



MAGDALEN COLLEGE

Report and Financial Statements

For the Year Ended

31 July 2010

MAGDALEN COLLEGE

Report and Financial Statements for the year ended 31 July 2010

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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 2010.

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 has until now had exempt status under s3(5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act), and this report and financial statements are prepared in the appropriate form for that status. However, under the Charities Act 2006, the College is required to register with the Charity Commission and is currently undergoing that process. The accounts for the year ended 31 July 2011 will be drawn up to comply with the Statement of Recommended Practice (SORP) for Charities.

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 surplus of £85k. This was after receiving £565k of legacies and donations for current use. There was an overall cash inflow of £1.93m.

Investment performance

The College's invested assets generated a total return during the year to 31st July 2010 of 8.87% (2008/9 16.06% negative return).

Reserves

The balance on reserves at the year end amounted to £15.01m. 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 £3,994k (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.

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.

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 2010, 3.3% of appropriately averaged endowment values was credited to the income and expenditure account. This amounted to £1,005k more than income earned on a receivable basis. In 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.

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 2010 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 2010 and of its consolidated surplus 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 2010 has been applied to the purposes for which it was received.

**Critchleys LLP
STATUTORY AUDITORS
CHARTERED ACCOUNTANTS
OXFORD**

MAGDALEN COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
INCOME			
Academic fees, tuition income and HEFCE support	1	2,347	2,293
Other operating income	2	4,350	3,959
Endowment return and interest receivable	3	4,515	4,863
Total income		<u>11,212</u>	<u>11,115</u>
EXPENDITURE			
Staff costs	4	6,273	6,094
Depreciation	6	381	373
Other operating expenses	6	4,306	4,913
Contribution under Statute XV	6	167	202
Total expenditure	6	<u>11,127</u>	<u>11,582</u>
Surplus / (Deficit) for the year	7	<u>85</u>	<u>(467)</u>

Consolidated Statement of Total Recognised Gains and Losses
Year ended 31 July 2010

	Notes	2010 £'000	2009 £'000
Reserves			
Surplus / (Deficit) for the year		85	(467)
Endowments			
Income receivable from endowment asset investments	12	3,105	3,479
Endowment return transferred to income and expenditure account	12	(4,493)	(4,821)
Appreciation / (Depreciation) of endowment asset investments	12	8,551	(28,005)
New endowments received	12	4,068	447
Other			
Actuarial (loss) on SRBS	5	(90)	(76)
Total recognised gains / (losses) relating to the year		<u>11,226</u>	<u>(29,443)</u>
Opening reserves and endowments		139,315	168,758
Closing reserves and endowments		<u>150,541</u>	<u>139,315</u>

MAGDALEN COLLEGE
Balance Sheets
As at 31 July 2010

		CONSOLIDATED		COLLEGE	
	Notes	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Fixed assets					
Tangible assets	8	12,755	13,068	13,385	11,590
		<u>12,755</u>	<u>13,068</u>	<u>13,385</u>	<u>11,590</u>
Endowment asset investments	9				
Securities and cash deposits		113,070	103,635	109,691	100,707
Land and property		22,459	21,599	22,459	21,599
		<u>135,529</u>	<u>125,234</u>	<u>132,150</u>	<u>122,306</u>
Current assets:					
Stocks		495	508	495	508
Debtors	10	927	558	4,843	6,780
Cash at bank and in hand		3,257	2,076	2,666	1,397
		<u>4,679</u>	<u>3,142</u>	<u>8,004</u>	<u>8,685</u>
Creditors:					
Amounts falling due within one year	11	(1,915)	(1,688)	(1,898)	(1,610)
		<u>2,764</u>	<u>1,454</u>	<u>6,106</u>	<u>7,075</u>
Net current assets					
		<u>2,764</u>	<u>1,454</u>	<u>6,106</u>	<u>7,075</u>
NET ASSETS EXCLUDING PENSION LIABILITY		151,048	139,756	151,641	140,971
Pension liability	5	(507)	(441)	(507)	(441)
		<u>150,541</u>	<u>139,315</u>	<u>151,134</u>	<u>140,530</u>
NET ASSETS INCLUDING PENSION LIABILITY					
		<u>150,541</u>	<u>139,315</u>	<u>151,134</u>	<u>140,530</u>
Endowments					
Specific		24,669	19,528	22,477	17,451
General		110,860	105,706	109,673	104,855
	12	<u>135,529</u>	<u>125,234</u>	<u>132,150</u>	<u>122,306</u>
Reserves					
General Reserves	13	14,512	13,581	18,484	17,724
Designated Reserves	13	500	500	500	500
		<u>15,012</u>	<u>14,081</u>	<u>18,984</u>	<u>18,224</u>
TOTAL FUNDS		<u>150,541</u>	<u>139,315</u>	<u>151,134</u>	<u>140,530</u>

The financial statements were approved by the Governing Body of Magdalen College on 1 December 2010

MAGDALEN COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2010

	Note	2010 £'000	2009 £'000
Net cash (outflow) from operating activities	15	<u>(4,202)</u>	<u>(5,047)</u>
Returns on investments and servicing of finance			
Income from endowments assets		3,105	3,479
Other income from investments and interest received		22	42
Net cash inflow from returns on investments and servicing of finance		<u>3,127</u>	<u>3,521</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(68)	(71)
Net (acquisition) of endowment asset investments		(999)	(1,919)
Endowments received		4,068	447
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>3,001</u>	<u>(1,543)</u>
Increase / (decrease) in cash	16	<u>1,926</u>	<u>(3,069)</u>
Reconciliation of net cash flow to movement in net funds			
Increase / (decrease) in cash for the year		1,926	(3,069)
Net funds at 1 August 2009		4,596	7,665
Net funds at 31 July 2010		<u>6,522</u>	<u>4,596</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

	2010 £'000	2009 £'000
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,383	1,355
Tuition fees from overseas students	419	386
Other fees	93	84
Other tuition income and HEFCE support	452	468
	<u>2,347</u>	<u>2,293</u>

The above analysis includes £1,779k received from Oxford University under the CFF scheme, net of College fees received directly (2009 - £1,736k).

	£'000	£'000
2 OTHER OPERATING INCOME		
Residential income from College members	2,491	2,387
Conference and function income	903	701
Grants and donations	565	462
Other income	391	409
	<u>4,350</u>	<u>3,959</u>

	£'000	£'000
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 12)	693	819
Transferred from general endowments (note 12)	3,800	4,002
Other investment income	15	22
Other interest receivable	7	20
	<u>4,515</u>	<u>4,863</u>

	£'000	£'000
4 STAFF COSTS		
Gross pay	5,071	4,928
Social Security costs	376	367
Other pension costs	798	768
Other benefits	28	31
	<u>6,273</u>	<u>6,094</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 2010

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 contribution to USS payable by the College during the accounting period was 14% of total pensionable salaries until 30 September 2009 and 16% from 1 October 2009. The pensions charge recorded by the College with respect to USS during the accounting period was equal to the contributions payable of £305k (2008/9 - £265k).

The College contributed £50k 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 £465k (2008/9 - £457k).

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	2010	2009
	%	%
Inflation	3.40	3.70
Salary increases per annum	n/a	n/a
Rate of discount	5.50	6.00
Pension in payment increases	3.40	3.70
Revaluation rate for deferred pensioners	3.40	3.70
Expected long term rate of return (at start of period) - Scottish Mutual Deferred Annuity Policy	6.00	6.30

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

5 PENSION SCHEMES (Continued)

Scheme Balance Sheet	2010 £'000	2009 £'000
Assets - Scottish Mutual Deferred Annuity Policy	1,047	945
Liabilities	1,554	1,386
Deficit in the Scheme	<u>(507)</u>	<u>(441)</u>

Income and Expenditure Account	2010 £'000	2009 £'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	(57)	(53)
Interest on pension scheme liabilities	<u>83</u>	<u>78</u>
Net finance charge / (return)	<u>26</u>	<u>25</u>
Total charge to Income and Expenditure Account	<u>26</u>	<u>25</u>

Statement of Total Recognised Gains and Losses (STRGL)

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

	2010 £'000	% of scheme assets / liabilities	2009 £'000	% of scheme assets / liabilities
Difference between expected and actual return on assets	2	0.19	13	1.38
Experience gains and losses arising on the scheme liabilities	42	4.02	22	1.59
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	(134)	8.62	(111)	8
Total amount recognised in STRGL	<u>(90)</u>	<u>5.79</u>	<u>(76)</u>	<u>5.48</u>

Movement in deficit during the year	2010 £'000	2009 £'000
Deficit in scheme at the beginning of the year	441	395
Movement in the year		
Current service cost	0	0
Net finance charge	26	25
Contributions	(50)	(55)
Actuarial loss	90	76
Deficit in the scheme at the end of the year	<u>507</u>	<u>441</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

6 ANALYSIS OF EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other operating expenses £'000	2010 Total £'000	2009 Total £'000
Academic	2,594	7	942	3,543	3,551
Residences, catering and conferences	1,645	22	1,300	2,967	3,078
Premises	640	323	849	1,812	1,842
College administration	837	23	321	1,181	1,290
Endowment management	0	0	469	469	606
Fundraising	207	2	145	354	318
Other	350	4	280	634	695
	<u>6,273</u>	<u>381</u>	<u>4,306</u>	<u>10,960</u>	<u>11,380</u>
Contribution under Statute XV				167	202
Total expenditure				<u>11,127</u>	<u>11,582</u>
Other operating expenses include auditors' remuneration: in respect of the audit of these financial statements				17	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 £1,779k (2009 - £1,736k).

7 SURPLUS / (DEFICIT) FOR THE YEAR

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

	2010 £'000	2009 £'000
College surplus / (deficit) for the year	356	(18)
(Deficit) generated by the subsidiary undertakings	(271)	(449)
	<u>85</u>	<u>(467)</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

8 TANGIBLE FIXED ASSETS

COLLEGE

	Freehold Land & buildings £'000	Equipment £'000	Total £'000
Cost			
At start of year	14,813	1,146	15,959
Additions	0	2,174	2,174
Disposals	0	(27)	(27)
At end of year	<u>14,813</u>	<u>3,293</u>	<u>18,106</u>
Depreciation			
At start of year	3,492	877	4,369
Charge for period	296	83	379
On disposals	0	(27)	(27)
At end of year	<u>3,788</u>	<u>933</u>	<u>4,721</u>
Net book value			
At end of year	<u>11,025</u>	<u>2,360</u>	<u>13,385</u>
At start of year	<u>11,321</u>	<u>269</u>	<u>11,590</u>

CONSOLIDATED

	Freehold Land & buildings £'000	Equipment £'000	Total £'000
Cost			
At start of year	14,813	2,749	17,562
Additions	0	68	68
Disposals	0	(32)	(32)
At end of year	<u>14,813</u>	<u>2,785</u>	<u>17,598</u>
Depreciation			
At start of year	3,492	1,002	4,494
Charge for period	296	85	381
On disposals	0	(32)	(32)
At end of year	<u>3,788</u>	<u>1,055</u>	<u>4,843</u>
Net book value			
At end of year	<u>11,025</u>	<u>1,730</u>	<u>12,755</u>
At start of year	<u>11,321</u>	<u>1,747</u>	<u>13,068</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

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	103,635	21,599	125,234	100,707	21,599	122,306
Net additions / (disposals) of Endowment assets	1,744	0	1,744	1,787	0	1,787
Revaluation gains	7,691	860	8,551	7,197	860	8,057
At end of year	<u>113,070</u>	<u>22,459</u>	<u>135,529</u>	<u>109,691</u>	<u>22,459</u>	<u>132,150</u>
Analysed as						
Equities	65,615			63,716		
Cash held by Fund Manager	9,829			9,544		
Investment in subsidiary undertaking	0			17,010		
Joint Venture	18,190					
Unlisted securities	16,171			16,171		
Cash	3,265			3,250		
	<u>113,070</u>			<u>109,691</u>		
Historical cost at end of year	<u>107,379</u>			<u>104,361</u>		

Estates land and property has been valued at 31 July 2010 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 2010. Within the Joint Venture, fixed assets are valued on a market basis. The last valuation was carried out on 31 December 2009 by Jones Lang LaSalle. Stocks are valued at the lower of cost and net realisable value.

	£'000
Share of gross assets	20,679
Share of gross liabilities	(2,489)
	<u>18,190</u>

10 DEBTORS

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Amounts falling due within one year:				
Trade debtors	366	194	117	68
Amounts owed by College members	153	137	153	137
Amounts owed by group undertakings	0	0	4,369	6,405
Loans	10	18	10	18
Prepayments and accrued income	291	100	104	100
Other debtors	107	109	90	52
	<u>927</u>	<u>558</u>	<u>4,843</u>	<u>6,780</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2010

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Trade creditors	179	200	178	127
College Contribution	195	220	195	220
Other taxation and social security	73	22	73	22
Internal clubs and societies	68	60	68	60
Sundry restricted funds	227	209	227	209
Amounts owed to College members	67	64	67	64
Accruals and deferred income	868	812	853	807
Other creditors	238	101	237	101
	<u>1,915</u>	<u>1,688</u>	<u>1,898</u>	<u>1,610</u>

12 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific £'000	General £'000	Total £'000	Specific £'000	General £'000	Total £'000
At start of year	19,528	105,706	125,234	17,451	104,855	122,306
Endowments received	4,068	0	4,068	4,061	0	4,061
Appreciation of endowment investments	1,456	7,095	8,551	1,299	6,758	8,057
Income receivable from endowment asset investments	310	2,795	3,105	276	2,354	2,630
Transfer (to) income and expenditure account (note 3)	(693)	(3,800)	(4,493)	(610)	(3,800)	(4,410)
Transfer (to) reserves	0	(936)	(936)	0	(494)	(494)
At end of year	<u>24,669</u>	<u>110,860</u>	<u>135,529</u>	<u>22,477</u>	<u>109,673</u>	<u>132,150</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 £665k which provide income for purposes that lie outside the objects of the College. Income arising amounted to £11k.

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 2010

13 RESERVES

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
GENERAL RESERVES				
At start of year	13,581	13,932	17,724	17,541
Surplus / (deficit) / from income and expenditure account	85	(467)	356	(18)
Actuarial (loss) / gain on SRBS	(90)	(76)	(90)	(76)
Transfer from / (to) endowment	936	192	494	277
Transfer (to) designated reserves	0	0	0	0
At end of year	14,512	13,581	18,484	17,724

	CONSOLIDATED		COLLEGE	
	£'000	£'000	£'000	£'000
Representing:				
Undepreciated cost of Land and Buildings financed out of general reserve	11,025	11,321	11,025	11,321
Pension liability	(507)	(441)	(507)	(441)
College general reserve	3,994	2,701	7,966	6,844
	14,512	13,581	18,484	17,724

	CONSOLIDATED		COLLEGE	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
DESIGNATED RESERVES				
At start of year	500	500	500	500
Transfer from general reserves	0	0	0	0
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 2010 they comprised:

CONSOLIDATED AND COLLEGE	2010 £'000	2009 £'000
Reserve for maintenance, refurbishment and renovation of buildings and facilities	500	500

14 COMMITMENTS

CONSOLIDATED AND COLLEGE	2010 £'000	2009 £'000
Commitments contracted at 31 July 2010	-	-

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

	2010 £'000	2009 £'000
Surplus / (deficit) for the year	85	(467)
Actuarial (loss) on SRBS	(90)	(76)
Depreciation	381	373
Endowment income and interest receivable	(4,515)	(4,863)
(Increase) / decrease in stocks	13	(54)
(Increase) / decrease in debtors	(369)	126
Increase / (decrease) in creditors	227	(132)
Increase in provisions	66	46
	<u>(4,202)</u>	<u>(5,047)</u>

16 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Changes £'000	2009 £'000
Cash at bank and in hand	3,257	(1,181)	2,076
Endowment assets cash	3,265	(745)	2,520
	<u>6,522</u>	<u>(1,926)</u>	<u>4,596</u>

17 FINANCIAL COMMITMENTS

There were no annual commitments under non-cancellable operating leases at 31 July 2010.

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 2010.

20 RELATED PARTY TRANSACTIONS

There were no material related party transactions in the year to 31 July 2010.