

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2014**

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**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

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# **MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**YEAR ENDED 31 JULY 2014**

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## **GOVERNORS' REPORT**

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The Chairman and Governors present their annual report, consisting of the Governors report (pages 1-3), Statement of Governors' Responsibilities (page 4) and the Strategic report (pages 5-8) for the year ended 31 July 2014. They have been prepared under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006 and the Company's Memorandum & Articles of Association.

### **REFERENCE & ADMINISTRATIVE INFORMATION**

Magdalen College School was founded in 1480 by William of Waynflete. It was subsequently established as a charitable company, charity registration number 295785, company registration number 02106661 with the liability of its members limited to £1 each by guarantee. The Registered Office and principal address of the Company is at Cowley Place, Oxford OX4 1DZ. Particulars of the Charity's professional advisors are shown on page 9.

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

#### **Governing Document**

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

#### **Governing Body and Governance**

The Governors, who are also required under the Articles to serve as members of the Company, are identified and chosen by the Nominations Committee and proposed to the full Governors' Meeting. Candidates are selected based on eligibility, personal competence, specialist professional skills which can benefit the Company, and local availability. The Nominations Committee meets regularly and, over the last 12 months, 2 new Governors were appointed. Four Governors are nominated by Magdalen College, to represent the shareholders' interests. Governors serve for a 3 year term which is normally renewable up to a maximum of 3 terms.

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

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

#### **Governor Training**

New Governors are inducted into the workings of the School, as a company and as a charity both by their attendance of the termly meetings of the Board of Governors as well as the various sub-committees. They are issued with the Independent School Council's guidelines for governors as well as further guidance and are encouraged to attend courses run by the Association of Governing Bodies of Independent Schools. The Governors' annual strategic away-day meeting normally includes an AGBIS representative or professional advisor to provide specific advice to Governors. They are also supplied annually with details of occasions to which they are particularly welcome to observe first-hand various aspects of the School's daily life, including a whole day in school, observing lessons.

#### **Organisational Management**

The Governors meet on a termly basis. Implementation of their policies is carried out by the following sub-committees – Health & Safety; Education; Estates; and Finance & General Purposes, all of which meet at least termly in advance of the full Governors' meeting. In addition, the following committees meet at least annually, or as appropriate: Policies and Procedures Review; Development; Nominations; and Remuneration. Sub-committee membership may also include co-opted non-Governors who can offer professional advice and experience in their fields. There are normally annual strategy discussions held in addition to the regular, termly meetings.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

YEAR ENDED 31 JULY 2014

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## GOVERNORS' REPORT (CONTINUED)

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The day-to-day running of the School is delegated to the Master, Dr TR Hands, the Usher, and the Bursar, supported by other teaching members of the Master's Advisory Committee

### Group Structure and Relationships

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

### Risk Management

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

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

### OBJECTS, AIMS, OBJECTIVES and PRINCIPAL ACTIVITIES

The Objects of the Charity, in accordance with its Memorandum and Articles of Association are ***to promote and provide for the advancement of education of children in the United Kingdom.***

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

- To provide an education for pupils aged 7 to 18 which enables each pupil to develop an independent and searching mind, to take pleasure in the life of ideas, and to do their best in public examinations without losing sight of the importance of all the "non-examined" aspects of their school years.
- To develop each pupil's interest in and enjoyment of a broad range of activities including sport, music, art, drama, outdoor pursuits, and community service, providing opportunities for developing each pupil's skill and knowledge in these areas.
- To provide a safe, friendly and supportive environment in which each pupil can feel he or she is valued as an individual and where s/he learns that their own attitude to others is fundamental to the success of this aim.
- To preserve the Christian framework of the School so that the values of Christian teaching can be seen to underpin the School, albeit unobtrusively and in such a way that those of other faiths feel that their beliefs are treated with equal respect and tolerance.
- To be a school where pupils from a variety of backgrounds feel equal and at home and where their pastoral, social and academic needs are met in an atmosphere of mutual respect and support.
- To help all pupils to recognise the value of the commitments they make to those around them, as well as to their own studies, not least so that they can understand their lasting responsibility to the wider community. In doing this, the School seeks also to prepare pupils socially, morally and philosophically for life in a wider sense, stretching chronologically as well as geographically beyond the confines of school.

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

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**GOVERNORS' REPORT (CONTINUED)**

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

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

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

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

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

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

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**GOVERNORS' REPORT (CONTINUED)**

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 we ought to have taken as Governors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

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**STRATEGIC REPORT**

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**Objectives for the Year**

The School's objectives have been set by the Governors, having given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

For this latest school year, the main objective has not altered significantly from recent years in the provision of a first-class academic education to its pupils as well as benefiting the pupils by exposure to a range of non-academic pursuits. As part of this objective, the School continues to work to ensure that all departing 6<sup>th</sup> formers have the best chance of entering the university of their choice. Its objectives include the maintenance (with appropriate succession planning and training) of an experienced, high quality group of teachers. The School strives to further enhance local community support and access to pupils with limited financial resources.

In terms of financial objectives, the Charity's endowed funds are managed by professional fund managers and returns are measured against market benchmarks. The Governors have also re-affirmed the target for generation of operating surplus by the School.

**STRATEGIES TO ACHIEVE THE YEAR'S OBJECTIVES**

**Strategic Plan**

The current strategic plan was drawn up by the Master and approved by the Governors. It focuses on continued academic achievement and is supported by a regular review of the academic syllabus in order to provide a broad range of subjects, as well as directing further resources to school departments and extra-curricular activities, including local community work. It focuses on the operation of the Charity, premises and infrastructure, finance and the relationship between the Charity and its wider community. The structure of the plan is to indicate but not prescribe possible future directions. The plan is reviewed annually by Governors. Objectives for each term are set by the Master in consultation with his senior management team and reviewed by Governors, with subsequent termly review of progress and achievements.

The charity is mindful that it must continue to improve the fabric of the School buildings in order to fulfil its educational objectives. The current year's surplus has been directed to the construction of an all-weather hockey pitch. In July 2013 Governors appointed Tim Ronalds Architects to develop a Master Plan for the site. This will have 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 and the capacity of the site to accommodate new buildings, as well as the School's ability to fund further development.

**Principal activities during the year**

The School principally provides a high level of education to pupils from Oxfordshire and neighbouring counties from the ages of 7 to 18 years. It also runs Easter and summer schools for examination revision, sporting and linguistic tuition for UK and overseas students to make full use of its facilities. During the course of the academic year it had an average of 869 day pupils. Entry takes place at ages 7, 11, 13 and 16 years and the School continues to have a large number of applicants of high academic ability for the places on offer.

**Access and Bursarial Policy**

Entry to the School is based on examination and interview as detailed above. It is not, however, limited to those whose family circumstances enable them to pay the fees in full. The School is a diverse community and pupils clearly benefit from mixing with and understanding the perspectives of pupils from a broad social mix.

**Bursaries.** The School's bursarial policy has been put in place to ensure that qualifying entrants from families who would have difficulty in paying the fees can access the high level of education that the School offers. The Governors' Bursary awards are offered on a means-tested basis and take into account family income, net worth, dependent relatives and education of siblings. The Waynflete Awards Fund (Note 11 to accounts) is a modest endowment, the income from which assists a small number of pupils. The majority of bursaries are funded from fee income and therefore the Governors are mindful to balance the contribution from fee-paying

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

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**STRATEGIC REPORT (CONTINUED)**

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parents with those who benefit from bursarial awards in order to ensure the on-going financial viability of the Charity.

Governors' Bursaries ranging from 10% to 100% of fees were awarded to 68 pupils and, in addition, a further 7 pupils were awarded bursaries funded from Endowed and Restricted funds. During the year, bursaries and other remissions totalling £597,068 were awarded to pupils of the School (2012-13 - £648,363). Bursaries are normally re-awarded to families each year unless their financial position improves significantly. A small number of bursaries are designated as Hardship Bursaries which are awarded for one year in the first instance and normally assist families who are experiencing redundancy, serious illness or divorce and have temporary difficulty in paying the academic bills.

**Scholarships.** Scholarships are awarded to pupils for academic merit, or for noteworthy achievement in Art, Music or Sports. The total number of scholarships awarded in 2013-14, both existing and new awards, was 333 (2012-13 - 286), with a monetary value of £130,701 (2012-13 - £69,126).

**Links with the Community – Outreach Programme**

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

**Academic** – Easter revision courses offered to outside pupils for A-level preparation, with subsidised places offered to Oxford Academy; Gifted & Talented 4-day course for local primary school pupils; Primary Liaison Day providing sessions on languages, science, sport and music for c. 200 local primary school pupils; conferences on careers in medicine and in vocational degree subjects, with substantial attendance by year 12-13 pupils from local state schools; an observation exchange day attended by teachers from local primary schools; author events attended by primary school pupils.

**Music & Drama** – Arts Festival Week, 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; Oxford Playhouse collaboration to develop dramatic and educational opportunities, for instance through the National Theatre Connections project; a Jazz evening for young people from the Parasol Project, which supports young people at risk of social exclusion.

**Sport** – MCS hosts a number of tournaments for local schools and clubs in Rugby and Football; Sports camps involving school-aged participants in rugby, hockey and cricket in partnership with Living Hockey; Sports Activities day for primary school pupils; Talented pupils' days for local pupils with promise in Rugby, Hockey and Cricket; Hinksey Sculling School partnership.

**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 Placements (volunteering in care homes, hospitals); CDSO Concert party (concerts in local schools and care homes), Link Ethiopia, and the Upper Fourth Outdoors in the Community day.

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

**Operational Performance of the School**

The 2013/14 academic year again produced an excellent performance as measured by public examination results. By most measures, this was again a very good year for the School and placed it in the top tier of the published league tables. At A2 level, a rate of 97.35% was achieved at A\*, A and B level (2012-13 - 99.12% and 2011-12 - 97.2%). Of these, 86.94% were A\* or A grade. 33 of U6 pupils gained 3 or more A\* grades.



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**YEAR ENDED 31 JULY 2014**

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**STRATEGIC REPORT (CONTINUED)**

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AS results were also very encouraging with 90% achieving A or B grades (2012-13 – 90.85% and 2011-12 – 90.99%).

At GCSE level 93% of results were at A or A\* (2012 – 2013 – 94.9% ; 2011-12 – 94%) which was again a solid achievement for the School showing consistency in terms of performance from year to year, particularly in times of reported “turbulence”.

As a result of all of the above, the School is confident that it has again this year achieved its objective in terms of academic performance which has led to the significant majority (88%) of leavers being offered places at the university of their first choice, and in excess of 90% of those taking up places at university for autumn 2014 gaining places at ‘Russell Group’ universities.

**Co-curricular activities:**

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

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

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

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

**Fundraising Performance**

The School's fundraising activity has placed emphasis on further development of relationships with Old Waynfletes and key potential donors through various events.

**Investment Performance against Objectives**

Endowed funds are managed by Cazenove Capital Management under parameters set by the Charity's Governors. Asset allocation is reviewed regularly and a Governor attends a personal meeting with the managers annually. Quarterly, detailed reports provide both valuations and market benchmarking. Investments are benchmarked against the FTSE all-share index (Equities), the FTSE All-Share Gilts Index (UK Bonds) and FTSE Sterling Corporate Bonds Index (International Bonds).

For the last financial year, the annual return on Equities was 3.6% (benchmark - 0.25%); UK Bonds 5.0% (benchmark - 5.65%); International Bonds 2.4% (benchmark - 7.6%). The School reviews investment performance on a quarterly basis and recently took the decision to liquidate the Hedge Fund investments.

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

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**STRATEGIC REPORT (CONTINUED)**

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**FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The School's operating surplus for the 2013-14 year reached £1.08 million. The current year's surplus has been directed to the improvement of the buildings and in preparation for the first phase of the Masterplan. The Governors have reviewed the accounts and believe that the financial results for the Charity are satisfactory.

Total Income for the year reached £13.9 million which was an increase of 9% on the previous year. Total outgoings were £12.9 million, an increase of 7.5%. In relation to key financial targets, the ratio of Operating Surplus plus Depreciation to Net Fee Income was 12.8% as compared to the target of 10% minimum.

The Charity's trading subsidiary continues to hire out the School's facilities to other educational bodies, sports clubs, religious organizations and others. Income passed to the School in the form of fees totalled £106,425 which made a useful contribution to specific asset improvements.

The Charity's trustees ensure that all net income is applied for educational purposes. The Charity benefits from tax exemption on educational activities and investment income and these benefits are applied to the School's charitable aims.

However, as an educational charity, the School is unable to reclaim VAT input tax on our costs as it is exempt for VAT purposes. The usual employers' 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.

**Reserves Policy**

In line with other leading independent schools, it is the current policy of the Governors to invest available operational surpluses into the School infrastructure.

**Investment Policy and Objectives**

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

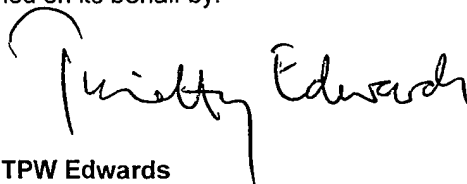
**RELATED AND CONNECTED PARTY TRANSACTIONS**

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

**AUDITOR**

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

Approved by the Board of Governors of Magdalen College School Oxford Limited on 4 December 2014 and signed on its behalf by:



**Mr TPW Edwards**  
Chairman of Governors

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
**YEAR ENDED 31 JULY 2014**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**COMPANY INFORMATION**

**GOVERNORS, DIRECTORS AND CHARITY TRUSTEES**

The Governors of Magdalen College School are the College's charity 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 and subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TPW Edwards	Chairman	x	x	x	x	x	x	x	
Sir Jonathan Baker	Vice Chairman				x	x		x	
Dr CA Benson			x				x		
MPD Bullock		x							
Mrs P Cameron Watt		x		x					
Mrs CL Hall	Resigned 31 Dec 13								
A James	Appointed 1 Jan 14				x				
TM Knowles		x		x					x
Prof DHFE Kroening			x						
Mrs J Longworth								x	
SR Mackenzie			x						
Mrs S McKimm							x		
NP Record					x	x		x	
Dr NPV Richardson			x		x				
Rev'd Canon KH Wilkinson									
C Young		x		x					

- (1) Finance and General Purposes Committee
- (2) Education Committee
- (3) Estates Committee
- (4) Remuneration Committee
- (5) Nominations Committee
- (6) Policies & Procedures Review Committee
- (7) Development Committee
- (8) Health & Safety Committee

During the year the activities of the Governing Body were carried out through eight committees. The membership of these committees is shown above for each Governor.

<b>Secretary:</b>	Mr AJ Pitchers
<b>Members:</b>	The President and Fellows of the College of St Mary Magdalen The Bursar of Magdalen College
<b>Registered Office:</b>	Cowley Place Oxford OX4 1DZ
<b>Registered Number:</b>	02106661
<b>Registered Charity Number:</b>	295785
<b>Auditor:</b>	Crowe Clark Whitehill LLP Statutory Auditor Carrick House Lypiatt Road Cheltenham Glos GL50 2QJ

**MAGDALEN COLLEGE SCHOOL, OXFORD LIMITED**  
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**COMPANY INFORMATION**

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<b>Bankers:</b>	National Westminster Bank plc Oxford
<b>Solicitors:</b>	Blake Morgan Seacourt Tower West Way Oxford OX2 0FB
<b>Investment Advisers:</b>	Cazenove Capital Management Limited 12 Moorgate London EC2R 6DA
<b>The Bursar and The Clerk to the Governors:</b>	Mr AJ Pitchers

## **MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

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

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We have audited the financial statements of Magdalen College School Oxford Limited for the year ended 31 July 2014 set out on pages 13 to 29.

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

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

#### **Respective responsibilities of Governors and auditor**

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

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

#### **Scope of the audit of the financial statements**

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

In addition, we read all the financial and non-financial information in the Strategic report and Governors' Annual Report and any other surround information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

## MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

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

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

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

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

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

9 February 2015

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating a Consolidated Income and Expenditure account) FOR THE YEAR ENDED 31 JULY 2014

		Unrestricted School	Funds Other	Restricted Funds	Endowed Funds	Total Funds 2014	Total Funds 2013
		£	£	£	£	£	£
	Notes						
<b>INCOMING RESOURCES</b>							
<b>Income from charitable activities</b>							
School fees	2(a)	12,026,750	-	-	-	12,026,750	11,055,151
Other educational income	4	886,760	-	-	-	886,760	853,822
Other ancillary trading income	4	378,535	-	-	-	378,535	378,303
<b>Incoming resources from generated funds</b>							
Voluntary income		189,954	-	192,140	-	382,094	207,510
Activities for generating funds:							
MCS Asset Management							
Limited	3	-	223,813	-	-	223,813	247,907
Investment income	5	18,127	7	47,898	547	66,579	62,335
Non ancillary trading income	4	-	-	-	-	-	806
<b>Total Incoming Resources</b>		<b>13,500,126</b>	<b>223,820</b>	<b>240,038</b>	<b>547</b>	<b>13,964,531</b>	<b>12,805,834</b>
<b>RESOURCES EXPENDED</b>							
<b>Costs of generating funds</b>							
MCS Asset Management Limited	3	-	185,255	-	-	185,255	204,552
Financing costs		78,304	-	-	-	78,304	100,625
Costs of generating voluntary							
Income		133,948	-	-	-	133,948	155,824
		212,252	185,255	-	-	397,507	461,001
<b>Charitable activities</b>							
Education and grant making		12,269,781	-	77,319	-	12,347,100	11,280,519
<b>Governance</b>		157,614	-	-	-	157,614	255,799
<b>Total resources expended</b>	8	<b>12,639,647</b>	<b>185,255</b>	<b>77,319</b>	<b>-</b>	<b>12,902,221</b>	<b>11,997,319</b>
<b>Net incoming resources before transfers</b>		<b>860,479</b>	<b>38,565</b>	<b>162,719</b>	<b>547</b>	<b>1,062,310</b>	<b>808,515</b>
Transfers between funds	15a,b,c	51,060	-	(51,060)	-	-	-
<b>NET INCOMING RESOURCES</b>		<b>911,539</b>	<b>38,565</b>	<b>111,659</b>	<b>547</b>	<b>1,062,310</b>	<b>808,515</b>
Realised gains / (losses) on investments		-	-	120	1,009	1,129	1,293
<b>SURPLUS FOR THE YEAR</b>		<b>911,539</b>	<b>38,565</b>	<b>111,779</b>	<b>1,556</b>	<b>1,063,439</b>	<b>809,808</b>
Unrealised gains / (losses) on investments	11	-	-	2,023	16,628	18,651	136,018
<b>NET MOVEMENT IN FUNDS</b>		<b>911,539</b>	<b>38,565</b>	<b>113,802</b>	<b>18,184</b>	<b>1,082,090</b>	<b>945,826</b>
Fund balances at 1 August 2013		14,835,869	51,369	966,049	804,475	16,657,762	15,711,936
<b>FUND BALANCES at 31 July 2014</b>	15	<b>15,747,408</b>	<b>89,934</b>	<b>1,079,851</b>	<b>822,659</b>	<b>17,739,852</b>	<b>16,657,762</b>

All amounts relate to continuing operations. The notes on pages 16 to 29 form part of these financial statements.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

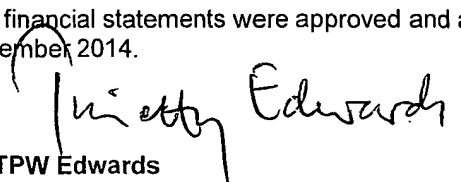
COMPANY NUMBER: 02106661

## GROUP AND COMPANY BALANCE SHEETS

AS AT 31 JULY 2014

		Group		Company	
	Notes	2014	2013	2014	2013
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9,10	16,437,441	16,121,302	16,418,416	16,092,928
Investment assets	11	<u>1,086,358</u>	<u>1,070,246</u>	<u>1,086,359</u>	<u>1,070,247</u>
		17,523,799	17,191,548	17,504,775	17,163,175
<b>CURRENT ASSETS</b>					
Stock		6,665	6,390	6,665	6,390
Debtors	12	466,320	480,275	541,188	541,569
Cash at bank and in hand		<u>3,526,941</u>	<u>2,551,320</u>	<u>3,464,708</u>	<u>2,502,158</u>
		3,999,926	3,037,985	4,012,561	3,050,117
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(1,613,932)</u>	<u>(1,186,056)</u>	<u>(1,598,151)</u>	<u>(1,178,563)</u>
<b>NET CURRENT ASSETS</b>		2,385,994	1,851,929	2,414,410	1,871,554
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		19,909,793	19,043,477	19,919,185	19,034,729
<b>CREDITORS: Amounts falling due after one year</b>	14	<u>(2,169,941)</u>	<u>(2,385,715)</u>	<u>(2,169,941)</u>	<u>(2,382,915)</u>
<b>NET ASSETS</b>		<u>17,739,852</u>	<u>16,657,762</u>	<u>17,749,244</u>	<u>16,651,814</u>
<b>CAPITAL AND RESERVES</b>					
<b>ENDOWED RESERVES</b> (Includes revaluation reserve of £225,875; 2013: £209,247)	15a	822,659	804,475	822,659	804,475
<b>RESTRICTED RESERVES</b>	15b	1,079,851	966,049	1,079,851	966,049
<b>DESIGNATED RESERVES</b>	15c	1,941	1,924	1,941	1,924
<b>UNRESTRICTED FUNDS</b> (Includes revaluation reserve of £718,603; 2013: £716,580)	15c	<u>15,835,401</u>	<u>14,885,314</u>	<u>15,844,793</u>	<u>14,879,366</u>
<b>TOTAL FUNDS</b>	15	<u>17,739,852</u>	<u>16,657,762</u>	<u>17,749,244</u>	<u>16,651,814</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 4 December 2014.

  
Mr TPW Edwards  
Chairman of Governors

The notes on pages 16 to 29 form part of these financial statements.



**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**CONSOLIDATED CASHFLOW STATEMENT**

**FOR THE YEAR ENDED 31 JULY 2014**

	Notes	2014 £	2014 £	2013 £
<b>NET CASH INFLOW FROM OPERATIONS</b>	18		<b>2,259,962</b>	<b>1,606,830</b>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>				
Investment income receipts		66,579		62,335
Interest paid and finance costs		<u>(78,304)</u>		<u>(100,625)</u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			<b>(11,725)</b>	<b>(38,290)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>				
Payment for tangible fixed assets		(1,026,284)		(877,697)
Payment for investments		<u>(38,069)</u>		<u>(186,979)</u>
Proceeds from sale of investments		<u>38,794</u>		<u>175,618</u>
<b>NET CASH OUTFLOW FROM INVESTMENT ACTIVITIES</b>			<b>(1,025,559)</b>	<b>(889,058)</b>
<b>NET CASH INFLOW / (OUTFLOW) FOR THE YEAR BEFORE FINANCING</b>	20		<b>1,222,678</b>	<b>679,482</b>
<b>FINANCING</b>				
Repayment of bank loan		<u>(250,000)</u>		<u>(250,000)</u>
<b>NET CASH OUTFLOW FROM FINANCING</b>			<b>(250,000)</b>	<b>(250,000)</b>
<b>NET CASH INFLOW / (OUTFLOW) FOR THE YEAR</b>	19		<b><u>972,678</u></b>	<b><u>429,482</u></b>

The notes on pages 16 to 29 form part of these financial statements.

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

### 1 ACCOUNTING POLICIES (Continued)

#### (a) Basis of accounting

The financial statements have been prepared under the Companies Act 2006 in accordance with applicable accounting and financial reporting standards in the United Kingdom, and the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities issued in 2005. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

#### (b) Basis of consolidation

The consolidated Statement of Financial Activities and Balance Sheet include the financial statements of Magdalen College School Oxford Limited and its subsidiary MCS Asset Management Limited made up to the year ended 31 July 2014. MCS Asset Management Limited is involved in property management and letting on behalf of the School and all intra group sales and profits are eliminated fully on consolidation.

As permitted by section 408 of the Companies Act 2006, the Parent Company's Income and Expenditure account has not been included in these financial statements. The Parent Company's income was £13,847,116 (2013 - £12,638,297) and expenditure was £12,769,466 (2013 - £11,827,767) giving net incoming resources of £1,077,650 (2013 - £810,530).

#### (c) Going concern

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

#### (d) Fees and similar income

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

#### (e) Donations

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

#### (f) Resources expended

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

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

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

#### (g) Taxation

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

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014

### 1 ACCOUNTING POLICIES (Continued)

#### (h) Operating leases

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

#### (i) Pension schemes

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme, which are attributable to the School. In accordance with FRS17 therefore, the scheme is accounted for as a defined contribution scheme. The Company also contributes to personal pension schemes for non-teaching staff and these contributions are accrued accordingly.

#### (j) Tangible fixed assets

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

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

Assets under construction	Nil
Leasehold properties	2 – 2.5% straight line
Equipment	10% straight line
Computers	33% straight line
Motor vehicles	20% straight line

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

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

#### (k) Investments

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

#### (l) Stocks

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 (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

### 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.

### 2. SCHOOL FEES

	2014 £	2013 £
<b>(a) The School's fee income comprised:</b>		
Gross fees	12,697,970	11,703,515
Less: Total bursaries, grants and allowances	<u>(734,270)</u>	<u>(708,920)</u>
	<u>11,963,700</u>	<u>10,994,595</u>
Add back: Scholarships and discounts paid for by Restricted Funds	<u>63,050</u>	<u>60,556</u>
	<u><b>12,026,750</b></u>	<u><b>11,055,151</b></u>

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

	2014 £	2013 £
Bursaries	63,050	60,556
Prizes and leaving awards	<u>7,222</u>	<u>7,868</u>
	<u><b>70,272</b></u>	<u><b>68,424</b></u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

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

The School owns MCS Asset Management Limited, which provides leisure facilities, lettings and promotional goods relating to the School. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2014 £	2013 £
Turnover	276,313	282,907
Administration expenses	<u>(291,662)</u>	<u>(284,673)</u>
Operating (loss)/profit	(15,349)	(1,766)
Interest Receivable	7	51
Interest Payable	-	(300)
Gift aid	<u>-</u>	<u>-</u>
Loss for year	<u>(15,342)</u>	<u>(2,015)</u>
Shareholders' Funds	<u>(9,392)</u>	<u>5,950</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 £52,500 (2013 - £35,000), expenses of £106,405 (2013 - £80,121) and interest of £Nil (2013 - £300). The net contribution to the school for the year totalled £53,905 (2013 - £44,421). This is made up of the gift aid of £Nil (2013 - £Nil) and the net costs paid to the School during the year of £53,905 (2013 - £44,421).

The Directors of MCS Asset Management Limited who served during the year were:

A J Pitchers  
Dr T R Hands  
T M Knowles

At the time of authorising these financial statements it is expected that an unqualified audit opinion will be issued in respect of MCS Asset Management Limited's financial statements for the year end 31 July 2014.

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

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

**FOR THE YEAR ENDED 31 JULY 2014**

**4. OTHER INCOMING RESOURCES**

	2014 £	2013 £
<b>Other educational income</b>		
Registration and assessment fees	45,265	36,887
Music lessons	314,364	282,536
Departmental income	82,696	61,213
Games income	25,050	29,836
Exam fees and remarks	57,169	38,068
Other School income	572	30,354
Recoverable account income	<u>361,644</u>	<u>374,928</u>
	<u><b>886,760</b></u>	<u><b>853,822</b></u>
<b>Other ancillary trading income</b>		
Lunch tickets	363,696	348,488
Fee remission and pupil accident insurance	8,525	9,250
Miscellaneous	2,795	15,677
Merchandise	<u>3,519</u>	<u>4,888</u>
	<u><b>378,535</b></u>	<u><b>378,303</b></u>
<b>Non ancillary trading income</b>		
Interest on late fees	—	806
	—	<u><b>806</b></u>

**5. INVESTMENT INCOME**

	2014 £	2013 £
Dividends receivable	41,206	36,244
Bank interest receivable	<u>25,373</u>	<u>26,091</u>
	<u><b>66,579</b></u>	<u><b>62,335</b></u>

**6. NET INCOMING RESOURCES**

	2014 £	2013 £
Net incoming resources is stated after charging:		
Bank loan interest	76,875	85,712
Auditors' remuneration:		
For audit services	14,900	14,300
For other services	4,000	4,000
Depreciation:		
Assets owned by the Group	710,145	619,314
Operating lease costs	<u>44,970</u>	<u>43,082</u>

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

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

**FOR THE YEAR ENDED 31 JULY 2014**

<b>7. STAFF COSTS</b>	<b>2014 £</b>	<b>2013 £</b>
Wages and salaries	6,381,520	5,989,976
Social security costs	505,355	484,679
Pension contributions	<u>690,335</u>	<u>628,428</u>
	<b><u>7,577,210</u></b>	<b><u>7,103,083</u></b>

Included within wages and salaries above is £293,897 (2013 - £281,113) relating to catering wages for staff that are not directly employed by the School, but by the catering suppliers.

The average number of employees in the year was 142 (2013 - 146) of which 96 (2012 - 96) were teaching staff.

Neither the Governors nor persons connected with them received any emoluments from the School during the year (2013 - £NIL).

Two Governors received reimbursement of out of pocket expenses amounting to £1,856 in the current year (2013 - £2,113 for three Governors).

The number of higher paid employees was:

	<b>2014 No.</b>	<b>2013 No.</b>
£60,001 - £70,000	1	4
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	2
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	<u>1</u>	<u>1</u>

In the year contributions were made for three (2013 - five) higher paid employees, to the Teachers' superannuation scheme, and two (2013 - three) to a personal pension scheme for non-teaching staff.

**8. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	<b>Staff costs £</b>	<b>Other costs £</b>	<b>Depreciation £</b>	<b>Total £</b>
<b>Costs of generating funds</b>				
Financing costs	-	78,304	-	78,304
Costs of generating voluntary income	<u>93,285</u>	<u>40,663</u>	-	<u>133,948</u>
	<b><u>93,285</u></b>	<b><u>118,967</u></b>	<b>-</b>	<b><u>212,252</u></b>
<b>Charitable activities</b>				
Teaching	5,716,298	1,824,596	-	7,540,894
Welfare	361,633	249,534	-	611,167
Premises	443,752	1,475,237	700,796	2,619,785
Support costs	937,464	560,471	-	1,497,935
Grants, awards and prizes	-	77,319	-	77,319
	<u>7,459,147</u>	<u>4,187,157</u>	<u>700,796</u>	<u>12,347,100</u>
<b>Governance costs: professional fees</b>	-	157,614	-	157,614
<b>Total for Company</b>	<b>7,552,432</b>	<b>4,463,738</b>	<b>700,796</b>	<b>12,716,966</b>
Trading costs of the Subsidiary	<u>24,778</u>	<u>151,128</u>	<u>9,349</u>	<u>185,255</u>
<b>Total for Group</b>	<b><u>7,577,210</u></b>	<b><u>4,614,866</u></b>	<b><u>710,145</u></b>	<b><u>12,902,221</u></b>

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

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

**FOR THE YEAR ENDED 31 JULY 2014**

**9. TANGIBLE FIXED ASSETS - COMPANY**

	Long leasehold property £	Equipment & computers £	Company Total £
<b>Cost</b>			
At 1 August 2013	18,430,460	1,846,195	20,276,655
Additions	521,395	504,889	1,026,284
Disposals	-	-	-
At 31 July 2014	<u>18,951,855</u>	<u>2,351,084</u>	<u>21,302,939</u>
<b>Depreciation</b>			
At 1 August 2013	3,160,650	1,023,077	4,183,727
Charge for year	432,002	268,794	700,796
Disposals	-	-	-
At 31 July 2014	<u>3,592,652</u>	<u>1,291,871</u>	<u>4,884,523</u>
<b>Net book values</b>			
At 31 July 2014	<u>15,359,203</u>	<u>1,059,213</u>	<u>16,418,416</u>
At 31 July 2013	<u>15,269,810</u>	<u>823,118</u>	<u>16,092,928</u>

**10. TANGIBLE FIXED ASSETS - GROUP**

	Long leasehold property £	Equipment & computers £	Motor vehicles £	Group Total £
<b>Cost</b>				
At 1 August 2013	18,430,460	1,936,110	107,063	20,473,633
Additions	521,395	504,889	-	1,026,284
Disposals	-	-	-	-
At 31 July 2014	<u>18,951,855</u>	<u>2,440,999</u>	<u>107,063</u>	<u>21,499,917</u>
<b>Depreciation</b>				
At 1 August 2013	3,160,650	1,112,992	78,689	4,352,331
Charge for year	432,002	268,794	9,349	710,145
Disposals	-	-	-	-
At 31 July 2014	<u>3,592,652</u>	<u>1,381,786</u>	<u>88,038</u>	<u>5,062,476</u>
<b>At 31 July 2014</b>	<u>15,359,203</u>	<u>1,059,213</u>	<u>19,025</u>	<u>16,437,441</u>
<b>At 31 July 2013</b>	<u>15,269,810</u>	<u>823,118</u>	<u>28,374</u>	<u>16,121,302</u>



# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

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

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

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

	Property £
Cost	18,245,875
Accumulated depreciation	<u>(3,325,172)</u>
Net book value at 31 July 2014	<u>14,920,703</u>
Net book value at 31 July 2013	<u>14,831,310</u>

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

11. INVESTMENTS	Unlisted	Waynflete Award Fund	The Leo Goldschmidt Fund	D A Brunton Fund	Total
	£	£	£	£	£
<b>Company:</b>					
At 1 August 2013	1	630,279	324,179	115,788	1,070,247
Additions	-	21,968	12,038	4,063	38,069
Disposals	-	(22,253)	(11,399)	(4,013)	(37,665)
Unrealised gains	-	11,025	5,603	2,023	18,651
Change in Cash	<u>-</u>	<u>(1,213)</u>	<u>(1,404)</u>	<u>(326)</u>	<u>(2,943)</u>
<b>Balance at 31 July 2014</b>	<u><u>1</u></u>	<u><u>639,806</u></u>	<u><u>329,017</u></u>	<u><u>117,535</u></u>	<u><u>1,086,359</u></u>
<b>Group:</b>					
Consolidation Adjustment:					
Unlisted investments	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
<b>Group</b>	<u>-</u>	<u><u>639,806</u></u>	<u><u>329,017</u></u>	<u><u>117,535</u></u>	<u><u>1,086,358</u></u>
<b>These comprise:</b>					
Listed investments	-	638,256	327,734	117,376	1,083,366
Cash deposits	-	1,550	1,283	159	2,992
Unlisted investments	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>639,806</u></u>	<u><u>329,017</u></u>	<u><u>117,535</u></u>	<u><u>1,086,359</u></u>
<b>Historical cost of investments</b>	<u><u>1</u></u>	<u><u>562,056</u></u>	<u><u>246,846</u></u>	<u><u>105,842</u></u>	<u><u>914,744</u></u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

### 11. INVESTMENTS (Continued)

Included within investments, are the following which exceed 5% of the total value at 31 July 2014:

	Waynflete Award Fund		The Leo Goldschmidt Fund		D A Brunton Fund	
	£	%	£	%	£	%
M&G Investment Management Global Dividend	36,425	6%	18,806	6%	6,777	6%
M&G (Guernsey) Offshore Optimal Income A	56,981	9%	29,372	9%	10,427	9%
Cazenove Investment Management Income Trust for Charities	50,686	8%	25,751	8%	9,466	8%
Cazenove Investment Management Equity Income Trust for Charities	157,973	25%	81,309	25%	28,993	25%
Cazenove Investment Management Growth Trust for Charities	188,776	30%	97,145	30%	34,659	29%
Cazenove International Strategic Debt Fund	42,582	7%	21,861	7%	7,770	7%
Veritas Funds PLC GBL Equity A	50,610	8%	24,972	8%	9,323	8%
Capital Finl Managers Trojan S Income	33,374	5%	17,094	5%	6,105	5%

All of the investments are held within the United Kingdom.

### 12. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
School fees and trade debtors	325,523	309,921	229,222	209,081
Other debtors	105,199	139,877	105,199	139,877
Prepayments and accrued income	35,598	30,477	31,118	26,745
Owed by subsidiary	-	-	175,649	165,866
	<u>466,320</u>	<u>480,275</u>	<u>541,188</u>	<u>541,569</u>

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

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Bank loan (see note 14)	250,000	250,000	250,000	250,000
Trade creditors	517,821	203,968	514,920	203,968
Taxation and social security	160,949	152,170	155,827	151,219
Deposits held	172,052	177,726	172,052	177,726
Other creditors	316,264	175,802	308,506	169,260
Accruals and deferred income (refer to note 14B)	<u>196,846</u>	<u>226,390</u>	<u>196,846</u>	<u>226,390</u>
	<u>1,613,932</u>	<u>1,186,056</u>	<u>1,598,151</u>	<u>1,178,563</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2014

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see below)	1,750,000	2,000,000	1,750,000	2,000,000
Deposits held	405,900	374,172	405,900	374,172
Deferred income (refer to note 14B)	14,041	11,543	14,041	8,743
	<u>2,169,941</u>	<u>2,385,715</u>	<u>2,169,941</u>	<u>2,382,915</u>
The bank loan is repayable by instalments:				
Due after five years	750,000	1,000,000	750,000	1,000,000
Due within two to five years	750,000	750,000	750,000	750,000
Due within one to two years	250,000	250,000	250,000	250,000
	<u>1,750,000</u>	<u>2,000,000</u>	<u>1,750,000</u>	<u>2,000,000</u>
Due within one year	250,000	250,000	250,000	250,000
	<u>2,000,000</u>	<u>2,250,000</u>	<u>2,000,000</u>	<u>2,250,000</u>

The bank loans are secured on an informal deposit of the lease of the School premises. The proportion of the bank loan to the value of the property charged was 13% (2013 – 15%).

The bank loan is repayable in 3 termly instalments of £83,333 over 15 years. Interest is charged is 0.75% above the base rate. The school has entered into an interest rate swap on £2m of the loan balance. Interest is charged at a fixed rate of 3.98%.

### 14B. 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	
	2014	2013
	£	£
Due within one to two years	14,041	8,743
Due within two to five years	-	-
	<u>14,041</u>	<u>8,743</u>
Due within one year	<u>32,475</u>	<u>14,628</u>
	<u>46,516</u>	<u>23,371</u>
The movement during the year on advanced fees were as follows:		
Balance at 1 August 2013	23,371	36,603
New advanced fees received in the year	43,115	-
Amounts utilised in payments of fees	<u>(19,970)</u>	<u>(13,232)</u>
Balance at 31 July 2014	<u>46,516</u>	<u>23,371</u>

**MAGDALEN COLLEGE SCHOOL OXFORD LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 JULY 2014**

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

The net assets belong to the various funds as follows:

	Fixed assets £	Net current assets £	Long term liabilities £	Fund Balances £
Endowed Funds	822,659	-	-	822,659
Restricted Funds	390,622	689,229	-	1,079,851
Unrestricted Funds	<u>16,291,494</u>	<u>1,725,181</u>	<u>(2,169,941)</u>	<u>15,846,734</u>
<b>Company</b>	<u>17,504,775</u>	<u>2,414,410</u>	<u>(2,169,941)</u>	<u>17,749,244</u>
Subsidiary reserves	<u>19,024</u>	<u>(28,416)</u>	-	<u>(9,392)</u>
<b>Group</b>	<u>17,523,799</u>	<u>2,385,994</u>	<u>(2,169,941)</u>	<u>17,739,852</u>

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

	Balance at 1 August 2013 £	Income £	Realised/ Unrealised investment gains £	Transfer £	Balance at 31 July 2014 £
Waynflete Award Fund	424,498	-	11,692	-	436,190
The Leo Goldschmidt Fund	316,984	-	5,945	-	322,929
Magdalen College Endowed	<u>62,993</u>	<u>547</u>	-	-	<u>63,540</u>
<b>Company and Group</b>	<u>804,475</u>	<u>547</u>	<u>17,637</u>	-	<u>822,659</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**

	Balance at 1 August 2013 £	Income £	Expended £	Realised/ Unrealised investment gains / (Transfer) £	Balance at 31 July 2014 £
Magdalen College					
Restricted funds	3,705	32	-	-	3,737
Master's Fund	1,413	12	-	-	1,425
Dr. Winch Memorial Fund	154,226	1,531	(24,400)	-	131,357
Prize and Other Funds	60,275	12,404	(7,222)	-	65,457
Hardship Bursary	11,886	8,803	(6,500)	-	14,189
Other Restricted Fund	106,946	147,869	(7,600)	(51,060)	196,155
Waynflete Award Fund	329,710	48,795	(31,597)	-	346,908
The Leo Goldschmidt Fund	93,896	13,259	-	-	107,155
The David Brunton Fund	149,270	6,857	-	2,143	158,270
OW Hardship Fund	<u>54,722</u>	<u>476</u>	-	-	<u>55,198</u>
<b>Company and Group</b>	<u>966,049</u>	<u>240,038</u>	<u>(77,319)</u>	<u>(48,917)</u>	<u>1,079,851</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2014

### 15B RESTRICTED FUNDS: MOVEMENTS IN THE YEAR (continued)

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

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

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

Hardship Bursary is a specific fund provided by Old Waynfletes to support one outstanding pupil whose family is facing severe financial hardship. The OW Hardship Fund was set up to support pupils whose family are facing financial hardship.

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

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

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

Company and Group	Balance at 1 August 2013 £	Income £	Expended £	Transfers & Investment gains/losses	Balance at 31 July 2014 £
<b>Designated funds</b>					
Master's Fund	<u>1,924</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>1,941</u>
	1,924	17	-	-	1,941
<b>Unrestricted funds</b>					
Income and Expenditure Account	<u>14,833,945</u>	<u>13,500,116</u>	<u>(12,639,647)</u>	<u>51,060</u>	<u>15,745,474</u>
Company	14,835,869	13,500,133	(12,639,647)	51,060	15,747,415
Non-charitable trading funds	<u>51,369</u>	<u>223,813</u>	<u>(185,255)</u>	<u>-</u>	<u>89,927</u>
<b>Group</b>	<u>14,887,238</u>	<u>13,723,946</u>	<u>(12,824,902)</u>	<u>51,060</u>	<u>15,837,342</u>

### 16. CONTRACTS AND COMMITMENTS

At the year end the group has capital commitments totalling £Nil (2013 - £850,476), relating to the various building projects.

<b>Operating lease commitments</b>	<b>2014 £</b>	<b>2013 £</b>
Other:		
Expiring within one year	32,548	13,970
Expiring between two and five years	30,997	31,593
	<u>63,545</u>	<u>45,563</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2014

### 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 £587,196 (2013: £558,229) and at the year-end £83,703 (2013 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2010 and, from 1 April 2014, the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015.

The Department of Education is also proposing that scheme administration costs will be devolved to scheme employers in the form of an administration charge. The Department provisionally estimates that the administration charge will be 0.08% of the employers' salary costs which would increase the employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

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 £103,139 (2013 - £70,199) and at the year-end £26,935 (2013 - £7,997) was accrued in respect of contributions to this scheme.

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

	2014		2013	
	£	£	£	£
Net Incoming resources		1,063,439		809,808
Non-operating cash flows eliminated:				
Financing costs	78,304		100,625	
Depreciation charges added back	710,145		619,314	
Loss on disposal of fixed assets	-		86,671	
(Gain)/loss on disposal of investments	(1,129)		(1,293)	
(Increase)/Decrease in stock	(275)		(783)	
Decrease in debtors	13,955		57,822	
Increase/(Decrease) in creditors	462,102		(2,999)	
Investment income	(66,579)		(62,335)	
		<u>1,196,523</u>		<u>797,022</u>
Net cash inflow from group operations		<u>2,259,962</u>		<u>1,606,830</u>

# MAGDALEN COLLEGE SCHOOL OXFORD LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2014

### 19. ANALYSIS OF CHANGES IN NET CASH RESOURCES OF THE GROUP (NOTE 20)

	2014 £	2013 £
Increase/(Decrease) in cash in the year	972,678	429,482
Cash outflow from decrease in bank loans and finance leases	<u>250,000</u>	<u>250,000</u>
Changes in net funds resulting from cash flows	1,222,678	679,482
Movement in debt in the year	<u>1,222,678</u>	<u>679,482</u>
Net funds/(debt) at 1 August 2013	<u>307,254</u>	<u>(372,228)</u>
<b>Net funds at 31 July 2014</b>	<b><u>1,529,932</u></b>	<b><u>307,254</u></b>

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

	As at 1 August 2013 £	Cash flow £	As at 31 July 2014 £
Cash at bank and in hand	2,551,320	975,621	3,526,941
Cash held as investments	<u>5,934</u>	<u>(2,943)</u>	<u>2,992</u>
	<u>2,557,254</u>	<u>972,678</u>	<u>3,529,933</u>
Debt due after 1 year	(2,000,000)	250,000	(1,750,000)
Debt due within 1 year	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
	<u>(2,250,000)</u>	<u>250,000</u>	<u>(2,000,000)</u>
<b>Total Net (Debt)/Funds</b>	<b><u>307,254</u></b>	<b><u>1,222,678</u></b>	<b><u>1,529,933</u></b>

### 21. RELATED PARTY TRANSACTIONS

Under the provisions of Financial Reporting Standard No.8, related party transactions with MCS Asset Management Limited are exempt from disclosure as the company is a wholly controlled subsidiary of Magdalen College School Oxford Limited and its results are included within these consolidated financial statements.