaries	£ 593,004	
Endowed & restricted funds bursaries	£ 64,307	
Fee remissions	<u>£ 175,686</u>	
	£ 832,997	
Scholarships & exhibitions	<u>£ 145,610</u>	
	£ 978,607	(2015-16: £892,622)
 Bursaries from external sources	 £ 28,594	
Magdalen College contribution to Choristers' fees	<u>£ 180,319</u>	
	£1,187,520	(2015-16: 949,895)

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## YEAR ENDED 31 JULY 2017

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### STRATEGIC REPORT (CONTINUED)

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#### Public Benefit : Links with the Community

The School is involved in a variety of initiatives which are of benefit to the local community. The main activities in the School's programme of outreach during 2016-17 are listed as follows:

**Academic** An open day for aspiring medical students with substantial attendance by year 12 pupils from local state schools; a "Gifted & Talented" 4-day summer school for year 5 local primary school pupils; a Primary Activities Day providing sessions on languages, science, sport and music for c. 250 local primary school pupils (years 4-6); lectures, speaker events and performances run by departments open to pupils from local schools; Further Maths coaching offering problem-solving classes, revision classes and university interview practice for local state pupils in years 12-13; a team challenge for local Maths teachers, offering networking and CPD; administrative support for the Oxford German Network, an Oxford University initiative; a Model United Nations conference attended by 25 Schools where pupils debated a range of current international issues in the style of the United Nations; primary school support undertaken by the School's 6<sup>th</sup> formers as part of the CSO programme; participation in the Waynflete Studies programme by pupils from Magdalen College School in Brackley; a Readathon in which Year 10 pupils offered reading activities in local primary schools for a day.

**Creative Arts** The Arts Festival, offering plays, concerts and speaker events open to the whole community, as well as specific workshops and events targeted at pupils from local primary and secondary schools (over 3000 children from 40 schools participated in the Festival's participation programme in 2016-17); author events attended by local primary schools (years 2-6); a Jazz evening for young people from the Parasol Project, which supports young people at risk of social exclusion; the CSO Concert Party in which the School's sixth formers work with primary school pupils to develop musical, vocal and listening skills.

**Sport** Hosting a number of tournaments for local schools and clubs in rugby and football, as well as hosting the annual under-15 county cricket festival; coaching by MCS staff in local clubs, particularly in the Oxfordshire County Rugby coaching programme for 13-15 year olds; partnership with Sussex County Cricket Club and with Oxfordshire Cricket; providing free-of charge facilities the MCC cricket hub; talented pupils' day for local primary school pupils with promise in rugby, hockey and cricket; support for Oxfordshire County Chess.

**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, reading support, and film workshops); CSO Community support (volunteering in care homes and hospitals); a Lower Fourth sponsored walk in aid of nominated charities. Many pupils offer volunteering as part of their Duke of Edinburgh award activities.

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

##### Operational Performance of the School

The School's primary operational focus was on the education of its pupils: the average figure enrolled during the year was 899.

The March 2017 ISI Inspection Report demonstrated that the School continues to perform at a high level in the competitive independent schools sector, and it commented on the "exceptional" achievements of pupils in academic and extra-curricular spheres and the high quality of teaching provision throughout the School.

The 2016-17 academic year again produced an excellent performance as measured by public and internal examination results. By most measures this was a very good year for the School and placed it in the top tier of the published league tables.

At A Level Upper Sixth pupils achieved a rate of 97.4% at A\*, A and B level (2016: 98.2%; 2015: 96.5%; 2014: 97.4%). 82.1% were A\* or A grade (2016: 87.9%; 2015: 82.0%; 2014: 86.6%); and 41.2% were A\* grade (2016: 50.1%; 2015: 44.8%; 2014: 43.5%). 29 pupils gained 3 or more A\* grades.

Lower Sixth pupils sat a number of internal exams in reformed subjects and AS exams in unreformed subjects. The internal exams were rigorously marked and standardised in line with the AS level results of previous cohorts.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## YEAR ENDED 31 JULY 2017

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### STRATEGIC REPORT (CONTINUED)

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At GCSE level 96.7% of results were at A\* or A (2016: 94.6%; 2015: 92.7%; 2014: 92.2%). 84.3% of all results were A\* grades, which is by far the highest percentage achieved at MCS.

Of the 147 pupils in the Upper Sixth form, 117 took up a university place in autumn 2017 (2016: 149 out of 175; 2015: 118; 2014: 115) and 30 deferred to take up a place in autumn 2018. A further 35 pupils who had left the School in 2016 entered university in autumn 2017 having taken a planned gap year. 82% of the pupils applying for entry to university for autumn 2017 gained places at their first-choice university. 36 pupils were offered places at Oxford or Cambridge Universities (2016: 48; 2015: 32; 2014: 44). The total number gaining final places at Russell Group universities was 142 (2016: 166; 2015: 123; 2014: 144).

#### Co-curricular activities

The School does not place emphasis on academic results alone. As stated in the Aims, the School promotes the pastoral well-being of the pupils as well as the opportunity to participate in a full range of activities beyond the classroom. Many pupils participate in an ever-increasing number of sporting and cultural activities, as well as including CCF, Duke of Edinburgh awards, local community work, academic Olympiads and overseas trips. Details of many of these activities can be found on the school website.

**Sport** All pupils have the opportunity to participate in a wide range of 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. The School has continued to field strong teams in boys' rugby, cricket, hockey and tennis; and since the first admissions of girls to the Sixth Form in 2010 girls' sport, primarily netball and hockey, has gone from strength to strength. A number of pupils represent the county or region and a number compete at national level. The School regularly performs strongly at a national level in sailing, and has a strong record in junior chess. Sport participation rates are high in both the Junior and Senior Schools. Pupils continue their sporting interests at University: in 2016, the captain of the Oxford men's and Cambridge women's hockey teams were both former MCS pupils.

#### Music, Art and Drama

All pupils have the opportunity to participate in a wide range of cultural activities, especially in Music, Art and Drama. Coaching is provided by school staff and by visiting professionals, and prestigious collaborations reflect the high standard of these activities (for instance with the London Mozart Players and Oxford Playhouse Theatre). Well-received public performances continue to take place at locations such as the Edinburgh Fringe, in the Oxford Playhouse and in the Sheldonian Theatre. A large proportion of pupils receive music tuition from visiting peripatetic staff; and in drama, both individual coaching and group workshops take place throughout the year, with the School providing facilities for LAMDA tuition and examinations. Pupils have continued to benefit from the joint venture between the School and Oxford Playhouse which provides access to professional direction as well as excellent theatrical facilities. In 2016, the School developed a partnership with the Pegasus Theatre in East Oxford to broaden the range of opportunities for students; Technical and Performance Skills Academies are both now offered in collaboration with Pegasus. The cultural culmination of the School year was the annual Arts Festival at the end of Trinity Term: in 2017 the Festival comprised over 100 separate events and attracted around 24,000 visitors.

#### Fundraising performance

In 2014 the School reconstituted its development operation, which includes fund-raising as one of its activities, as the "Waynflete Office" and appointed a new Director, Susannah Baker, to run the operation. To ensure that the Waynflete Office works to its full potential a full review of its activities and policies has been undertaken by Governors and officers of the School, and the School continues to take the advice of external specialists (the More Partnership). In 2016 the Governors reconstituted their Development Committee under the Chairmanship of Mr Neil Record to give that committee a more focused oversight of fund-raising activity. The Waynflete Office continues to oversee the School's relationships with alumni ("Old Waynfletes").

The Governors recognise that income from donations will vary significantly from year to year, and in making their financial plans for each year they assume that income from donations will be approximately equivalent to, and no more than, the costs of running the Waynflete Office. The School's experience is that it is unusual for receipts from donations not to exceed these costs. In 2016-17 receipts from donations and legacies totalled £0.452 million (2015-16: £0.737 million; 2014-15: £0.282 million) with significant donations (a) to the costs of the Sixth Form Building project; and (b) to the funding of bursaries, primarily for sixth form students.

# **MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

## **YEAR ENDED 31 JULY 2017**

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### **STRATEGIC REPORT (CONTINUED)**

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#### **Premises and infrastructure**

The School is mindful that it must continue to improve the fabric of the School's buildings in order best to fulfil its educational objectives. In 2012 the Governors, prompted by their Estates Committee, undertook a condition report of the School's premises (produced by Ridge & Partners LLP) as a prelude to a programme of repairs and refurbishment which is currently in implementation. As a consequence annual expenditure on refurbishment, repairs and maintenance has been deliberately set at a high level for the period of the Ridge-inspired programme. Projects undertaken during 2016-17 as components of this programme have included structural work to School House; provision of new toilet facilities in Big School; provision of additional teaching space and a new heating boiler in the Science Building; and upgraded changing rooms in the Sports Centre.

In July 2013 the Governors appointed Tim Ronalds Architects to develop a Master Plan for the site over a 10 year time frame, taking account of the anticipated needs for new facilities to meet the educational strategy of the School; the condition and potential for development of current structures; opportunities for more efficient use of space; the capacity of the site to accommodate new buildings; and the School's ability to fund further development. The first stage in implementation of the Master Plan is the construction of the new Sixth Form Centre: construction work began in July 2016 and the building was completed in October 2017, with the School occupying the new building from the end of that month.

Both the Ridge report and the Master Plan identified work to be done on School House, the late-19<sup>th</sup> century listed building which is home to the Junior School and to some of the School's administration offices. The parts of the building which had previously been used as accommodation for the Master and family have been converted for office use (with the Master being accommodated in a recently-acquired property away from the main School site). Former office space has been converted into a new science and art teaching facility for the Junior School. Structural work to School House, especially to the roof and windows, has continued during the year.

#### **Staff - remuneration**

The Governors' Remuneration Committee has met twice in the most recent year in order to make recommendations to the Board of Governors. At its December 2016 meeting it reviewed the general pay and conditions of all staff. At its June 2017 meeting it reviewed the salaries of senior members of staff, namely the Master, Bursar, Usher, Deputy Head - Academic, Deputy Head - Education Development, Head of Sixth Form, Head of Junior School, Director of Waynflete Office and other senior staff as appropriate. The Committee's recommendations are with reference to information on remuneration levels at independent schools in south-east England and London, drawing in particular on the annual Baines Cutler Teacher Salary, Benefits and Workload Survey. Remuneration of members of teaching staff is in accordance with an internal system of scale points which rewards teachers for (a) their level of experience and (b) the duties and responsibilities they assume. Remuneration of support staff is determined with reference to the market for comparable roles and is set by the members of the Senior Management Team responsible for the appointment, in consultation with the Bursar.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The Consolidated Statement of Financial Activities (SOFA) shows the School as having generated net incoming resources in 2016-17 of £0.630 million. The corresponding figure in 2015-16 was £2.245 million, though it should be noted that £0.998 million of the net incoming resources recorded in 2015-16 resulted from the treatment for accounting purposes of the June 2015 fire damage and subsequent reinstatement. Making further adjustment in each of the two years for the receipt of donations (the level of which cannot be relied on from year to year) net incoming resources derived purely from the operations of the School totalled £0.178 million in 2016-17, compared with £0.509 million in 2015-16.

Total income in 2016-17 was £16.25 million, compared with £16.26 million (adjusted for the fire-related income) in 2015-16. Eliminating the impact of donations to arrive at a figure for underlying income (that is, income derived solely from the School's operating activity) the School's income in 2016-17 was £15.800 million, an increase of 1.8% over the comparable £15.522 million in 2015-16. Income from school fees at £14.456 million in 2016-17 represented a 2.5% increase over the £14.101 million of fee income in 2015-16: the School increased its rate of fees charged by 5% for 2016-17, but the average number of pupils over the year 2016-17 was smaller than in 2015-16 (899 as opposed to 920).

# **MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

## **YEAR ENDED 31 JULY 2017**

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### **STRATEGIC REPORT (CONTINUED)**

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Total expenditure in 2016-17 was £15.71 million, an increase of 4.70% from the £15.00 million of 2015-16. Expenditure on core teaching activities totalled £8.89 million, of which £7.05 million was expenditure directly related to the employment of teaching staff. The School continues to experience significant pressures in respect of expenditure on teaching staff as it seeks to recruit and retain able teachers in a highly competitive, London-influenced market, though the recent sharp increases in rates of contribution to pension schemes and National Insurance have not been repeated in the latest year.

The biggest change in the pattern of expenditure was a 7.7% increase in expenditure on buildings' refurbishment, repair and maintenance. The repair programme driven by the Ridge & Partners report includes a total expected expenditure of approximately £4.2 million in the period 2015-19: for the second year running the School spent a figure close to £1 million on this line of activity, a sum larger than the annual premises depreciation charge. The largest area of expenditure in this category was on School House, the 19<sup>th</sup> century listed building which accommodates the Junior School and most of the administration offices. In addition to work on existing buildings the School also undertook the construction of a new Sixth Form Centre at a total projected project cost of £7.4 million. Repairs (as per the Ridge programme) are treated as current expenditure and the new building programme is treated as capital expenditure. The construction of the Sixth Form Centre is financed by a loan facility of up to £5.4 million with Svenska Handelsbanken.

Historically the two main areas of business of the School's trading subsidiary (MCS Asset Management Ltd) have been to (a) manage the School's transport fleet; and (b) to hire out the School's facilities to other educational bodies, sports clubs, religious organizations and others. However the second of these activities has been severely curtailed in the past two years, first as the School decided not to continue with Easter revision classes; and second because the June 2015 fire severely reduced the School's capacity to offer facilities for hire. The trading subsidiary has therefore recorded annual financial deficits and, with activity at a low level. Management of the School's minibus fleet has for the time being been taken over by the School itself.

During the year a second subsidiary company was established. MCS International Limited is the vehicle through which the School is exploring opportunities for expansion into regions outside the UK.

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 its costs as it is exempt for VAT purposes. The usual employer's payroll 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.

#### **Investment Policy and Objectives**

The School does not benefit from a large endowment. The limited pool of endowed funds is managed by Cazenove Capital Management under parameters set by the Governors. 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. Asset allocation is reviewed regularly by the F&GP Committee: the Chair of that Committee and the Bursar meet with the manager at least annually. Quarterly detailed reports provide both valuations and market benchmarking. Investments are benchmarked against the FTSE all-share index (Equities), the FTSE All-Share Gilts Index (UK Bonds) and FTSE Sterling Corporate Bonds Index (International Bonds).

#### **Reserves Policy**

At the end of the financial year the School's free reserves under SORP totalled £1.96 million, a sum deemed adequate by the Governors for the School's purposes, being sufficient to meet approximately one half term's predicted expenditure.



**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2017**

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**STRATEGIC REPORT (CONTINUED)**

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While the level of free reserves is a reasonable guide to the School's ability to maintain its operations in the short-term, in their regular monitoring of the School's financial position the Governors pay particular attention to the operating surplus (before depreciation), cash flow and levels of borrowing as providing more clarity as to the School's long-term financial security. The Governors monitor other key financial targets which facilitate comparison with similar independent schools. Chief among these measures is the Investment Surplus (the cash surplus as a percentage of net fees). In 2016-17 the School's Investment Surplus was 9.3% compared with 15.2% in 2015-16. Governors are mindful, however, that this measure like other measures of charitable entities' financial performance, is dependent in part on the receipt of donations the level of which varies each year.

**Risks**

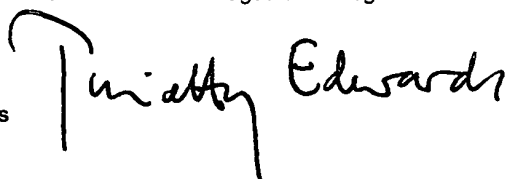
The Governors maintain a register of risks to which the School is in their opinion exposed and the measures that have been put in place to mitigate those risks. The register is reviewed in full at least annually, as an item on the agenda for the Michaelmas Term F&GP Committee and Board meetings. The full register identifies more than 30 potential areas of risk. The principal areas of identified risk relate to:

- **Education**  
The Governors believe that maintenance of academic standards, exemplified by success in public exams and in pupils' gaining places at prestigious universities, is important in ensuring the School's ongoing prosperity. In order to mitigate the risk of a decline in standards the Governors' Education Committee meets termly to review the implementation of educational and pastoral policy by the School's Master and Senior Management Team.
- **Safety and Welfare**  
The Governors believe that the safety and welfare of pupils is an essential responsibility of the School and that failure in this respect would damage the reputation of the School. In order to mitigate the risk of such failure the Governors Estates Committee oversees an ongoing programme of repairs refurbishment of premises; and the Health & Safety Committee develops policies to ensure the well-being of pupils (and members of staff).
- **Finance**  
Financial loss occasioned by mis-management or fraud could have a negative impact on the School's ability to function. Mitigation of this risk is achieved by the Governors' Finance and General Purposes Committee's termly monitoring of the Bursary's activities and control procedures.

In addition the Governors have adopted a number of measures to ensure that their own standards of governance are maintained and that regulatory compliance is achieved. The School maintains a full range of Risk Assessments to cover all types of activity. Risk Assessments are updated annually and are monitored by the Health and Safety Committee which is in turn advised by an external consultant.

Approved by the Board of Governors of Magdalen College School Oxford Limited on 6th December 2017 and signed on its behalf by:

**Mr T.P.W. Edwards**  
Chair of Governors



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

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

### Opinion

We have audited the financial statements of Magdalen College School Oxford Limited (the "Charity") for the year ended 31 July 2017 which comprise the Consolidated Statement of Financial Activities, Group and Company Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity'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 Charity'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 Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Charity's affairs as at 31 July 2017 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGDALEN COLLEGE SCHOOL OXFORD LIMITED (continued)

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the governors' report and the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the governors' report and the strategic report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the governors' report and the strategic report

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

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

### Responsibilities of the governors

As explained more fully in the governors' responsibilities statement (set out on page 5), the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Robert Kirtland (Senior Statutory Auditor)

For and on behalf of Critchleys Audit LLP (Statutory Auditor)  
Beaver House  
23-38 Hythe Bridge Street  
Oxford  
OX1 2EP

Date

18/12/2017

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating a Consolidated Income and Expenditure account) YEAR ENDED 31 JULY 2017

	Notes	Unrestricted School £	Funds Other £	Restricted Funds £	Endowed Funds £	Total Funds 2017 £	Total Funds 2016 £
<b>INCOME AND ENDOWMENTS FROM:</b>							
<b>Charitable activities</b>							
School fees	2(a)	14,456,265	-	-	-	14,456,265	14,100,831
Other educational income	4	938,286	-	-	-	938,286	961,506
Ancillary trading income	4	348,766	-	-	-	348,766	347,100
<b>Other trading activities</b>	3	-	20,000	-	-	20,000	64,062
<b>Donations and legacies</b>		33,593	-	267,489	150,981	452,063	737,382
<b>Investments</b>	5	421	-	36,724	-	37,145	48,804
<b>Other</b>							
Exceptional item - Fire	4	-	-	-	-	-	997,729
<b>Total</b>		<u>15,777,331</u>	<u>20,000</u>	<u>304,213</u>	<u>150,981</u>	<u>16,252,525</u>	<u>17,257,414</u>
<b>EXPENDITURE ON:</b>							
<b>Raising funds</b>							
Other trading activities	3	-	24,459	-	-	24,459	61,723
Costs of raising donations and legacies		<u>304,485</u>	-	-	-	<u>304,485</u>	<u>245,301</u>
		304,485	24,459	-	-	328,944	307,024
<b>Charitable activities</b>							
Education and grant making		<u>15,262,165</u>	-	<u>109,588</u>	<u>7,701</u>	<u>15,379,454</u>	<u>14,693,323</u>
<b>TOTAL</b>	8	<u>15,566,650</u>	<u>24,459</u>	<u>109,588</u>	<u>7,701</u>	<u>15,708,398</u>	<u>15,000,347</u>
Net gains/(losses) on investments		-	-	8,843	77,015	85,858	(12,227)
<b>NET INCOME/(EXPENDITURE)</b>		210,681	(4,459)	203,468	220,295	629,985	2,244,840
Transfers between funds	15b	<u>726,196</u>	-	<u>(726,196)</u>	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		936,877	(4,459)	(522,728)	220,295	629,985	2,244,840
<b>Reconciliation of funds:</b>							
<b>Total funds brought forward</b>		<u>20,261,948</u>	<u>(33,022)</u>	<u>1,634,683</u>	<u>897,919</u>	<u>22,761,528</u>	<u>20,516,688</u>
<b>Total funds carried forward</b>	15	<u>21,198,825</u>	<u>(37,481)</u>	<u>1,111,955</u>	<u>1,118,214</u>	<u>23,391,513</u>	<u>22,761,528</u>

All amounts relate to continuing operations. The notes on pages 22 to 37 form part of these financial statements.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating a Consolidated Income and Expenditure account) FOR THE YEAR ENDED 31 JULY 2016

	Notes	Unrestricted School £	Funds Other £	Restricted Funds £	Endowed Funds £	Total Funds 2016 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
Charitable activities						
School fees	2(a)	14,100,831	-	-	-	14,100,831
Other educational income	4	961,506	-	-	-	961,506
Ancillary trading income	4	347,100	-	-	-	347,100
Other trading activities	3	-	64,062	-	-	64,062
Donations and legacies		183,430	-	453,952	100,000	737,382
Investments	5	10,744	99	37,961	-	48,804
Other						
Exceptional item - Fire	4	<u>997,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>997,729</u>
<b>Total</b>		<u>16,601,340</u>	<u>64,161</u>	<u>491,913</u>	<u>100,000</u>	<u>17,257,414</u>
<b>EXPENDIURE ON:</b>						
Raising funds						
Other trading activities	3	-	61,723	-	-	61,723
Costs of raising donations and legacies		<u>245,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>245,301</u>
		245,301	61,723	-	-	307,024
Charitable activities						
Education and grant making		<u>14,620,721</u>	<u>-</u>	<u>72,602</u>	<u>-</u>	<u>14,693,323</u>
<b>TOTAL</b>	8	<u>14,866,022</u>	<u>61,723</u>	<u>72,602</u>	<u>-</u>	<u>15,000,347</u>
Net gains/(losses) on investments		<u>-</u>	<u>-</u>	<u>(1,292)</u>	<u>(10,935)</u>	<u>(12,227)</u>
<b>NET INCOME/(EXPENDITURE)</b>		1,735,318	2,438	418,019	89,065	2,244,840
Transfers between funds		<u>162,872</u>	<u>(162,872)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		1,898,190	(160,434)	418,019	89,065	2,244,840
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>18,363,758</u>	<u>127,412</u>	<u>1,216,664</u>	<u>808,854</u>	<u>20,516,688</u>
Total funds carried forward	15	<u>20,261,948</u>	<u>(33,022)</u>	<u>1,634,683</u>	<u>897,919</u>	<u>22,761,528</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

COMPANY NUMBER: 02106661

## GROUP AND COMPANY BALANCE SHEETS

AS AT 31 JULY 2017

		Group		Company	
	Notes	2017	2016	2017	2016
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9	25,315,881	21,158,327	25,315,881	21,158,327
Investment assets	10	<u>1,560,270</u>	<u>1,052,300</u>	<u>1,560,272</u>	<u>1,052,301</u>
		26,876,151	22,210,627	26,876,153	22,210,628
<b>CURRENT ASSETS</b>					
Stock		6,650	4,985	6,650	4,985
Debtors	11	700,315	885,698	744,959	922,360
Cash at bank and in hand		<u>3,721,771</u>	<u>4,875,577</u>	<u>3,714,106</u>	<u>4,875,625</u>
		4,428,736	5,766,260	4,465,715	5,802,970
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>(2,562,544)</u>	<u>(1,921,860)</u>	<u>(2,562,044)</u>	<u>(1,925,549)</u>
<b>NET CURRENT ASSETS</b>		1,866,192	3,844,400	1,903,671	3,877,421
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		28,742,343	26,055,027	28,779,824	26,088,049
<b>CREDITORS: Amounts falling due after one year</b>	13	(5,275,725)	(3,175,405)	(5,275,725)	(3,175,405)
Interest rate swap liability	1(p)	<u>(75,105)</u>	<u>(118,094)</u>	<u>(75,105)</u>	<u>(118,094)</u>
<b>NET ASSETS</b>		<u>23,391,513</u>	<u>22,761,528</u>	<u>23,428,994</u>	<u>22,794,550</u>
<b>CAPITAL AND RESERVES</b>					
<b>ENDOWED RESERVES</b>	15a	1,118,214	897,919	1,118,214	897,919
<b>RESTRICTED RESERVES</b>	15b	1,111,955	1,634,683	1,111,955	1,634,683
<b>DESIGNATED RESERVES</b>	15c	1,958	1,958	1,958	1,958
<b>UNRESTRICTED FUNDS</b>	15c	<u>21,159,386</u>	<u>20,226,968</u>	<u>21,196,867</u>	<u>20,259,990</u>
<b>TOTAL FUNDS</b>	15	<u>23,391,513</u>	<u>22,761,528</u>	<u>23,428,994</u>	<u>22,794,550</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 6 December 2017

Mr TPW Edwards  
Chairman of Governors

The notes on pages 22 to 37 form part of these financial statements.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	2017 £	2017 £	2016 £
Notes			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Net cash provided by operating activities (reconciliation below)</b>		2,201,514	2,536,161
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from the sale of property, plant and equipment (including insurance proceeds)	6,062		2,529,273
Purchase of property, plant and equipment	(5,009,267)		(6,056,312)
Proceeds from sale of investments	190,117		399,971
Purchase of investments	(612,229)		(394,044)
<b>Net cash provided by (used in) investing activities</b>		(5,425,317)	(3,521,112)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of borrowing	(330,003)		(250,000)
Cash inflows from new borrowing	2,400,000		1,600,000
<b>Net cash provided by (used in) financing activities</b>		2,069,997	1,350,000
<b>Change in cash and cash equivalents in the reporting period</b>		(1,153,806)	365,049
<b>Cash and cash equivalents at the beginning of the reporting period</b>		4,875,577	4,510,528
<b>Cash and cash equivalents at the end of the reporting period</b>		3,721,771	4,875,577
<b>Reconciliation of net income to net cash flow from operating activities</b>			
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>		629,985	2,244,840
<b>Adjustments for:</b>			
Depreciation charges		846,315	890,192
(Gains)/losses on investments		(85,858)	12,227
Loss/(profit) on the sale of fixed assets		(664)	33,813
Exceptional item – fire		-	(997,729)
(Increase)/decrease in stocks		(1,665)	1,085
(Increase)/decrease in debtors		185,383	145,408
Increase/(decrease) in creditors		671,007	203,165
Increase/(decrease) in provisions		(42,989)	3,160
<b>Net cash provided by (used in) operating activities</b>		2,201,514	2,536,161

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

### 1 ACCOUNTING POLICIES

**(a) Basis of accounting**

The financial statements of the public benefit entity have been prepared in compliance with all applicable accounting standards, FRS 102, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" revised 2015 (FRS 102) and the Companies Act 2006. 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 wholly owned subsidiaries MCS Asset Management Limited (Company number: 04110883) and Magdalen College School International Limited (Company number: 10587126), both being companies incorporated in the United Kingdom, made up to the year ended 31 July 2017.

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 net income was £634,442 (2016: £2,242,402).

**(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 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.

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

**(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) Expenditure**

Expenditure is 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.



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

### 1 ACCOUNTING POLICIES (Continued)

#### (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.

#### (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 FRS102 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 £2,000. 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% straight line
Computers	33% straight line
Motor vehicles	20% straight line

The School holds its properties on a lease from Magdalen College for a period of 200 years from 29th September 1987 at a rent of £4 per annum. The grant of lease is dated 22nd February 1989 with a deed of variation dated 27th November 1996. The rent is subject to review in September 2115. 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 102 whereby the valuation of the property has been frozen at its value as at 27 July 1999. 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

Stock 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

FOR THE YEAR ENDED 31 JULY 2017

### 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) Interest rate swap

Under FRS 102, an asset or liability is recognised to represent that fair value of the interest rate swaps on loans at the year end. Movements on the asset or liability are recognised in the statement of financial activities. The basis of the valuation is a mid-market price.

### 2. SCHOOL FEES

	2017 £	2016 £
<b>(a) The School's fee income comprised:</b>		
Gross fees	15,370,565	14,961,716
Less: Total bursaries, scholarships, grants and allowances	<u>(978,607)</u>	<u>(892,622)</u>
	14,391,958	14,069,094
Add back: Bursaries, scholarships and discounts paid for by Restricted Funds	<u>64,307</u>	<u>31,737</u>
	<u><u>14,456,265</u></u>	<u><u>14,100,831</u></u>

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

	2017 £	2016 £
Bursaries & scholarships	64,307	31,737
Prizes and leaving awards	<u>5,567</u>	<u>10,964</u>
	<u><u>69,874</u></u>	<u><u>42,701</u></u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

### 3. SUBSIDIARY'S TRADING ACTIVITIES

The School owns MCS Asset Management Limited, which in the past has provided leisure facilities, lettings and promotional goods relating to the School (although there was very little activity via this company in 2017), and Magdalen College School International Limited, which controls the overseas operations of the school. The trading results for the year, as extracted from the audited financial statements, are summarised below:

	<b>MCS International</b>		<b>MCS Asset Management</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	<b>20,000</b>	-	-	96,562
Administration expenses	<b>(26,870)</b>	-	<b>2,413</b>	(114,223)
Fire insurance proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,000</u>
Operating profit/(loss)	<b>(6,870)</b>	-	<b>2,413</b>	2,339
Interest Receivable	-	-	-	99
Interest Payable	-	-	-	-
Gift aid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit /(Loss) for year	<b><u>(6,870)</u></b>	=	<b><u>2,413</u></b>	<u>2,438</u>
Shareholders' Funds	<b><u>(6,870)</u></b>	<u>-</u>	<b><u>(30,609)</u></b>	<u>(33,022)</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 £Nil (2016 - £52,500), expenses of £Nil (2016: £53,400) and interest of £Nil (2016 - £Nil). The net contribution to the school for the year totalled £Nil (2016: £900). The net liabilities at the end of the reporting period were £37,479.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2017**

**4. OTHER INCOME**

	2017 £	2016 £
<b>Other educational income</b>		
Registration and assessment fees	35,284	44,334
Music and drama lessons	405,072	394,242
Departmental income	57,329	58,393
Games income	36,880	31,435
Other School income	89,531	59,848
Income recovered in respect of extra curricular activities	<u>314,190</u>	<u>373,254</u>
	<u>938,286</u>	<u>961,506</u>
<b>Other ancillary trading income</b>		
Lunch tickets	344,241	335,296
Fee remission and pupil accident insurance	1,284	9,128
Miscellaneous	-	-
Merchandise	<u>3,241</u>	<u>2,676</u>
	<u>348,766</u>	<u>347,100</u>
<b>Exceptional item - Fire</b>		
Insurance proceeds for fire damage	<u>-</u>	<u>997,729</u>

**5. INVESTMENT INCOME**

	2017 £	2016 £
Dividends receivable	36,603	34,539
Bank interest receivable	<u>542</u>	<u>14,265</u>
	<u>37,145</u>	<u>48,804</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

<b>6. NET INCOME</b>	<b>2017</b>	<b>2016</b>
Net income is stated after charging:	£	£
Bank loan interest	<b>96,608</b>	82,261
Auditors' remuneration:		
For audit services	<b>10,825</b>	10,000
For other services	<b>3,717</b>	3,500
Depreciation:		
Assets owned by the Group	<b>846,315</b>	890,192
Operating lease costs	<b>12,738</b>	23,716
Gain/(loss) on disposal of fixed assets (see Note 4 & Note 10)	<b><u>664</u></b>	<b><u>(33,813)</u></b>
<b>7. STAFF COSTS</b>	<b>2017</b>	<b>2016</b>
	£	£
Wages and salaries	<b>7,546,974</b>	7,190,980
Social security costs	<b>736,008</b>	638,485
Pension contributions	<b><u>1,003,967</u></b>	<b><u>956,896</u></b>
	<b><u>9,286,949</u></b>	<b><u>8,786,361</u></b>

Included within wages and salaries are termination and redundancy costs of £85,845 (2016: £21,100) relating to three (2016: two) employees.

Staff costs include compensation paid to key management personnel (including employer' national insurance) amounting to £591,802(2016: £630,138).

The average number of employees in the year was 261 (2016: 254) of which 111 (2016: 111) were teaching staff.

The number of higher paid employees, whose emoluments fell within the following bands, was:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	<b>7</b>	4
£70,001 - £80,000	<b>1</b>	1
£80,001 - £90,000	<b>2</b>	1
£90,001 - £100,000	<b>-</b>	1
£110,001 - £120,000	<b>1</b>	-
£170,001 - £180,000 *	<b><u>1</u></b>	<b><u>1</u></b>

\* In addition the Master is required under her contract to occupy accommodation provided by the School and HMRC have assessed the benefit-in-kind value of this as circa £60k.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

### 8. ANALYSIS OF TOTAL EXPENDITURE - 2017

	Staff costs £	Other costs £	Depreciation £	Total £
<b>Costs of raising funds</b>				
Costs of raising donations and legacies	<u>229,838</u>	<u>74,647</u>	<u>-</u>	<u>304,485</u>
<b>Charitable activities</b>				
Teaching	7,053,900	1,499,493	338,916	8,892,309
Welfare	166,455	702,788	9,207	878,450
Premises	634,532	2,222,263	498,192	3,354,987
Support costs	1,510,125	646,673	-	2,156,798
Financing costs	-	134,326	-	134,326
Governance costs	-	5,575	-	5,575
Movement in liabilities recognised at fair value	<u>-</u>	<u>(42,989)</u>	<u>-</u>	<u>(42,989)</u>
	<u>9,365,012</u>	<u>5,168,129</u>	<u>846,315</u>	<u>15,379,456</u>
<b>Total for Company</b>	9,594,850	5,242,776	846,315	15,683,941
Trading costs of the subsidiaries	<u>-</u>	<u>24,457</u>	<u>-</u>	<u>24,457</u>
<b>Total for Group</b>	<u>9,594,850</u>	<u>5,267,233</u>	<u>846,315</u>	<u>15,708,398</u>

### ANALYSIS OF TOTAL EXPENDITURE – 2016

	Staff costs £	Other costs £	Depreciation £	Total £
<b>Costs of raising funds</b>				
Costs of raising donations and legacies	<u>179,922</u>	<u>65,379</u>	<u>-</u>	<u>245,301</u>
<b>Charitable activities</b>				
Teaching	6,988,629	1,715,403	238,277	8,942,309
Welfare	142,843	722,233	3,227	868,303
Premises	502,123	1,802,330	643,850	2,948,303
Support costs	1,137,609	654,959	-	1,792,568
Financing costs	-	121,115	-	121,115
Governance costs	-	17,565	-	17,565
Movement in liabilities recognised at fair value	<u>-</u>	<u>3,160</u>	<u>-</u>	<u>3,160</u>
	<u>8,771,204</u>	<u>5,036,765</u>	<u>885,354</u>	<u>14,693,323</u>
<b>Total for Company</b>	8,951,126	5,102,144	885,354	14,938,624
Trading costs of the Subsidiary	<u>7,891</u>	<u>48,994</u>	<u>4,838</u>	<u>61,723</u>
<b>Total for Group</b>	<u>8,959,017</u>	<u>5,151,138</u>	<u>890,192</u>	<u>15,000,347</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 9. TANGIBLE FIXED ASSETS – GROUP AND COMPANY

	Long leasehold property £	Freehold property £	Equipment & computers £	Assets under construction £	Company Total £
<b>Cost</b>					
At 1 August 2016	21,404,411	1,611,089	3,173,483	1,083,919	27,272,902
Additions	4,224	-	254,528	4,750,515	5,009,267
Disposals	-	-	(13,352)	-	(13,352)
Reallocate assets no longer under construction	27,201	-	-	(27,201)	-
At 31 July 2017	<u>21,435,836</u>	<u>1,611,089</u>	<u>3,414,659</u>	<u>5,807,233</u>	<u>32,268,817</u>
<b>Depreciation</b>					
At 1 August 2016	4,215,685	32,222	1,866,668	-	6,114,575
Charge for year	498,192	-	348,123	-	846,315
Disposals	-	-	(7,954)	-	(7,954)
At 31 July 2017	<u>4,713,877</u>	<u>32,222</u>	<u>2,206,837</u>	<u>-</u>	<u>6,952,936</u>
<b>Net book values</b>					
At 31 July 2017	<u>16,721,959</u>	<u>1,578,867</u>	<u>1,207,822</u>	<u>5,807,233</u>	<u>25,315,881</u>
At 31 July 2016	<u>17,188,726</u>	<u>1,578,867</u>	<u>1,306,815</u>	<u>1,083,919</u>	<u>21,158,327</u>

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

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.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017**

<b>10. INVESTMENTS</b>	<b>Unlisted</b>	<b>Waynflete Award Fund</b>	<b>The Leo Goldschmidt Fund</b>	<b>D A Brunton Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<i><b>Company:</b></i>					
At 1 August 2016	1	617,671	320,096	114,533	1,052,301
Additions	21	128,923	72,198	20,611	221,753
Disposals	-	(118,858)	(52,523)	(18,736)	(190,117)
Realised gains	-	11,922	6,325	1,901	20,148
Unrealised gains	-	40,087	18,681	6,942	65,710
Change in Cash	-	<u>29,338</u>	<u>360,481</u>	<u>658</u>	<u>390,477</u>
<b>Balance at 31 July 2017</b>	<u>22</u>	<u>709,083</u>	<u>725,258</u>	<u>125,909</u>	<u>1,560,272</u>
Group:					
Consolidation Adjustment:					
Unlisted investments	(2)	-	-	-	(2)
<b>Group</b>	<u>20</u>	<u>709,083</u>	<u>725,258</u>	<u>125,909</u>	<u>1,560,270</u>
These comprise (all UK):					
Listed investments		666,365	338,991	114,902	1,120,258
Cash deposits		<u>42,718</u>	<u>386,267</u>	<u>11,007</u>	<u>439,992</u>
		<u>709,083</u>	<u>725,258</u>	<u>125,909</u>	<u>1,560,270</u>
Historical cost of investments		<u>530,062</u>	<u>264,449</u>	<u>110,346</u>	<u>904,857</u>



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

### 11. DEBTORS

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
School fees and trade debtors	329,135	295,303	329,135	294,135
Other debtors	131,058	85,476	131,057	85,476
Accrued income	-	338,086	-	318,086
Prepayments	240,122	166,833	240,122	166,384
Owed by subsidiary companies	-	-	44,645	58,279
	<u>700,315</u>	<u>885,698</u>	<u>744,959</u>	<u>922,360</u>

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loan (see note 13)	330,003	330,000	330,003	330,000
Trade creditors	1,262,510	505,888	1,262,510	505,694
Taxation and social security	205,430	192,722	205,430	199,005
Deposits held	77,700	167,584	77,700	167,584
Other creditors	268,519	307,943	268,519	307,943
Accruals	364,979	416,725	364,479	414,325
Fees in advance for the following term	53,403	-	53,403	-
Fees in advance scheme (note 14)	-	998	-	998
	<u>2,562,544</u>	<u>1,921,860</u>	<u>2,562,044</u>	<u>1,925,549</u>

Creditors as at 2017 include £872,503 in respect of the construction of the 6<sup>th</sup> form centre (2016; £172,939)

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Bank loan (see below)	4,839,994	2,770,000	4,839,994	2,770,000
Deposits held	<u>435,731</u>	<u>405,405</u>	<u>435,731</u>	<u>405,405</u>
	<u>5,275,725</u>	<u>3,175,405</u>	<u>5,275,725</u>	<u>3,175,405</u>
The bank loans are repayable by instalments:				
Due after five years	-	-	-	-
Due within two to five years	2,220,000	2,440,000	2,220,000	2,440,000
Due within one to two years	<u>2,619,994</u>	<u>330,000</u>	<u>2,619,994</u>	<u>330,000</u>
	4,839,994	2,770,000	4,839,994	2,770,000
Due within one year	<u>330,003</u>	<u>330,000</u>	<u>330,003</u>	<u>330,000</u>
	<u>5,169,997</u>	<u>3,100,000</u>	<u>5,169,997</u>	<u>3,100,000</u>

The bank loans are secured on an informal deposit of the lease of the School premises and a charge over freehold property.

Interest is charged is 1.65% above LIBOR. The school has entered into an interest rate swap on part of the loan balance. Interest is charged at a fixed rate of 3.98%.

### 14. FEES IN ADVANCE

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

	Group and Company	
	2017 £	2016 £
Due within one year	<u>-</u>	<u>998</u>
The movement during the year on advanced fees were as follows:		
Balance at 1 August 2016	998	26,642
New advanced fees received in the year	-	-
Amounts utilised in payment of fees	<u>(998)</u>	<u>(25,644)</u>
<b>Balance at 31 July 2017</b>	<u><u>-</u></u>	<u><u>998</u></u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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

The net assets belong to the various funds as follows:

	<b>Fixed assets</b>	<b>Net current assets</b>	<b>Long term liabilities</b>	<b>Fund Balances</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Endowed Funds	1,054,275	63,939	-	1,118,214
Restricted Funds	505,995	605,960	-	1,111,955
Unrestricted Funds	<u>25,315,883</u>	<u>1,233,772</u>	<u>5,350,830</u>	<u>21,198,825</u>
<b>Company</b>	<u>26,876,153</u>	<u>1,903,671</u>	<u>5,350,830</u>	<u>23,428,994</u>
Subsidiary reserves	<u>(2)</u>	<u>(37,479)</u>	<u>-</u>	<u>(37,481)</u>
<b>Group</b>	<u>26,876,151</u>	<u>1,866,192</u>	<u>5,350,830</u>	<u>23,391,513</u>

### 15A ENDOWED FUNDS: MOVEMENTS IN THE YEAR

	<b>Balance at 1 August 2016</b>	<b>Income</b>	<b>Expended</b>	<b>Realised/ Unrealised investment losses</b>	<b>Balance at 31 July 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Waynflete Award Fund	419,968	-	-	52,008	471,976
The Leo Goldschmidt Fund	414,012	150,981	(7,701)	25,007	582,299
Magdalen College Endowed	<u>63,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,939</u>
<b>Company and Group</b>	<u>897,919</u>	<u>150,981</u>	<u>(7,701)</u>	<u>77,015</u>	<u>1,118,214</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

	<b>Balance at 1 August 2016</b>	<b>Income</b>	<b>Expended</b>	<b>Realised/ Unrealised investment (losses)</b>	<b>Transfers</b>	<b>Balance at 31 July 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>		<b>£</b>
Magdalen College	3,770	-	-	-	-	3,770
Restricted funds	1,438	-	-	-	-	1,438
Master's Fund	95,088	7	(11,410)	-	-	83,685
Dr. Winch Memorial Fund	70,500	10,484	(5,569)	-	-	75,415
Prize and Other Funds	566,132	161,278	-	-	(726,196)	1,214
Buildings	47,954	36,434	(33,420)	-	(28,442)	22,526
Other Restricted Funds	432,474	48,670	(13,324)	-	(50,000)	417,820
Waynflete Award Fund	130,055	10,645	(16,508)	-	-	124,192
The Leo Goldschmidt Fund	166,818	5,629	(6,708)	8,843	-	174,582
The David Brunton Fund	120,454	9	(6,000)	-	-	114,463
OW Hardship Fund	-	13,038	(5,524)	-	28,442	35,956
Lily Club	-	18,019	-	-	-	18,019
Cole Bursary	-	-	(11,125)	-	50,000	38,875
GS Bursary	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Company and Group</b>	<u>1,634,683</u>	<u>304,213</u>	<u>(109,588)</u>	<u>8,843</u>	<u>(726,196)</u>	<u>1,111,955</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017**

**15B RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (Continued)**

The Master Fund was set up for the use of the Headmaster to promote 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 OW Hardship Fund was set up to support pupils whose family are facing financial hardship.

The Waynflete Award Fund, Cole Bursary Fund, GS Bursary 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 Buildings Fund was set up to fund the construction of new buildings at the school.

The transfer between the Buildings Fund and unrestricted funds represents capital additions on the Sixth Form Building during the period which have been funded from restricted donations.

**15C. UNRESTRICTED FUNDS: MOVEMENTS IN THE YEAR**

Company and Group	Balance at 1 August 2016 £	Income £	Expended £	Transfers £	Balance at 31 July 2017 £
<b>Designated funds</b>					
Master's Fund	<u>1,958</u>	-	-	-	<u>1,958</u>
	1,958	-	-	-	1,958
<b>Unrestricted funds</b>					
Income and Expenditure Account	<u>20,259,990</u>	<u>15,777,331</u>	<u>(15,566,650)</u>	<u>726,196</u>	<u>21,196,867</u>
<b>Company</b>	<u>20,261,948</u>	<u>15,777,331</u>	<u>(15,566,650)</u>	<u>726,196</u>	<u>21,198,825</u>
Non-charitable trading funds	<u>(33,022)</u>	<u>20,000</u>	<u>(24,459)</u>	-	<u>(37,481)</u>
<b>Group</b>	<u>20,228,926</u>	<u>15,797,331</u>	<u>(15,591,109)</u>	<u>726,196</u>	<u>21,161,344</u>

**16. CONTRACTS AND COMMITMENTS**

At the year end the group has capital commitments totalling £1,080,980 (2016: £5,684,230), relating to the various building projects.

Operating lease commitments	2017 £	2016 £
Total future lease payments:		
Payable within one year	17,763	10,919
Payable between one and five years	<u>27,374</u>	<u>31,042</u>
	<u>45,137</u>	<u>41,961</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017**

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**17. PENSION SCHEMES**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £782,147 (2016: £799,555) and at the year-end £587 (2016: £227) was accrued in respect of contributions to this scheme.

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017**

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**17. PENSION SCHEMES (Continued)**

**Scheme changes**

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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 £221,881 (2016: £157,341) and at the year-end £28,838 (2016: £23,722) was accrued in respect of contributions to this scheme.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

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### 18. GOVERNORS AND RELATED PARTY TRANSACTIONS

Neither the Governors nor persons connected with them received any emoluments from the School during the year (2016: £Nil).

Three Governors received reimbursement of out of pocket expenses amounting to £1,176 in the current year (2016: £1,306 for three Governors).

Donations from Governors in the year amounted to £2,080 (2016: £263,812).

Under the provisions of FRS 102, related party transactions with MCS Asset Management Limited and Magdalen College School International Limited are exempt from disclosure as the companies are wholly controlled subsidiaries of Magdalen College School Oxford Limited.

There are no other related party transactions to disclose.

### 19. GENERAL INFORMATION

Magdalen College School is a company limited by guarantee incorporated and domiciled in England. Its registered office address and principal place of business is Magdalen College School, Cowley Place, Oxford, OX4 1DZ.