



MAGDALEN COLLEGE

Report and Financial Statements

For the Year Ended

31 July 2009

MAGDALEN COLLEGE

Report and Financial Statements for the year ended 31 July 2009

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MAGDALEN COLLEGE

Report of the Governing Body

The Governing Body of Magdalen College presents the annual report and financial statements for the year ended 31 July 2009.

Status

Magdalen College was founded by William Waynflete, Bishop of Winchester under a Royal Charter of Henry VI, dated 1457, and a Deed of Foundation dated 1458. The corporation comprises the President and Fellows. The College is an exempt charity under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act).

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, to provide and promote university academic research, and to support other purposes set out in the College statutes. Within these Objects, the College also has various permanently endowed trust funds held for special purposes in connection with the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the President and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, The Bishop of Winchester. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1457, and the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by a range of committees.

Scope of financial statements

The financial statements consolidate the accounts of Magdalen College and the following connected bodies:

- Magdalen Development Company Limited
- Magdalen College Trading Limited
- Magdalen College Educational Conferences Limited
- Magdalen College Law Tutorship Company Limited
- Magdalen College Development Trust

Magdalen Development Company Limited is a wholly owned trading subsidiary of Magdalen College. Its principal activity is that of Property Development.

Magdalen College Trading Limited is a wholly owned trading subsidiary of Magdalen College. It carries out general trading activities, including providing conference facilities at Magdalen College, operating a visitor scheme at the College, and providing accommodation for old members of the College.

Magdalen College Educational Conferences Limited is a company limited by guarantee. Its principal activity is to provide conference facilities at Magdalen College.

Magdalen College Law Tutorship Company Limited is a company limited by guarantee. It was established to administer endowments set up to fund a Law Fellowship at Magdalen College in order to advance learning and academic knowledge for the public benefit.

Magdalen College Development Trust is a Charitable Trust.

MAGDALEN COLLEGE
Report of the Governing Body

Review of operations and finance

The College, together with its subsidiary and connected bodies, generated a deficit of £467k. This was after receiving £462k of legacies and donations for current use. There was an overall cash outflow of £3.07m.

Investment performance

The College's invested assets generated a total return during the year to 31st July 2009 of -16.03% (2007/8 - 1.13%), reflecting the turmoil in credit markets and the increased volatility in values in most major asset classes that have been experienced in 2008/9.

Reserves

The balance on reserves at the year end amounted to £14.081m. After allowing for the amounts invested in fixed assets, amounts designated for the future maintenance refurbishment and renovation of buildings and facilities and the liability relating to the Pension Scheme, the Consolidated General Reserve was £2,701k (note 13). The Governing Body will be reviewing the level of reserves which should be maintained to allow the College to be managed efficiently.

Risk management

The major risks to which the College is exposed have been reviewed and systems have been put in place to manage those risks.

Approved by the Governing Body on 2 December 2009

D C Clary - President

MAGDALEN COLLEGE
Responsibilities of the Governing Body

In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University. The Governing Body is also responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

In preparing the financial statements, the Governing Body has ensured that:

- “ suitable accounting policies are selected and applied consistently;
- “ judgements and estimates are made that are reasonable and prudent;
- “ applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- “ it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

- ◆ ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud;
- ◆ secure the economical, efficient and effective management of the College's resources and expenditure.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Under the Charities Act 1993 the College is an exempt charity and the members of the Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

MAGDALEN COLLEGE

Statement of Principal Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of endowment asset investments, and in accordance with applicable accounting standards and according to the University of Oxford Statute XV to meet specific requirements imposed by University and College statutes.

These specific requirements reflect the provisions set out in the Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education issued in July 2003 but have not been updated for the introduction of the amended version of this SORP issued in July 2007. Due to the proposed future movement of the College financial statements to the Charities SORP, which is expected to be implemented in conjunction with the registration of the Oxford Colleges with the Charity Commission, the University of Oxford College Accounts Committee has concluded that there is no benefit in amending the specific requirements this year.

The financial statements consolidate the accounts of the College and of its subsidiary and associated undertakings: Magdalen Development Company Limited, Magdalen College Trading Limited, Magdalen College Educational Conferences Limited, Madgalen College Development Trust and Magdalen College Law Tutorship Company Limited. The accounts of the affiliated student bodies (Magdalen College Junior and Middle Common Rooms) have not been consolidated because the College does not control these activities.

Recognition of income

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis. Legacies are recognised when the College is legally entitled to the income and the amount can be quantified with reasonable certainty. Entitlement is the earlier of the College being notified of an impending distribution or the legacy's being received.

Income from specific endowments and other restricted income is included to the extent of the relevant expenditure incurred during the year. Under a Policy Document adopted by Governing Body in March 2003, income from general endowments (the use of which is not legally restricted to a specific purpose or activity) is credited to income and expenditure up to a maximum sustainable spend rate of 3.5% expressed as a percentage of appropriately averaged endowment values. In the year to 31 July 2009, 3.5% of appropriately averaged endowment values was credited to the income and expenditure account. This amounted to £992k more than income earned on a receivable basis. In 2008, 2.89% of appropriately averaged endowment values was credited to the income and expenditure account. This amounted to £580k more than income earned on a receivable basis.

Donations

Donations with a restriction on the spending of capital are credited directly to specific or general endowment, in accordance with the wishes of the donor. Unrestricted donations are credited to the income and expenditure account. Restricted donations for current use are credited to the income and expenditure account to the extent that they are spent during the year.

Pension costs

Universities Superannuation Scheme (USS) and University of Oxford Staff Pension Scheme (OSPS): Contributions to the pension schemes are charged to the income and expenditure account on the basis of contributions payable during the year.

Magdalen College Staff Retirement Benefit Scheme (SRBS):

The charge to the income and expenditure account represents the net finance cost as calculated by the actuary.

MAGDALEN COLLEGE
Statement of Principal Accounting Policies

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold properties	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 - 50 years
Equipment	3 - 10 years

Freehold land is not depreciated.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

Donations received to finance the acquisition of tangible fixed assets are treated as deferred capital and released to income on a straight line basis over the same period as the related asset is depreciated.

Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Investments

Endowment asset investments are included in the balance sheet at market value. Current asset investments are included at the lower of cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the income and expenditure account for the year.

MAGDALEN COLLEGE
Statement of Principal Accounting Policies

Taxation status

As an exempt charity within the meaning of Schedule 2 of the Charities Act 1993, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

Trading activities undertaken by the College are administered through its subsidiary companies, which, as commercial organisations, are liable to Corporation Tax. Profits made by these companies are, however, transferred to the College by Gift Aid.

College Contribution Scheme

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by Council.

MAGDALEN COLLEGE

Report of the independent auditors to the Governing Body of Magdalen College

We have audited the financial statements of Magdalen College for the year ended 31 July 2009 which comprise the principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the balance sheets, the consolidated cash flow statement, and notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governing Body, in accordance with the College's statutes. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE GOVERNING BODY AND AUDITORS

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, are set out in the Responsibilities of the Governing Body. The Governing Body are also responsible for the preparation of the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

BASIS OF OPINION

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

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

MAGDALEN COLLEGE

Report of the independent auditors to the Governing Body of Magdalen College (Continued)

OPINION

In our opinion:

a) the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College, and of the College consolidated with its subsidiaries and connected entities, as at 31 July 2009 and of its consolidated deficit for the year then ended; and

b) the financial statements have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the accounts of the colleges made thereunder, and

c) in all material respects, income received from the University of Oxford out of grants from the Higher Education Funding Council for England during the year ended 31 July 2009 has been applied to the purposes for which it was received.

Critchleys
STATUTORY AUDITORS
CHARTERED ACCOUNTANTS
OXFORD

MAGDALEN COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2009

	Notes	2009 £'000	2008 £'000
INCOME			
Academic fees, tuition income and HEFCE support	1	2,293	2,246
Other operating income	2	3,959	4,577
Endowment return and interest receivable	3	4,863	4,052
Total income		<u>11,115</u>	<u>10,875</u>
EXPENDITURE			
Staff costs	4	6,094	5,541
Depreciation	6	373	404
Other operating expenses	6	4,913	4,717
Contribution under Statute XV	6	202	21
Total expenditure	6	<u>11,582</u>	<u>10,683</u>
(Deficit) / Surplus for the year	7	<u>(467)</u>	<u>192</u>

Consolidated Statement of Total Recognised Gains and Losses
Year ended 31 July 2009

	Notes	2009 £'000	2008 £'000
Reserves			
(Deficit) / Surplus for the year		(467)	192
Endowments			
Income receivable from endowment asset investments	12	3,479	2,997
Endowment return transferred to income and expenditure account	12	(4,821)	(3,995)
Depreciation of endowment asset investments	12	(28,005)	(1,423)
New endowments received	12	447	1,339
Other			
Actuarial (loss) / gain on SRBS	5	(76)	278
Total recognised (losses) relating to the year		<u>(29,443)</u>	<u>(612)</u>
Opening reserves and endowments		168,758	169,370
Closing reserves and endowments		<u>139,315</u>	<u>168,758</u>

MAGDALEN COLLEGE
Balance Sheets
As at 31 July 2009

		CONSOLIDATED		COLLEGE	
	Notes	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Fixed assets					
Tangible assets	8	13,068	13,370	11,590	11,891
		<u>13,068</u>	<u>13,370</u>	<u>11,590</u>	<u>11,891</u>
Endowment asset investments					
Securities and cash deposits	9	103,635	131,248	100,707	123,996
Land and property		21,599	23,078	21,599	23,078
		<u>125,234</u>	<u>154,326</u>	<u>122,306</u>	<u>147,074</u>
Current assets:					
Stocks		508	454	508	454
Debtors	10	558	684	6,780	6,263
Cash at bank and in hand		2,076	2,139	1,397	1,642
		<u>3,142</u>	<u>3,277</u>	<u>8,685</u>	<u>8,359</u>
Creditors:					
Amounts falling due within one year	11	(1,688)	(1,820)	(1,610)	(1,814)
		<u>1,454</u>	<u>1,457</u>	<u>7,075</u>	<u>6,545</u>
Net current assets					
		<u>1,454</u>	<u>1,457</u>	<u>7,075</u>	<u>6,545</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>139,756</u>	<u>169,153</u>	<u>140,971</u>	<u>165,510</u>
Pension liability	5	(441)	(395)	(441)	(395)
NET ASSETS INCLUDING PENSION LIABILITY		<u>139,315</u>	<u>168,758</u>	<u>140,530</u>	<u>165,115</u>
Endowments					
Specific		19,528	24,887	17,451	22,157
General		105,706	129,439	104,855	124,917
	12	<u>125,234</u>	<u>154,326</u>	<u>122,306</u>	<u>147,074</u>
Reserves					
General Reserves	13	13,581	13,932	17,724	17,541
Designated Reserves	13	500	500	500	500
		<u>14,081</u>	<u>14,432</u>	<u>18,224</u>	<u>18,041</u>
TOTAL FUNDS		<u>139,315</u>	<u>168,758</u>	<u>140,530</u>	<u>165,115</u>

The financial statements were approved by the Governing Body of Magdalen College on 2 December 2009

MAGDALEN COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2009

	Note	2009 £'000	2008 £'000
Net cash (outflow) from operating activities	15	<u>(5,047)</u>	<u>(3,746)</u>
Returns on investments and servicing of finance			
Income from endowments assets		3,479	2,997
Other income from investments and interest received		42	57
Net cash inflow from returns on investments and servicing of finance		<u>3,521</u>	<u>3,054</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(71)	(336)
Net (acquisition) of endowment asset investments		(1,919)	(423)
Endowments received		447	1,339
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>(1,543)</u>	<u>580</u>
(Decrease) in cash	16	<u>(3,069)</u>	<u>(112)</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease) in cash for the year		(3,069)	(112)
Net funds at 1 August 2008		7,665	7,777
Net funds at 31 July 2009		<u>4,596</u>	<u>7,665</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

	2009 £'000	2008 £'000
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,355	1,835
Tuition fees from overseas students	386	292
Other fees	84	104
Other tuition income and HEFCE support	468	15
	<u>2,293</u>	<u>2,246</u>

The above analysis includes support from the University of Oxford from HEFCE funds amounting to £2,195k (2008 - £1,674k)

	£'000	£'000
2 OTHER OPERATING INCOME		
Residential income from College members	2,387	2,484
Conference and function income	701	807
Grants and donations	462	660
Other income	409	626
	<u>3,959</u>	<u>4,577</u>

	£'000	£'000
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 12)	819	741
Transferred from general endowments (note 12)	4,002	3,254
Other investment income	22	0
Other interest receivable	20	57
	<u>4,863</u>	<u>4,052</u>

	£'000	£'000
4 STAFF COSTS		
Gross pay	4,928	4,525
Social Security costs	367	337
Other pension costs	768	648
Other benefits	31	31
	<u>6,094</u>	<u>5,541</u>

It is standard accounting practice to disclose further information relating to staff numbers and analyses of remuneration for higher paid employees. This information has not been included due to the particular difficulty of presenting meaningful data for staff jointly employed by the University and colleges.

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

5 PENSION SCHEMES

The two principal pension schemes for the College's staff are the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS) (from 1 October 2005). Prior to 1 October 2005, staff were able to accrue benefits for service in the Magdalen College Staff Retirement Benefits Scheme (SRBS). All members of staff were offered the opportunity to join OSPS with effect from 1 October 2005 in order to secure benefits for service from that date. Staff were no longer able to accrue benefits in SRBS after 30 September 2005. The schemes are all contributory, are contracted-out from the State Earnings Related Pension Scheme, and provide benefits based on length of service and final pensionable salary. The assets of USS, OSPS and SRBS are each held in separate trustee-administered funds. The schemes are periodically valued by qualified actuaries using the projected unit method. The levels of contribution take account of any actuarial surpluses or deficiencies in each scheme. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

	USS	OSPS	SRBS
Date of latest actuarial valuation	2008	2007	2006
Investment returns per annum	6.1%	6.9%	5%
Salary increases per annum	4.3%	4.8%	N/A
Pension increases per annum	3.3%	3.3%	3.0%
Market value of assets at latest actuarial valuation	£28.842M	£279M	£4.47M
Funding ratio on a Scheme Valuation basis	103%	87%	85%

The contributions to USS payable by the College during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the College with respect to USS during the accounting period was equal to the contributions payable of £265k (2007/8 - £241k).

The College contributed £55k to SRBS during the year.

OSPS: The actuarial valuation as at 31 July 2007 identified a required long term employer contribution rate of 17.85% of total pensionable salaries, but also a funding deficit of £43.2m. The University, on behalf of all the employers participating in the scheme, has agreed with the Trustees of OSPS to address this deficit by increasing the employer contribution rate to the previously agreed rate of 21.5% of total pensionable salaries with effect from 1 August 2008. The actuary has certified that the additional 3.65% contribution should eliminate the deficit by 31 July 2025. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £457k (2007/8 - £356k).

USS and OSPS are multi employer schemes where the share of assets and liabilities applicable to each employer are not identified. Magdalen College therefore accounts for its pension costs on these two schemes on a defined contribution basis as per FRS17.

USS is a 'last man standing' scheme so that in the event of the withdrawal of any any of the participating employers in USS , the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

Magdalen College Staff Retirement Benefit Scheme (SRBS) - Accounting information and disclosures

Assumptions	2009	2008
	%	%
Inflation	3.70	3.60
Salary increases per annum	n/a	n/a
Rate of discount	6.00	6.30
Pension in payment increases	3.70	3.60
Revaluation rate for deferred pensioners	3.70	3.60
Expected long term rate of return (at start of period) - Scottish Mutual Deferred Annuity Policy	6.30	5.50

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

5 PENSION SCHEMES (Continued)

Scheme Balance Sheet

	£'000	£'000
Assets - Scottish Mutual Deferred Annuity Policy	945	856
Liabilities	1,386	1,251
Deficit in the Scheme	<u>(441)</u>	<u>(395)</u>

Income and Expenditure Account

	2009 £'000	2008 £'000
The charge to the Income and Expenditure Account over the financial year is as follows:		
Current service cost	<u>0</u>	<u>0</u>
Expected return on pension scheme assets	(53)	(74)
Interest on pension scheme liabilities	<u>78</u>	<u>111</u>
Net finance charge / (return)	<u>25</u>	<u>37</u>
Total charge to Income and Expenditure Account	<u>25</u>	<u>37</u>

Statement of Total Recognised Gains and Losses (STRGL)

The amounts included within the Statement of Recognised Gains and Losses are as follows:

	2009		2008	
	£'000	% of scheme assets / liabilities	£'000	% of scheme assets / liabilities
Difference between expected and actual return on assets	13	1.38	(390)	45.5
Experience gains and losses arising on the scheme liabilities	22	1.59	343	27.4
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	(111)	8	325	25.9
Total amount recognised in STRGL	<u>(76)</u>	<u>5.48</u>	<u>278</u>	<u>22.2</u>

Movement in deficit during the year

	2009 £'000	2008 £'000
Deficit in scheme at the beginning of the year	395	674
Movement in the year		
Current service cost	0	0
Net finance charge	25	37
Contributions	(55)	(55)
Payment on transfer to OSPS	0	17
Actuarial loss / (gain)	76	(278)
Deficit in the scheme at the end of the year	<u>441</u>	<u>395</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

6 ANALYSIS OF EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2009 Total £'000	2008 Total £'000
Academic	2,543	8	1,000	3,551	3,076
Residences, catering and conferences	1,629	21	1,428	3,078	2,690
Premises	651	322	869	1,842	2,180
College administration	792	16	482	1,290	1,123
Endowment management	0	0	606	606	620
Fundraising	157	2	159	318	333
Other	322	4	369	695	640
	<u>6,094</u>	<u>373</u>	<u>4,913</u>	<u>11,380</u>	<u>10,662</u>
Contribution under Statute XV				202	21
Total expenditure				<u>11,582</u>	<u>10,683</u>
Other operating expenses include auditors' remuneration:					
in respect of the audit of these financial statements				15	15
in respect of other services				<u>2</u>	<u>2</u>

The above analysis includes expenditure in respect of UK and European Union publicly funded students amounting to £2,195k (2007/8 - £1,674k).

7 (DEFICIT) / SURPLUS FOR THE YEAR

The (deficit) / surplus for the year is made up as follows:

	2009 £'000	2008 £'000
College (deficit) / surplus for the year	(18)	294
(Deficit) generated by the subsidiary undertakings	(449)	(102)
	<u>(467)</u>	<u>192</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

8 TANGIBLE FIXED ASSETS

COLLEGE

	Freehold Land & buildings £'000	Equipment £'000	Total £'000
Cost			
At start of year	14,813	1,195	16,008
Additions	0	69	69
Disposals	0	(118)	(118)
At end of year	<u>14,813</u>	<u>1,146</u>	<u>15,959</u>
Depreciation			
At start of year	3,196	921	4,117
Charge for period	296	74	370
On disposals	0	(118)	(118)
At end of year	<u>3,492</u>	<u>877</u>	<u>4,369</u>
Net book value			
At end of year	<u>11,321</u>	<u>269</u>	<u>11,590</u>
At start of year	<u>11,617</u>	<u>274</u>	<u>11,891</u>

CONSOLIDATED

	Freehold Land & buildings £'000	Equipment £'000	Total £'000
Cost			
At start of year	14,813	2,804	17,617
Additions	0	71	71
Disposals	0	(126)	(126)
At end of year	<u>14,813</u>	<u>2,749</u>	<u>17,562</u>
Depreciation			
At start of year	3,196	1,051	4,247
Charge for period	296	77	373
On disposals	0	(126)	(126)
At end of year	<u>3,492</u>	<u>1,002</u>	<u>4,494</u>
Net book value			
At end of year	<u>11,321</u>	<u>1,747</u>	<u>13,068</u>
At start of year	<u>11,617</u>	<u>1,753</u>	<u>13,370</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

9 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash £'000	Land & property £'000	Total £'000	Securities & cash £'000	Land & property £'000	Total £'000
At market value						
At start of year	131,248	23,078	154,326	123,996	23,078	147,074
Net additions / (disposals) of Endowment assets	(1,237)	150	(1,087)	(1,141)	150	(991)
Revaluation (losses)	(26,376)	(1,629)	(28,005)	(22,148)	(1,629)	(23,777)
At end of year	<u>103,635</u>	<u>21,599</u>	<u>125,234</u>	<u>100,707</u>	<u>21,599</u>	<u>122,306</u>
Analysed as						
Equities	70,564			68,500		
Investment in subsidiary undertaking				17,010		
Joint Venture	17,854					
Unlisted securities	12,697			12,697		
Cash	2,520			2,500		
	<u>103,635</u>			<u>100,707</u>		
Historical cost at end of year	<u>88,100</u>			<u>85,255</u>		

Estates land and property has been valued at 31 July 2009 by the College's Estate Managers, Savills, at market value.

The investment in the Joint Venture represents 50% of the gross assets and gross liabilities of the Oxford Science Park Joint Venture at 31st July 2009. Within the Joint Venture, fixed assets are valued on a market basis. The last valuation was carried out on 31 December 2008 by DTZ Debenham Tie Leung Limited. Stocks are valued at the lower of cost and net realisable value.

	£'000
Share of gross assets	20,429
Share of gross liabilities	(2,575)
	<u>17,854</u>

10 DEBTORS

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Amounts falling due within one year:				
Trade debtors	194	282	68	169
Amounts owed by College members	137	117	137	117
Amounts owed by group undertakings	0	0	6,405	5,784
Loans	18	8	18	8
Prepayments and accrued income	100	182	100	151
Other debtors	109	95	52	34
	<u>558</u>	<u>684</u>	<u>6,780</u>	<u>6,263</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
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11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Trade creditors	200	276	127	274
College Contribution	220	240	220	240
Other taxation and social security	22	57	22	57
Internal clubs and societies	60	46	60	45
Sundry restricted funds	209	257	209	257
Owed to College members	64	59	64	59
Accruals and deferred income	812	616	807	645
Other creditors	101	269	101	237
	<u>1,688</u>	<u>1,820</u>	<u>1,610</u>	<u>1,814</u>

12 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific £'000	General £'000	Total £'000	Specific £'000	General £'000	Total £'000
At start of year	24,887	129,439	154,326	22,157	124,917	147,074
Endowments received	447	0	447	440	0	440
Depreciation of endowment investments	(5,456)	(22,549)	(28,005)	(4,831)	(18,946)	(23,777)
Income receivable from endowment asset investments	469	3,010	3,479	415	3,163	3,578
Transfer (to) income and expenditure account (note 3)	(819)	(4,002)	(4,821)	(730)	(4,002)	(4,732)
Transfer (to) reserves	0	(192)	(192)	0	(277)	(277)
At end of year	<u>19,528</u>	<u>105,706</u>	<u>125,234</u>	<u>17,451</u>	<u>104,855</u>	<u>122,306</u>

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity.

Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity.

Specific Endowments (consolidated and College) include Funds valued at £416k which provide income for purposes that lie outside the objects of the College. Income arising amounted to £10k.

General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

13 RESERVES

GENERAL RESERVES	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At start of year	13,932	13,984	17,541	16,229
(Deficit) / surplus from income and expenditure account	(467)	192	(18)	294
Actuarial (loss) / gain on SRBS	(76)	278	(76)	278
Transfer from / (to) endowment	192	(22)	277	1,240
Transfer (to) designated reserves	0	(500)	0	(500)
At end of year	13,581	13,932	17,724	17,541

	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Representing:				
Undepreciated cost of Land and Buildings financed out of general reserve	11,321	11,617	11,321	11,617
Pension liability	(441)	(395)	(441)	(395)
College general reserve	2,701	2,710	6,844	6,319
	13,581	13,932	17,724	17,541

DESIGNATED RESERVES	CONSOLIDATED		COLLEGE	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
At start of year	500	0	500	0
Transfer from general reserves	0	500	0	500
At end of year	500	500	500	500

Designated reserves are those reserves set aside by Magdalen College to be used for a specific purpose, and which do not form part of Magdalen's Endowment Funds. At 31 July 2009 they comprised:

CONSOLIDATED AND COLLEGE	2009 £'000	2008 £'000
Reserve for maintenance, refurbishment and renovation of buildings and facilities	<u>500</u>	<u>500</u>

14 COMMITMENTS

CONSOLIDATED AND COLLEGE	2009 £'000	2008 £'000
Commitments contracted at 31 July 2009	<u>-</u>	<u>-</u>

MAGDALEN COLLEGE
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**15 RECONCILIATION OF CONSOLIDATED OPERATING (DEFICIT) / SURPLUS TO NET CASH
OUTFLOW FROM OPERATING ACTIVITIES**

	2009 £'000	2008 £'000
(Deficit) / surplus for the year	(467)	192
Actuarial (loss) / gain on SRBS	(76)	278
Depreciation	373	404
Endowment income and interest receivable	(4,863)	(4,052)
Increase in stocks	(54)	(54)
Decrease in debtors	126	190
(Decrease) in creditors	(132)	(425)
Increase / (decrease) in provisions	46	(279)
	<u>(5,047)</u>	<u>(3,746)</u>

16 ANALYSIS OF CHANGES IN NET FUNDS

	2009 £'000	Changes £'000	2008 £'000
Cash at bank and in hand	2,076	63	2,139
Endowment assets cash	2,520	3,006	5,526
	<u>4,596</u>	<u>3,069</u>	<u>7,665</u>

17 FINANCIAL COMMITMENTS

There were no annual commitments under non-cancellable operating leases at 31 July 2009.

18 POST BALANCE SHEET EVENTS

There were no material events occurring after the date of the balance sheet.

19 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2009.

20 RELATED PARTY TRANSACTIONS

There were no material related party transactions in the year to 31 July 2009.