



MAGDALEN COLLEGE

Report and Financial Statements

for the Year Ended 31 July 2018

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REPORT OF THE GOVERNING BODY

The Members of the Governing Body, who act as the Charity Trustees, present their Annual Report for the year ended 31 July 2018 under the Charities Act 2011 together with the audited financial statements for the year.

1. REFERENCE and ADMINISTRATIVE INFORMATION

The College of St Mary Magdalen in the University of Oxford, which is known as Magdalen College (“the College”), is a chartered charitable corporation aggregate. It was founded in 1458 by William Waynflete, Bishop of Winchester.

The College was registered with the Charity Commission on 27 May 2011 (registered number 1142149).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the advisers of the College, are given on pages 12 to 16.

2. STRUCTURE, GOVERNANCE and MANAGEMENT

a. Governing Documents

The College is governed by its Statutes dated 25 October 2010.

b. Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Bishop of Winchester. The Governing Body is self-appointing.

The Governing Body sets the strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by its Standing Committees.

c. Recruitment and Training of Members of the Governing Body

New Members of the Governing Body are recruited through open competition to advertised posts or through promotion, and are elected on the basis of their abilities in teaching, research or administration. They are inducted into the workings of the College, including Governing Body policy and procedures, by the President, other College Officers and assigned mentors, and may attend external trustee training and information courses to keep them informed about regulatory requirements and current issues in the sector.

d. Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body who are Fellows are teaching and research employees of the College and/or University and receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College’s Remuneration Committee, some members of which are Fellows not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University’s academic staff.

e. Organisational Management

The Governing Body normally meets ten times a year. Standing Committees of the Governing Body develop policies for approval by the full Governing Body and subsequently monitor their implementation. The duties

and membership of the Standing Committees are described in detail in the Statutes and Bylaws of the College. The main Standing Committees and their areas of responsibility are

- Tutorial Board: academic matters including the selection and appointment of Tutorial Fellows and Lecturers, and the admission, instruction, support and discipline of junior members of the College.
- Bursarial Committee: all financial matters relevant to the College including the preparation of budgets and monitoring actual income and expenditure through management accounts.
- Investment Committee: policy for the investment of endowment and other assets and overseeing the management of these assets in a manner consistent with approved policy.
- Development and Alumni Relations Committee: objectives and strategies for fundraising and alumni relations.
- Chapel and Choir Committee: matters connected with the Chapel and Choir.
- Human Resources Committee: ensuring that the College operates in compliance with the law and best practice in employment matters.
- Libraries and Archives Committee: matters concerning the Libraries and Archives.
- Fellowship Committee: matters relating to Fellowship appointments.
- Remuneration Committee: matters relating to remuneration and benefits payable to Fellows in accordance with the College Statutes.

The day-to-day management of the College is delegated to its main officers: The President (Professor Sir David Clary), Bursar (Mr J R H Maw), Senior Tutor (Dr M P Pobjoy) and Home Bursar (Mr M R Blandford-Baker). The Dean of Divinity (Revd Dr J Arnold) is responsible for the Chapel; the Librarian (Mr D T Green) for the Library and Archives; and the Acting Development Director (Mrs H Ebner) for Fundraising and Alumni Relations.

f. Group Structure and Relationships

The College has the following subsidiary companies and connected bodies:

- The Oxford Science Park Limited is a wholly owned trading subsidiary of Magdalen College. Its principal activities are the management of the Oxford Science Park and related property development. The company's annual profits are donated to the College under the Gift Aid Scheme.
- Magdalen College Trading Limited is a wholly owned trading subsidiary of Magdalen College. It undertakes general trading activities, including providing conference facilities and operating a visitor scheme at the College and providing accommodation for old members visiting the College. The company's annual profits are donated to the College under the Gift Aid Scheme.
- Magdalen College Educational Conferences Limited is a company limited by guarantee. Its principal activity is the provision of conference facilities at the College.
- Magdalen College Development Trust is a charitable trust. The Trust was established primarily as a fundraising body to meet the needs of the College and to support the College on fundraising strategy, projects and execution.
- Magdalen Development Company Limited is a wholly owned subsidiary of Magdalen College. Its principal activity is property development.

The College administers numerous special trusts which are detailed in note 18 to the financial statements.

The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

Magdalen College School Oxford Limited is not included as a subsidiary as the College does not derive benefit, as defined in the Charities SORP, from the school.

3. OBJECTIVES and ACTIVITIES

a. Charitable Objects and Aims

The College's objects, described in the Statutes, are

- (a) to further study, learning, education and research and to be a College within the University of Oxford wherein men and women may carry out advanced study and research (described in the Statutes as learning and education);
- (b) to provide for public worship through the provision, support and maintenance of a Chapel and Choir; and
- (c) insofar as it is not incompatible with objects (a) and (b), the advancement of the arts, heritage, culture and science for the benefit of the public.

b. Aims for the Public Benefit

The Governing Body has considered the Charity Commission's guidance on public benefit and in keeping with its objects, the College's aims for the public benefit are:

- to admit undergraduate and graduate students of the highest academic standard;
- to provide the best education and facilities for undergraduate and graduate students to enable them to fulfil their potential as effective and productive members of society;
- to provide support and facilities for study and research by students and Fellows;
- to support students financially through the provision of scholarships, bursaries, grants and allowances;
- to support the College Choir and provide for public worship in the College Chapel; and
- to preserve the College buildings and grounds for the benefit of current and future members of the College and members of the public who may visit the College.

Although the Members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in study, learning, education or research, there are many other beneficiaries. These include students and academic staff from other Colleges within the University of Oxford and from the University more broadly, visiting academics from other institutions of higher education, visiting students and schoolchildren, and the general public. The output from research undertaken by students and Fellows in the sciences, social sciences and humanities provides exceptional long-term public benefit.

The College's subsidiary companies help finance the achievement of the College's aims, described above.

c. Activities and Objectives of the College

The College's activities are focused on furthering its stated objects and aims for the public benefit. The principal activities of the College are study, learning, education and research. The College admits undergraduates for courses at the University of Oxford and accepts graduates admitted by the University.

In conjunction with the University, the College provides a world-class education through small-group teaching and academic supervision for undergraduates. Tutorial teaching is provided by Fellows with international research reputations in essentially all the subjects studied by the College's undergraduates. This provision is reinforced by the appointment of stipendiary and retained lecturers and additional tutors. The College makes available seminars, lectures and other academic gatherings for all students. The College provides a specialist choral musical education for its choral students, who, together with the choristers of Magdalen College School, make up the College's internationally renowned Choir.

The College provides academic advisers for graduate students to assist each student's academic development. For those graduates who are clinical medical students the College also provides clinical teaching.

The College aims to support research of the highest international quality carried out and published by Fellows and graduate students. The appointment of Junior Research Fellows (Fellows by Examination) and Visiting Fellows also furthers this aim. The College directly supports the work of its Fellows and students by providing study space and library facilities, encouraging interaction across academic disciplines and making funding available for attendance at national and international conferences, field trips and research materials. In addition, the College has several seminar rooms and an excellent auditorium that can accommodate up to 160 people, facilities that may also be used by groups from outside the College.

The College maintains five libraries, delivering essential resources for students and Fellows, other members of the University, visiting scholars and researchers, as well as members of the public. There is also an extensive and valuable collection of archives dating back to the twelfth century. A full-time professional Archivist is employed who assists academics and members of the public with their enquiries. The College provides internet connectivity to all its Members and staff and maintains an informative website.

The College provides living accommodation for all its undergraduates and guarantees at least two years' accommodation for its graduates. Some Fellows live in College and all Tutorial Fellows have an appropriate teaching room in College. Welfare support for all students is offered by the Deans of Arts, the Dean of Divinity, the Tutor for Equality and Diversity, the Tutor for Welfare, Fellows and other members of the College staff.

Students are encouraged to take part in extra-curricular activities and excellent facilities are available in College for this purpose, particularly for sports, music and theatre. Student participation in societies in the College and University is also encouraged.

For the period 2015-20 the College has adopted a Strategic Plan, to act as a focus for its work in pursuit of its objectives. This Plan consists of a Vision ('a unique home for world-class learning and education within a world-class university') and four Priorities designed to secure that Vision, namely (1) the pursuit of excellence in teaching and research; (2) an outstanding collegial experience for all members of the Magdalen community; (3) the enhancement of our beautiful environment and unique cultural heritage; and (4) the communication of Magdalen's character and goals to a global audience. The Plan itemises means of achievement (for example, its Size and Shape Plan) and measures of success for each Priority, to which reference is made individually in what follows.

d. Equality of Opportunity

The College is committed to equality of opportunity in its selection and appointment processes. The focus of the College is strongly academic, so students and academic staff must satisfy high academic entry requirements. The College admits to student places those who have the highest potential for benefiting from the education provided by the College and the University, and appoints to academic positions those who are able to contribute most to the academic excellence of the College and the University. The College's objects are not restricted by geography, age or religious affiliation. Students and staff are drawn from across the UK and internationally; there are no age restrictions in the College's objects; and members of the College have a wide variety of faith traditions or none.

To help raise educational aspiration and attract outstanding candidates who might not otherwise have considered applying, the College supports various outreach activities, including visits to schools, visits by schools to the College, open days, and the provision of guidance and information on the College website for prospective applicants. Since the appointment of a full-time Outreach and Communications Officer in 2012 the College has significantly extended its activities in these areas, and has also appointed a Fellow with responsibility for Outreach. The College and the University jointly provide Oxford Bursaries (a scheme approved by the Office for Fair Access), to help support undergraduate students with limited financial means. The College also operates a Student Support Fund to assist any of its students who experience financial hardship, and supports all its students through travel and research grants (see section 4c for details). The fourth Priority of the Strategic Plan is designed to assist the College's efforts to promote equality of opportunity.

4. ACHIEVEMENTS and PERFORMANCE in the YEAR to 31 JULY 2018

In the year under review the main achievements of the College, measured against its objectives, included the following:

a. Academic

The student population of the College consisted of 385 undergraduates on average, undertaking a mixture of three- and four-year courses, and 248 graduates, of whom 85 were studying for degrees in clinical medicine (27) or taught masters degrees (58) and 163 were undertaking research for doctorates.

The examination performance of the undergraduates (a measure of success under the first Priority of the Strategic Plan) was outstanding. Fifty-two out of 110 Finalists gained First Class Honours. Magdalen was placed second in the interim Norrington Table, which ranks the final examination results of 30 colleges in the University. Twenty-six undergraduates achieved distinctions or first-class results in University examinations taken in the earlier years of their courses. Twenty-one graduates who completed taught courses achieved distinctions in their final exams. Many University prizes and awards were won by undergraduates and graduates of the College.

Here are given examples of major achievements in priority areas of our Strategic Plan. In the last academic year Magdalen Fellows published a large number of research papers, books, and other original outputs. They also presented many research lectures and seminars to international audiences. Major research awards included: Professor Liam Dolan and Professor Kevin Foster won European Research Council Advanced Grants; Professor Jane Gingrich won a European Research Council Starter Grant; Professor Jeremias Prassl was awarded the Wedderburn Prize for a publication in the *Modern Law Review* and also the O2RB Excellence in Impact Award for his contribution to Supreme Court litigation which led to the abolition of employment tribunal fees; Professor Sir David Clary won the Spiers Memorial Award of the Royal Society of Chemistry for his original contributions to the quantum theory of chemical reactions; Dr Elisabeth Bolorinos Allard, was awarded the Doctoral Publication Prize by the Association of Hispanists of Great Britain and Ireland and the Spanish Embassy; Professor Martin McLaughlin won the Serena Medal of the British Academy for his leading contribution to the study of humanism and literature in the Italian Renaissance. The University of Oxford announced titles in the 2018 Recognition of Distinction Exercise to Professor Felix Budelmann (Professor of Greek Literature) and Professor Juan-Carlos Conde (Professor of Medieval Spanish Literature and Philology).

Magdalen students won several major academic prizes connected to their academic and extra-curricular studies. Notable examples include the award of the Royal College of Psychiatrists Medical Student of the Year to Maxime Taquet for his innovative research on digital psychiatry, and the Vice-Chancellor's Diversity award to DPhil student Thais Roque for her work with refugee students at Oxford.

Tutorial Fellowship elections were made to Professor Paul Billingham (Politics), Professor Raphaële Garrod (French), Professor Bernhard Salow (Philosophy), and Professor Joseph Sampson (Law). Dr Marthe Achtnich, Dr. William Allen, Dr. Annelies Andries and Dr. Douglas Boubert were elected to Fellowships by Examination each for a fixed term of three years. Seven Visiting Fellows were elected for one or more terms to undertake research in Oxford. Tutorial Fellows who retired or resigned during the year were Professor Roger Smith (Law), Professor Toby Garfitt (French) and Professor Kevin Foster (Zoology).

A priority of the Strategic Plan is the enhancement of the intellectual life of its members. Distinguished lectures given during the year included the Waynflete Lecture by Professor Dame Ottoline Leyser on "The Two Cultures Revisited", the Ewen Green Memorial Lecture by Professor Peter Mandler on "Ideologies of Education in Twentieth-Century Britain", and the Madariaga Lecture by Pedro Sanchez (appointed subsequently as the Prime Minister of Spain) on "The Catalan Independence Movement".

The College reviewed changes in its student welfare provision and agreed to increase its provision of student counselling and mentoring support. An enhanced Access and Outreach Policy was developed with the aim of encouraging the brightest students from under-represented backgrounds to consider applying to the College.

b. Personal Development and Extra-Curricular Activities

Facilitating personal development through extra-curricular activities organised by students is also a priority of the Strategic Plan. The Annual Play of the Magdalen Players was Noel Coward's *Hay Fever* and this was performed in the President's Garden in perfect weather in May. The Director was Charlie Rogers and the Producer Lewis Roberts. The MCR ran a series of research lectures given by graduate students. Many musical concerts were organised and performed in College and elsewhere by Magdalen students.

DPhil student Claudia Havranek won the Women's Light-Welterweight GB Boxing Championship and undergraduate Chiara McDermott represented GB at Fencing. Blues were awarded to fourteen women and ten men through selection for Oxford University sports teams in matches against Cambridge University. The annual sports matches with Magdalene College, Cambridge were held in the College in January.

c. Financial Support for Students

In order to assist undergraduates entitled to public support, the College and the University jointly provide Oxford Bursaries to help those of limited financial means. In 2017/18 70 students received Oxford Bursaries and a total of £198,200 was awarded. The College contributed £99,000 towards the cost of Oxford Bursaries. The College also operates a Student Support Fund to assist any of its students who experience financial hardship. In 2017/18 the Student Support Fund made grants totalling £309,800. It also supports all its students through travel and research grants and vacation study grants (£123,000 awarded in 2017/18).

d. Chapel and Choir

The Chapel enjoyed a time of stability and flourishing in the academic year 2017-18, thanks to the dedication of an exemplary team of clergy, musicians and support staff. The only change in staffing was the retirement of Honorary Chaplain, Father Michael Wright, who was replaced by the Reverend James Crockford, Assistant Priest at the University Church of St. Mary-the-Virgin.

There were more than 400 Chapel services, of which the College Choir sang nearly half. The Consort of Voices sang over 20 services, including most Saturdays in term time, and we welcomed back the girl choristers' choir, Frideswide Voices, who sang services on Mondays in Trinity Term. The College Choir and Consort of Voices collaborated with other visiting groups, including the Girl Choristers of Truro Cathedral, the Girl Choristers of Merton College, Oxford, the Chamber Choir of Tudor Hall School, Oxford, the Choir of Magdalene College, Cambridge, and the Choir of Tiffin School. All Chapel services were open to the general public.

There were many special services throughout the year including a service of Lutheran Vespers with orchestra to mark the 500th anniversary of the German Reformation, a Requiem mass for All Souls, the Advent Carol Service and two Carols by Candlelight services. A new initiative to offer three short carol services before the JCR and MCR Christmas Formal Halls was very well received by the students. In January, the Choir broadcast Evensong live on BBC Radio 3. The Chapel was filled to capacity for the Sung Eucharist on Easter Day morning. On Maundy Thursday, the Informator Choristarum and other musicians presented a concert of Couperin's *Leçons de Ténèbres*, and the Good Friday Liturgy was sung by the Academical Clerks. The Choir sang from the Tower for May Morning and, on 5th May, there was a Choral Evensong sung jointly with the Choirs of New College and Christ Church, at Christ Church Cathedral. The University Sermons were preached by Dr Paula Gooder, Director of Learning, Mission and Development for the Diocese of Birmingham, and the Reverend Canon Jeremy Haselock, Chaplain to Her Majesty the Queen and former Precentor of Norwich Cathedral. There were many pastoral services, including baptisms, confirmations and marriages. The funerals of Tim Knowles (Bursar of Magdalen College School) and of Sir Michael Wheeler-Booth were held in Chapel in November and April. Memorial Services for Professor Brian Bellhouse (in February) and Edmund Bridges (former Academical Clerk) were held with full choir in February and April. Memorial services were also held for Professor Larry Weiskrantz and Miles Jebb, Lord Gladwyn, in June. The Chapel was also the venue for what is thought to be the first VR 360 recording of Evensong, as part of a research project organised by

Magdalen student and Chapel Sacristan, Kathryn King. Total attendance at services during the course of the year is estimated at over 13,000.

In addition to its singing at daily services during term, the Choir pursued a busy schedule, performing concerts in St Mary-the-Virgin, Buckland, the newly-opened Westgate Centre, St John the Evangelist Iffley Road and in the College Chapel. At the invitation of St Michael and All Angels Church, Dallas, the Choir flew to Texas in the first week of April for a series of concerts, services and workshops in Dallas and Austin. Between 11th and 14th July, the Choir recorded a disc of English anthems, due to be released on the *Opus Arte* label early in 2019.

The Friends of the Choir scheme was relaunched, attracting a significant number of donors at various levels, and a generous benefaction was made in memory of Edmund Bridges, former Academical Clerk, who died suddenly at the age of 25 in February.

e. Public Access

The Old Library (which houses the College's large rare-books and manuscripts collection) has been opened to the public one afternoon per week since January of 2017, to allow viewing of the temporary exhibition and for the space to be seen. For the financial year 2017/18, these afternoons alone have resulted in 2,290 visitors to the Old Library. This figure does not include special openings for college events or classes. As of May 2018, the open afternoon for the Old Library is Wednesday from 2.00 to 4.30pm. Individual scholars from outside College made over 300 visits to consult material in the College Libraries and Archives to further their own research.

The College grounds, Chapel and Hall are open to the public throughout the year except over the Christmas period. Access is free for local residents, alumni and various special-interest groups. During 2017/18 there were 22,534 adult paying visitors and 21,219 visitors who paid at a concessionary rate. In addition family tickets were purchased by 2,937 families. During the Long Vacation, a further 103 visitors bought a guided tour ticket which included areas of the grounds not open on the ordinary visitor ticket.

The College participates in several programmes that offer free access to members of the public: The Oxford Open Doors weekend in September 2017 welcomed 5,500 members of the public to the College free of charge, including over 400 visitors to the Old Library (additional to the figure of 2,290 above); on New Year's Day there were 550 visitors; and there were 202 visitors on 8 April 2018 for the National Gardens Scheme.

f. Development and Alumni Relations

The Development Office is responsible for securing philanthropic income for the College, primarily from alumni, and in 2017/18 secured £3.1m in income.

The Office's priorities for 2017/18 were to secure additional funding to underpin core College activities, particularly in the area of financial support for undergraduate and postgraduate students and also support for teaching and research. These priorities were successfully addressed with over 1,400 alumni making donations to the College, contributing to these areas of College life.

The levels of alumni engagement remain very high thanks to an innovative and comprehensive alumni relations programme which continues to attract record numbers of attendees. The increased frequency and quality of alumni communications, particularly via social media, continues to make a significant impact to the high levels of alumni engagement.

For 2018/19 it is envisaged that the main priority will be securing support for the College's new Outreach & Access Strategy; this is likely to require significant levels of funding which we expect to source through continued face-to-face fundraising as well as continuing to use direct mail and telephone fundraising to alumni.

Our approach to fundraising rests on positive alumni engagement to enable us to attract, steward and maintain support, but also to protect our reputation. A key element is the segmentation of alumni through our

'DARS' Customer Relationship Management database, so that alumni receive communications and fundraising appeals at appropriate frequencies and that alumni who have opted out do not receive unwanted communications and appeals.

Magdalen College is registered with the Fundraising Regulator (FR), and contributes to the FR levy on fundraising charities according to its income. The College adheres to the FR Code of Practice and to Charity Commission guidelines, particular CC20 (Charity fundraising: a guide to trustee duties). Trustees are aware of the Commission's six fundraising principles and ensure adherence by the Development Office staff. Failures to comply with policies and procedures will be reported to the FR if they occur, as will complaints, for which there is a process to follow if received; there have been none of either in the last financial year or since the FR was introduced.

5. FINANCIAL REVIEW

a. Results for the Year

The College reported total income of £20.5m (2017: £20.8m) for the year to 31 July 2018, of which £6.4m (2017: £6.3m) related to charitable activities, principally teaching, research and associated residential income. Trading income rose to £8.3m (2017: £7.6m), largely reflecting increased activity at The Oxford Science Park. Donations and legacies amounted to £3.1m (2017: £4.1m) whilst income from investments remained stable at £2.7m.

The overall investment portfolio had another strong year with net gains on investments of £36.5m (2017: £31.6m). Total investment returns for the year net of management fees were 15.8% (2017: 13.7%), with property (including the gain on revaluation of The Oxford Science Park) returning 22.4%.

Total expenditure for the year rose to £21.0m (2017: £20.3m). Expenditure on charitable activities increased to £12.5m (2017: £12.1m). Investment management costs, which include £1m interest on the £30.0m private placement, were £2.3m (£2.6m).

The College reported an overall increase in funds for the year of £36.0m (2017: £32.2m). Within this total, £35.9m related to increases to the market value of endowment funds.

The College received £2.8m in tuition fees and HEFCE grant funding but spent £7.1m on teaching and research. A transfer from endowment funds of £5.6m was made to meet this shortfall.

The College spent £1.2m (2017: £2.6m) on improvements to its estate, and continues to fund its continuing capital programme as reserves permit. In addition, a further £9.7m was spent during the year at The Oxford Science Park, principally on construction of a new 61,500 sqft laboratory and office development, the Schrödinger Building, which was completed in April 2018.

b. Reserves Policy

Total funds of the College and its subsidiaries at the year-end amounted to £309.0m (2017: £273.0m). This includes endowment capital of £273m and unspent restricted income funds totalling £1.7m. Free reserves at the year-end amounted to £2.9m (2017: £1.6m), representing retained unrestricted income reserves excluding an amount of £24.7m for the book value of land and buildings, £3.4m for the book value of fixtures, fittings and equipment, and other specific designated funds at the year-end amounting to £5.2m (2017: £4.9m). In line with FRS102 the College has recognised a provision of £2.0m (2017: £1.9m) in respect of its share of the Universities Superannuation Scheme, the Oxford Staff Retirement Scheme multi-employer pensions and its own closed Staff Retirement Benefits Scheme.

The College's reserves policy is to maintain sufficient free reserves to enable it, even in the event of an unexpected revenue shortfall or major capital expenditure requirement, to meet its short-term financial obligations, to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services, without drawing from its endowment over and above its

distribution rule. The College drew on its free reserves to fund the new library project and refurbishment of The Grove buildings but aims to rebuild them from their current level of £2.9m to at least £5.0m in the medium term.

c. Investment Policy, Objectives and Performance

The College's investment assets are held across a range of different asset classes and are managed for total return. The Trustees adopted a duly authorised policy of total return accounting for the College investment returns with effect from 31 July 2003. The investment return to be applied as income is calculated as up to 3.5% of the rolling five year average value. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2003 together with all subsequent endowments valued at date of gift. The investment policy is to generate optimum risk-adjusted returns from the portfolio to fund annual expenditure of up to 3.5% whilst maintaining the real inflation-adjusted value of the investment assets and having regard to balancing the needs of current and future beneficiaries. In managing the investments, a reasonable diversification of assets is maintained and performance is measured by total return regardless of whether return is derived from income or from capital growth. No fixed benchmark has been adopted, although the Investment Committee monitors returns relative to a range of market and peer group performance data. It is the responsibility of the College's Investment Committee to recommend to the College policy for the investment of endowment and other assets, and to oversee the management of these assets in a manner consistent with the approved policies on asset allocation, foreign exchange exposure and risk.

The gross asset allocation at 31 July 2018 was marketable equities 51.5%, private equity and venture capital 5.9%, property 38.1%, including 23.2% in respect of The Oxford Science Park, and cash/cash equivalents 4.5%. Foreign exchange exposure during the year was approximately 35-40% across the portfolio, principally US dollars.

d. Risk management

The College has on-going processes which operated through-out the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking its their activities. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee. Financial risks are assessed by the Bursarial Committee and investment risks are monitored by the Investment Committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The College maintains a comprehensive register which records key operational and other risks, together with mitigating actions and policies as well as those areas in which further risk management measures have been identified. In particular:

- The College faces challenges in attracting and retaining talented academics to a city with exceptionally high living costs, particularly housing. Previous actions to mitigate this risk such as the joint equity scheme and College-owned housing have been threatened by recent changes to stamp duty and, potentially, the current HMRC review of employer-provided accommodation. This issue will be reassessed once the tax position is clearer.
- The College relies on the annual transfer from its Endowment for around 40% of its operating income, excluding donations and legacies, and a sustained period of investment underperformance would therefore have a material impact on revenue. The College's Investment Committee has established a set of policies designed to maximise the long-term growth of and returns from the Endowment and short-term volatility is mitigated by taking a five-year rolling average.
- The outlook for student fees remains uncertain and increases in recent years have not matched rising costs. The College has therefore pursued a strategy of diversifying its income sources such that they account for only 20% of total operating income.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks.

6. OBJECTIVES for 2018/19

In 2018/19 the College will continue to aim for the highest standards in learning, education and research. Priority projects include:

- Implementation of the Strategic Plan for Magdalen College 2015-20 in its fourth year.
- Development and implementation of an enhanced Access and Outreach Policy.
- Enhancement of student welfare provision.
- Continuing refurbishments of College buildings, facilities and student accommodation.
- Fundraising for several projects including Student Support, Graduate Scholarships, Tutorial Fellowships, Choir, and Library.

MEMBERSHIP of the GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as Trustees during the year or subsequently are detailed below.

President (Prof. Sir David Clary FRS)		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Vice-President (Prof. J.A.C Smith)		(1)	(2)		(4)	(5)			(8)	(9)	(10)
Achnich, Dr M.	Appointed 1/10/2018										
Allen, Mr W.L.	Appointed 1/10/2018										
Andries, Dr A.H.E.	Appointed 1/10/2018										
Ardavan, Prof. A.		(1)									
Arnold, Revd. Dr. J		(1)				(5)					
Bagshaw, Prof. R.M.		(1)									
Ballance, Dr C.J.	Resigned 04/02/2018										
Barr, Prof. G.D.		(1)									
Berestycki, Prof. J.		(1)								(9)	
Billingham, Dr P.D.	Appointed 01/04/2018	(1)									
Blandford-Baker, Mr. M.R.		(1)					(6)				(10)
Bolorinos Allard, Dr E.N.	Appointed 1/01/2018										
Booth, Prof. M.L.											
Boubert, Dr D.P.	Appointed 1/10/2018										
Bowes, Prof. L.N.		(1)					(6)				
Bridson, Prof. M.R.			(2)					(7)			
Brockliss, Prof. L.W.B.	Retired 30/09/2017										
Budelmann, Prof. F.J.		(1)									
Caney, Prof. S.L.R.	Resigned 31/08/2017										
Castle, Dr. J.L.		(1)							(8)		

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 Report of the Governing Body
 Year ended 31 July 2018

Clark, Prof. D.M.											
Cleveland, Prof. R.O.		(1)	(2)								
Conde, Dr. J-C.		(1)									
Coussios, Prof. C-C.											
Dolan, Prof. L.					(4)						
Donohoe, Prof. T.J.		(1)					(6)				
Douglas-Fairhurst, Prof. R.J.		(1)									
Due, Dr. R.		(1)									
Dunbar, Prof. R.I.M.	Retired 30/09/2017							(7)			
Elbourne, Prof P.D.		(1)									
Etheridge, Prof. A.M.				(3)							
Fortunato, Prof. L.		(1)									
Foster, Prof K. R.	Resigned 31/07/2018										
Fricker, Prof. E.M.	Retired 30/09/2017										
Garfitt, Prof. J.S.T.	Retired 30/09/2018										
Garland, Prof. C.J.		(1)									(10)
Garrod, Prof. R.S.S.	Appointed 1/10/2018	(1)									
Gilbert, Revd Prof. R.J.C.		(1)				(5)					
Gilson, Prof. S.A.	Appointed 1/01/2018										
Gingrich, Prof. J.		(1)	(2)								
Goodwin, Prof. S.F.		(1)									
Gregg, Prof. J.F.		(1)									
Grevling, Prof. K.D.		(1)									
Harris, Prof. C.E.		(1)									
Hetherington, Dr. A.J.	Appointed 1/10/2017										
Hill, Prof. A.V.S.											

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 Report of the Governing Body
 Year ended 31 July 2018

Horobin, Prof. S.C.P.		(1)								(9)	(10)
Karenowska, Dr A D.											
Kristensen, Prof. J.		(1)									
Kröning, Prof. D.H.F.						(6)					
LaValle, Ms D.T.	Resigned 30/09/2017										
Leitmeir, Dr. C.T.		(1)			(5)			(8)			
Lifschitz, Prof. A.S.	Appointed 1/10/2017	(1)									
MacKenzie, Prof. S.R.		(1)		(4)							
Magidor, Prof O.								(8)			
Maguire, Prof. L.E.		(1)									
Martinho-Truswell, Dr. A.	Term ended 30/09/2018										
McCarthy, Dr. R.P.	Term ended 30/09/2018										
McLaughlin, Prof. M.L.	Retired 30/09/2017										
Maw, Mr. J.R.H.		(1)	(3)	(4)		(6)	(7)				
Maynard, Mr. J.A.	Resigned 31/08/2017										
Miesenböck, Prof. G.											
Moreno, Dr. A.		(1)									
Nightingale, Prof. J.B.W.		(1)		(4)							
Nizami, Dr. F.A.											
Norman, Dr. T.W.L.		(1)									(10)
Padamsey, Mr. Z	Resigned 30/09/2017										
Pobjoy, Dr. M.P.		(1)				(6)					
Pooley, Prof. S.K.		(1)						(8)			
Prassl, Prof. J.F.B.B.		(1)				(6)		(8)			
Prince, Dr T.M.	Appointed 1/09/2017										
Rainey, Mr. S.F.	Resigned 31/08/2018										

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Robinson, Dr. D.H.	Appointed 1/10/2017										
Salow, Prof. B.J.	Appointed 1/10/2018	(1)									
Sampson, Prof. J.W.	Appointed 1/10/2018	(1)									
Santhanam, Prof. R.		(1)						(8)			
Sattentau, Prof. Q.J.		(1)									
Scholar, Dr. J.M.T.	Resigned 10/03/2018										
Smith, Prof. R.J.	Retired 30/09/2018							(7)			
Stargardt, Prof. N.		(1)	(2)	(3)				(7)			
Sullivan, Prof. P.B.											
Turberfield, Prof. A.J.			(2)								
Varelli, Dr. G.	Term ended 30/09/2018										
Weller, Prof. A.S.		(1)									
Wells, Dr. K.M.C.	Resigned 31/08/2018										
Whitehouse, Prof. H.											
Williams, Mr. M.T.		(1)			(4)	(5)					
You, Prof. Z.		(1)								(9)	

During the year the activities of the Governing Body were carried out through several Standing Committees. The current membership of the main Committees is shown above for each Fellow. These Committees are

- (1) Tutorial Board
- (2) Bursarial Committee
- (3) Investment Committee
- (4) Development and Alumni Relations Committee
- (5) Chapel and Choir Committee
- (6) Human Resources Committee
- (7) Remuneration Committee
- (8) Fellowship Committee
- (9) Library and Archives Committee
- (10) House Committee

In addition, external members currently serve on College Committees as follows:

Bursarial Committee: MJ Bithell

Investment Committee: J Bristow, E Davies, D Higgins, C Plowden, J Wrigley

Development and Alumni Relations Committee: P Beckwith, J Cronin, S Haslam, K Hudson, R Leechman

Remuneration Committee: D Black, E Doran, R Dunbar, J Palmer

COLLEGE ADVISERS

Investment managers

Cazenove Capital Management Ltd

1 London Wall Place

London EC2Y 5AU

Investment property managers

Savills

Wytham Court

11 West Way

Oxford OX2 0QL

Auditor

Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC1M 7AD

Bankers

Nat West plc

Willow Court

Minns Business Park

7 West Way

Oxford OX2 0JB

Solicitors

Blake Morgan

Seacourt Tower

West Way

Oxford OX2 0FB

College address

High Street

Oxford

OX1 4AU

Website

www.magd.ox.ac.uk

STATEMENT of ACCOUNTING and REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body 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 College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 28 November 2018 and signed on its behalf by:

Prof Sir David Clary FRS
President

MAGDALEN COLLEGE

Independent Auditor's Report to Members of the Governing Body of Magdalen College

Opinion

We have audited the financial statements of Magdalen College for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2018, and of its incoming resources and application of resources, 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

MAGDALEN COLLEGE

Independent Auditor's Report to Members of the Governing Body of Magdalen College

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Members of the Governing Body's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we required for our audit.

Responsibilities of the Members of Governing Body

As explained more fully in the Members of the Governing Body's responsibilities statement set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members of the Governing Body.
- Conclude on the appropriateness of the Members of the Governing Body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

MAGDALEN COLLEGE

Independent Auditor's Report to Members of the Governing Body of Magdalen College

related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Members of the charity's Governing Body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Members of the Governing Body 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 any party other than the charity and the Members of the Governing Body as a body, for our audit work, for this report, or for the opinion we have formed.

Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Statement of Cash Flows comprising for the College and its subsidiary and associated undertakings: The Oxford Science Park Limited, Magdalen Development Company Limited, Magdalen College Trading Limited, Magdalen College Educational Conferences Limited and Magdalen College Development Trust. No separate SOFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its subsidiaries for the reporting year are disclosed in note 12.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained to determine fair value at the balance sheet date.

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

In calculating the amount of the defined benefit pension liability, the amount of the provision is based on a number of actuarial assumptions. These reflect the advice of the actuaries appointed by the trustees of each pension scheme. The level of future contributions to the USS pension scheme is currently subject to consultation and agreement and there is resulting uncertainty around the level of the pension provision in the financial statements. The College has relied on the fact that the University has concluded that, based on available information, the current schedule of contributions upon which the provision is based is the correct one to use.

4. Income Recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, Office for Students (OFS) support and other charges for services

Fees receivable, OFS support and charges for services and use of the premises are recognised in the period in which the related service is provided.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants including scholarships, bursaries and other allowances that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

6. Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

7. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £50,000 together with expenditure on equipment costing more than £1,500 and IT equipment costing more than £500 is capitalised and carried in the balance sheet at historical cost.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

8. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Equipment	3 - 10 years

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred. At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

9. Heritage Assets

The College does not consider that it holds any heritage assets that meet the definition of heritage assets under the SORP. It has substantial long held historic assets which are used in the course of its teaching and research activities. These collections include antiquities, works of art, tapestries, books and manuscripts, archives, silverware, furniture and sculptures. As these assets are in regular use to support the main objects of the College, they are regarded as functional rather than heritage assets. The college has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements.

10. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Other unquoted investments are valued using primary valuation techniques such as earnings multiples, recent transactions and net assets where reliable estimates can be made – otherwise at cost less any impairment.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

The functional and presentation currency of the College and its subsidiaries is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

13. Total Return investment accounting

The College Statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or release to income at the discretion of the Governing Body.

14. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further subdivided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restriction on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances in which they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

15. Pension costs

The costs of retirement benefits provided to current employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The College also operates a closed defined benefit pension scheme, the Magdalen College Retirement Benefits Scheme. The cost of this scheme is accounted for in accordance with the requirements of FRS 102.

Magdalen College
Consolidated Statement of Financial Activities
For the year ended 31 July 2018

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000	Restated 2017 Total £'000
INCOME FROM:						
Charitable activities:	1					
Teaching, research and residential		6,113	-	-	6,113	6,042
Public worship		40	-	-	40	6
Heritage		237	-	-	237	209
Other Trading Income	3	1,278	-	7,003	8,281	7,581
Donations and legacies	2	404	1,022	1,650	3,076	4,125
Investments						
Investment income	4	51	1	2,681	2,733	2,704
Total return allocated to income	13	5,652	1,428	(7,080)	-	-
Other income		48	-	-	48	84
Total income		13,823	2,451	4,254	20,528	20,751
Net income		13,823	2,451	4,254	20,528	20,751
EXPENDITURE ON:						
Charitable activities:	5					
Teaching, research and residential		9,965	1,770	-	11,735	11,407
Public worship		507	72	-	579	511
Heritage		203	10	-	213	152
Generating funds:						
Fundraising		751	1	-	752	646
Trading expenditure		1,532	-	3,839	5,371	5,018
Investment management costs		29	1	2,302	2,332	2,579
Total Expenditure		12,986	1,854	6,141	20,981	20,313
Net Income/(Expenditure) before gains		837	597	(1,887)	(453)	438
Net gains on investments	10, 11	582	13	35,946	36,541	31,636
Net Income/(Expenditure)		1,419	610	34,059	36,088	32,074
Transfers between funds	18	478	(483)	5	-	-
Other recognised gains/losses						
Actuarial gains on defined benefit pension schemes		-	-	-	-	110
Net movement in funds for the year		1,897	127	34,064	36,088	32,184
Fund balances brought forward	18	32,227	1,577	239,160	272,964	240,780
Funds carried forward at 31 July		34,124	1,704	273,224	309,052	272,964

Consolidated and College Balance Sheets
As at 31 July 2018

	Notes	2018 Group £'000	2017 Group £'000	2018 College £'000	Restated 2017 College £'000
FIXED ASSETS					
Tangible assets	9	28,540	32,853	28,113	27,781
Property investments	10	116,805	81,304	89,718	81,304
Other Investments	11	189,599	183,352	199,609	193,362
Total Fixed Assets		334,944	297,509	317,440	302,447
CURRENT ASSETS					
Stocks		769	724	755	709
Debtors	14	2,884	3,326	12,691	7,241
Investments		28	28	28	28
Cash at bank and in hand		6,482	9,168	1,777	-
Total Current Assets		10,163	13,246	15,251	7,978
LIABILITIES					
Creditors: Amounts falling due within one year	15	4,025	5,809	2,574	3,899
NET CURRENT ASSETS		6,138	7,437	12,677	4,079
TOTAL ASSETS LESS CURRENT LIABILITIES		341,082	304,946	330,117	306,526
CREDITORS: falling due after more than one year	16	30,000	30,000	30,000	30,000
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		311,082	274,946	300,117	276,526
Defined benefit pension scheme liability	17	2,030	1,982	1,815	1,798
TOTAL NET ASSETS		309,052	272,964	298,302	274,728
FUNDS OF THE COLLEGE					
Endowment funds		273,224	239,160	262,138	240,561
Restricted funds		1,704	1,577	1,704	1,577
Unrestricted funds					
Designated funds		33,388	32,746	33,388	32,746
General funds		2,551	1,279	2,887	1,642
Pension reserve	21	(1,815)	(1,798)	(1,815)	(1,798)
		309,052	272,964	298,302	274,728

The financial statements were approved and authorised for issue by the Governing Body of Magdalen College on 28 November 2018

President:

Bursar:

Magdalen College
Consolidated Statement of Cash Flows
For the year ended 31 July 2018

	Notes	2018 £'000	2017 £'000
Net cash (used in) / provided by operating activities	24	<u>(5,005)</u>	<u>612</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,733	2,704
Purchase of property, plant and equipment		(10,971)	(8,077)
Proceeds from sale of investments		15,424	18,818
Purchase of investments		(6,517)	(13,251)
Net cash provided by investing activities		<u>669</u>	<u>194</u>
Cash flows from financing activities			
Receipt of endowment		1,650	2,602
Net cash provided by (used in) financing activities		<u>1,650</u>	<u>2,602</u>
Change in cash and cash equivalents in the reporting period		<u>(2,686)</u>	<u>3,408</u>
Cash and cash equivalents at the beginning of the reporting period		9,168	5,760
Cash and cash equivalents at the end of the reporting period	25	<u>6,482</u>	<u>9,168</u>

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

1 INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,644	1,659
Tuition fees - Overseas students	821	694
Other fees	127	99
Other HEFCE support	311	310
Other academic income	32	66
College residential income	3,178	3,214
Total Teaching, Research and Residential	6,113	6,042
Public worship		
Unrestricted funds		
Sundry income	40	6
Total Public worship	40	6
Heritage		
Unrestricted funds		
Heritage Income	237	209
Total Heritage	237	209
Total income from charitable activities	6,390	6,257

The above analysis includes £1,954,500 received from Oxford University from publicly accountable funds under the CFF Scheme (2017: £1,970,000).

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £6,771 (2017 - £20,345). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2018	2017
	£'000	£'000
Unrestricted funds	404	227
Restricted funds	1,022	1,296
Endowed funds	1,650	2,602
	3,076	4,125

3 INCOME FROM OTHER TRADING ACTIVITIES

	2018	2017
	£'000	£'000
Subsidiary company trading income	8,246	7,501
Other trading income	35	80
	8,281	7,581

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

4 INVESTMENT INCOME

	2018 £'000	2017 £'000
<i>Unrestricted funds</i>		
Equity dividends	45	69
Bank interest	6	13
	<u>51</u>	<u>82</u>
<i>Restricted funds</i>		
Equity dividends	1	1
	<u>1</u>	<u>1</u>
<i>Endowed funds</i>		
Agricultural rent	348	323
Commercial rent	710	778
Other property income	405	399
Equity dividends	1,161	1,017
Interest on fixed term deposits and cash	29	38
Other investment income	21	63
Bank interest	7	3
	<u>2,681</u>	<u>2,621</u>
Total Investment income	<u>2,733</u>	<u>2,704</u>

5 ANALYSIS OF EXPENDITURE

	2018 £'000	2017 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,558	5,208
Public worship	204	157
Heritage	103	75
Other direct costs allocated to:		
Teaching, research and residential	4,522	4,537
Public worship	328	307
Heritage	84	51
Support and governance costs allocated to:		
Teaching, research and residential	1,655	1,662
Public worship	47	47
Heritage	26	26
Total charitable expenditure	<u>12,526</u>	<u>12,070</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	431	335
Trading expenditure	1,467	1,157
Other direct costs allocated to:		
Fundraising	231	218
Trading expenditure	3,492	3,388
Investment management costs	1,244	1,485
Support and governance costs allocated to:		
Fundraising	90	93
Trading expenditure	412	473
Investment management costs	1,089	1,094
Total expenditure on raising funds	<u>8,455</u>	<u>8,243</u>
Total expenditure	<u>20,981</u>	<u>20,313</u>

In 2017, expenditure of £20,313,000 represented £11,993,000 from unrestricted funds, £1,574,000 from restricted funds and £6,746,000 from endowed funds.

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

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. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £nil (2017 - £167,000).

Included within expenditure are:	2018	2017
	Total	Total
	£'000	£'000
Stock recognised as an expense in the year	448	431
Operating lease payments	12	12

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2018 Total £'000
Financial administration	257	195	14	13	479
Domestic administration	117	161	-	8	286
Human resources	14	148	19	-	181
IT	54	164	5	-	223
Depreciation	113	907	9	5	1,034
Loss/(profit) on fixed assets	-	1	-	-	1
Loan interest payable	995	-	-	-	995
Other finance charges	22	58	-	-	80
Governance costs	19	21	-	-	40
	1,591	1,655	47	26	3,319

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2017 Total £'000
Financial administration	288	217	14	12	531
Domestic Administration	102	116	-	9	227
Human resources	13	137	18	-	168
IT	58	182	5	-	245
Depreciation	168	877	10	5	1,060
Loan interest payable	995	-	-	-	995
Other finance charges	19	108	-	-	127
Governance costs	17	25	-	-	42
	1,660	1,662	47	26	3,395

Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

Interest and other finance charges are attributed according to the purpose of the related financing.

Governance costs are allocated based on an assessment of time taken.

Governance costs comprise:	2018	2017
	£'000	£'000
Auditor's remuneration - audit services	36	37
Auditor's remuneration - tax advisory services	4	5
	40	42

No amount has been included in governance costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

7 GRANTS AND AWARDS	2018	2017
	£'000	£'000
During the year the College funded awards and bursaries to students from its restricted and unrestricted funds as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	140	104
Bursaries and hardship awards	15	13
Grants to other institutions	185	182
Total unrestricted	340	299
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	267	211
Bursaries and hardship awards	326	332
Total restricted	593	543
Total grants and awards	933	842

The figures for grants and awards include the cost to the College of the Oxford Bursary scheme. Students of this college received £197,200 (2017 - £208,710). Some of those students also received fee waivers amounting to £6,771.

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions within Unrestricted Funds comprise payments to Magdalen College School, Oxford of £185,300, as a contribution towards the education of 16 choristers (2017 - £181,500). This sum is included within charitable expenditure on Public Worship.

8 STAFF COSTS	2018	2017
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	6,558	6,337
Social security costs	590	586
Pension costs:		
Defined contribution schemes	4	3
Defined benefit schemes	1,572	925
	8,724	7,851

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

	2018	2017
Tuition and research	16	16
College residential	85	87
Public worship	2	2
Fundraising	6	6
Trading	25	24
Support	16	16
Total	150	151

The average number of employed College Trustees during the year was as follows.

	2018	2017
Tutorial Fellowship (University)	25	25
Tutorial Fellowship (College)	11	10
Other teaching and research	16	15
Other	7	8
Total	59	58

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

	2018	2017
£60,001-£70,000	1	1
£80,001-£90,000	1	-
£110,001-£120,000	-	1
£120,000-£130,000	1	-

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	2	1
In defined contribution schemes	1	1

The College contributions to defined contribution pension schemes totalled

£'000	£'000
1	1

During 2017/18 the College made ex-gratia payments to two former employees. It paid a total of £56,891 in compensation for loss of office and £5,778 as pay in lieu of notice. Payments to one of these employees resulted in their total gross pay and benefits exceeding £60,000 and this has been disclosed in the table above.

9 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At start of year	35,728	5,411	41,139
Additions	10,597	354	10,951
Transfers to property investments	(14,229)	-	(14,229)
Disposals	-	(116)	(116)
At end of year	32,096	5,649	37,745
Depreciation			
At start of year	6,212	2,074	8,286
Depreciation charge for the year	620	415	1,035
Depreciation on disposals	-	(116)	(116)
At end of year	6,832	2,373	9,205
Net book value			
At end of year	25,264	3,276	28,540
At start of year	29,516	3,337	32,853
College	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At start of year	30,537	5,303	35,840
Additions	983	276	1,259
Disposals	-	(116)	(116)
At end of year	31,520	5,463	36,983
Depreciation			
At start of year	6,212	1,847	8,059
Charge for the year	620	307	927
On disposals	-	(116)	(116)
At end of year	6,832	2,038	8,870
Net book value			
At end of year	24,688	3,425	28,113
At start of year	24,325	3,456	27,781

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

The College has substantial long held historic assets which are used in the course of its teaching and research activities. These collections include antiquities, works of art, tapestries, books and manuscripts, archives, silverware, furniture and sculptures. They date from the early medieval period to the present day. Many are unique to the College, being either commissioned by the College or donated. They are appropriately preserved, conserved and catalogued, through a continuous and evolving process. The College employs a full time archivist, and is a member of the Oxford Colleges Conservation Consortium. These historic assets were appraised by Sotheby's in March 2015 and are insured through an appropriate policy. Access to such assets by visiting researchers is permitted by appointment.

All such assets are held at cost less depreciation, where relevant. The majority of these historic assets have been held for many years and accurate historic cost information is not available for these assets. However, the trustees consider that their historical cost less depreciation would not be material. As these assets are in regular use to support the main objects of the College, they are regarded as functional rather than heritage assets. Some of the more recent acquisitions have been capitalised in accordance with the College's accounting policies and are included within Tangible Fixed Assets under the heading "Fixtures, fittings and equipment" (note 9). At the balance sheet date such assets had a cost of £141,600. During the year, the College spent a total of £95,300 on specialist book and document purchases, all funded by donations. In addition it has also received a number of items from donors during the year. There have been no disposals of such assets in recent years.

The college has taken advantage of the exemption within FRS 102 not to disclose transactions before 1 January 2015 as obtaining fair values for these assets would be impracticable and the cost of obtaining such valuations would outweigh the benefits to the users of these financial statements.

10 PROPERTY INVESTMENTS

Group	Agricultural £'000	Commercial £'000	Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	19,088	56,506	5,710	81,304	70,759
Additions and improvements at cost	101	14,798	273	15,172	494
Disposals	(30)	-	-	(30)	-
Revaluation gains/(losses) in the year	853	19,425	81	20,359	10,051
Valuation at end of year	20,012	90,729	6,064	116,805	81,304
College	Agricultural £'000	Commercial £'000	Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	19,088	56,506	5,710	81,304	70,759
Additions and improvements at cost	101	569	273	943	494
Disposals	(30)	-	-	(30)	-
Revaluation gains/(losses) in the year	853	6,567	81	7,501	10,051
Valuation at end of year	20,012	63,642	6,064	89,718	81,304

A formal valuation of the agricultural, commercial and other properties was prepared by the College's Estate Managers, Savills, at 31 July 2018.

A formal valuation of the Oxford Science Park was prepared by GVA Grimley Limited at 31 July 2018.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2018 £'000	2017 £'000
Group investments		
Valuation at start of year	183,353	167,977
New money invested	4,463	11,483
Amounts withdrawn	(15,125)	(18,347)
Reinvested income	1,237	1,125
Investment management fees	(511)	(471)
Increase in value of investments	16,182	21,585
Group investments at end of year	189,599	183,352
Investment in subsidiaries	10,010	10,010
College investments at end of year	199,609	193,362

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000
Equity investments	-	157,465	157,465	-	143,374	143,374
Alternative and other investments	12,239	5,961	18,200	14,296	5,673	19,969
Fixed term deposits and cash	-	13,934	13,934	-	20,009	20,009
Total group investments	12,239	177,360	189,599	14,296	169,056	183,352

12 PARENT AND SUBSIDIARY UNDERTAKINGS

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

The Oxford Science Park Limited	A wholly owned trading subsidiary whose principal activity is the management of the Oxford Science Park and property development there. It operates under licence from Magdalen College.
Magdalen College Trading Limited	A wholly owned trading subsidiary. 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	A company limited by guarantee. Its principal activity is to provide conference facilities at Magdalen College.
Magdalen College Development Trust	A charitable trust. Charity number 273860. The Trust was established primarily as a fundraising body to meet the needs of the College and to support the College on fundraising strategy, projects and execution.
Magdalen Development Company Limited	A wholly owned subsidiary, engaged in property development activities.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	Parent College £'000	The Oxford Science Park Limited £'000	Magdalen College Trading Limited £'000	Magdalen College Educational Conferences Limited £'000	Magdalen College Development Trust £'000	Magdalen Development Company Limited £'000
Income	39,690	19,862	927	597	3,076	192
Expenditure	(16,362)	(7,375)	(654)	(597)	(3,076)	(192)
Result for the year	23,328	12,487	273	-	-	-
Distribution to College under gift aid	246	-	(246)	-	-	-
Movement in reserves	23,574	12,487	27	-	-	-
Total assets	332,691	33,922	604	393	355	1
Total liabilities	(34,389)	(12,826)	(331)	(393)	(335)	(1)
Net funds at the end of year	298,302	21,096	273	-	20	-

13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 31 July 2003. The investment return to be applied as income is calculated as 3.5% (2016: 3.5%) of the average of the year-end values of the relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2003 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	6,573	-	6,573	-	6,573
Unapplied total return	-	3,412	3,412	-	3,412
Expendable endowment				229,175	229,175
Total Endowments	6,573	3,412	9,985	229,175	239,160
Movements in the reporting period:					
Gift of endowment funds	3	-	3	1,647	1,650
Investment return: total investment income		166	166	2,515	2,681
Investment return: net trading income	-	-	-	3,164	3,164
Investment return: realised & unrealised gains and losses	-	815	815	35,131	35,946
Less: Investment management costs	-	(33)	(33)	(2,269)	(2,302)
Other transfers	-	-	-	5	5
Total	3	948	951	40,193	41,144
Unapplied total return allocated to income in the reporting period		(268)	(268)	-	(268)
Expendable endowments transferred to income	-	-	-	(6,812)	(6,812)
	-	(268)	(268)	(6,812)	(7,080)
Net movements in reporting period	3	680	683	33,381	34,064
At end of the reporting period:					
Gift component of the permanent endowment	6,576	-	6,576	-	6,576
Unapplied total return	-	4,092	4,092	-	4,092
Expendable endowment	-	-	-	262,556	262,556
Total Endowments	6,576	4,092	10,668	262,556	273,224

14 DEBTORS

	2018 Group £'000	2017 Group £'000	2018 College £'000	restated 2017 College £'000
Amounts falling due within one year:				
Trade debtors	750	630	79	117
Amounts owed by College members	79	87	79	87
Amounts owed by Group undertakings	-	-	1,126	5,220
Loans repayable within one year	13	11	13	11
Prepayments and accrued income	356	641	206	88
Taxation and social security	-	628	-	628
Other debtors	430	398	351	346
Amounts falling due after more than one year:				
Amounts outstanding under lease incentive arrangements	1,256	931	837	744
Loan to Group undertaking	-	-	10,000	-
	2,884	3,326	12,691	7,241

15 CREDITORS: falling due within one year

	2018 Group £'000	2017 Group £'000	2018 College £'000	restated 2017 College £'000
Trade creditors	627	865	242	115
Amounts owed to College Members	46	48	46	47
Amounts owed to Group undertakings	-	-	-	677
Taxation and social security	170	-	170	-
College contribution	-	185	-	185
Accruals and deferred income	1,544	2,631	866	1,335
Other creditors	1,638	2,080	1,250	1,540
	4,025	5,809	2,574	3,899

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

16 CREDITORS: falling due after more than one year

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
Fixed rate loan	30,000	30,000	30,000	30,000
	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>

The College entered into a private placement of £30 million in unsecured fixed rate loan notes with a single institutional investor in September 2015, which have an average term of 25 years and an average coupon of 3.32%.

Unamortised issue costs of £143,000 are included within Other Debtors

17 DEFINED BENEFIT PENSION SCHEME LIABILITY

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
At start of year	1,981	2,564	1,797	2,380
Charged /(credited) in the Statement of Financial Activities	49	(582)	18	(582)
Settled in the year	-	-	-	-
At end of year	<u>2,030</u>	<u>1,982</u>	<u>1,815</u>	<u>1,798</u>

The College is a member of the Universities Superannuation Scheme (USS) and University of Oxford Staff Pension Scheme (OSPS). The Oxford Science Park Limited is a member of OSPS. These are multi-employer pension schemes both of which are in deficit. The College has recognised a provision for its commitments under the agreed deficit reduction plans for each scheme. In calculating these provisions the College has estimated that salary expense will increase at 3% p.a. and the liability is discounted at a 15 year corporate bond rate of 2.2% (2017: 1.85%) for USS and a 10 year corporate bond rate of 1.95% (2017: 1.55%) for OSPS. A sensitivity analysis to changes in salary and discount rate changes is shown in note 21.

Prior to 1 October 2005, staff were able to accrue benefits for service in the Magdalen College Staff Retirement Benefits Scheme (the 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. At 31 July 2018, as a result of making a significant contribution in 2015/16, the scheme was in surplus.

Magdalen College
Notes to the financial statements
For the year ended 31 July 2018

18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
Endowment Funds - Permanent						
Beghian Scholarship Fund	3,455	115	(9)	(88)	151	3,624
Fleet Fund	4,463	35	(16)	(136)	453	4,799
Kerruish Fund	875	7	(3)	(26)	89	942
Harold Robertshaw bequest	472	4	(2)	(12)	48	510
Consolidated prizes/scholarships funds	550	4	(2)	(3)	56	605
Consolidated other sundry funds	170	4	(1)	(2)	17	188
Endowment Funds - Expendable						
General endowment fund	183,210	4,620	(1,081)	(5,652)	17,466	198,563
Calleva Fund	7,179	56	(26)	(177)	729	7,761
Perkin research studentship Fund	450	4	(2)	(11)	45	486
Dr Rose's Benefaction	828	27	(3)	(25)	84	911
Giles Bequest	827	6	(3)	(25)	84	889
History fellowship Fund	2,873	749	(10)	(78)	292	3,826
Law fellowship Fund	2,182	113	(8)	(59)	222	2,450
PPE Fund	2,639	23	(9)	(79)	267	2,841
Classics fellowship Fund	1,389	22	(5)	(30)	141	1,517
Frank Richardson Fund	694	5	(2)	(21)	70	746
Robin Snow Fund	498	4	(2)	(15)	51	536
Bellhouse Research Studentship	792	6	(3)	(13)	80	862
BCL Graduate Scholarship (Feltham)	476	123	(2)	-	48	645
Richard Havery Physics Fund	399	21	(1)	-	40	459
Duncan Mackinnon Fund	1,095	8	(4)	(38)	111	1,172
Student Support Fund	13,640	507	(49)	(319)	1,386	15,165
Tavella Stewart Fund	522	4	(2)	(18)	53	559
Allingham Settlement	746	48	(3)	-	76	867
Boat Club Fund	513	9	(2)	(15)	52	557
Paul Getty Fund	653	5	(2)	(20)	66	702
Hong Kong Scholarship	1,522	12	(5)	(39)	154	1,644
Law Tutorship Trust	3,606	28	(13)	(109)	366	3,878
Tutorial Teaching Fund	50	200	-	-	5	255
Consolidated prizes/scholarship funds	1,877	35	(7)	(34)	191	2,062
Consolidated chapel / choir funds	292	2	(1)	(8)	30	315
Consolidated gardens funds	333	3	(1)	(10)	34	359
Consolidated tutorial / research fellowship	269	7	(1)	(6)	27	296
Consolidated other sundry funds	1,022	32	(4)	(7)	104	1,147
Total Endowment Funds - College	240,561	6,848	(1,284)	(7,075)	23,088	262,138
Endowment funds held by subsidiaries	(1,401)	4,486	(4,857)	-	12,858	11,086
Total Endowment Funds - Group	239,160	11,334	(6,141)	(7,075)	35,946	273,224

	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
Restricted Funds						
Transfer from other funds for spending	-	-	(1,428)	1,428	-	-
New Library Fund	-	252	-	(252)	-	-
Student Support Fund	334	94	(29)	(5)	-	394
Calleva Research Centre	23	-	(23)	-	-	-
Fellows by Examination Fund	517	300	-	(183)	-	634
Crawley Ancient History Fund	126	1	-	(4)	13	136
Consolidated scholarship funds	240	15	(85)	-	-	170
Consolidated other sundry funds	337	361	(289)	(39)	-	370
Total Restricted Funds - College	1,577	1,023	(1,854)	945	13	1,704
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	1,577	1,023	(1,854)	945	13	1,704

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	At 1 August 2017 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
Unrestricted Funds						
General unrestricted funds	1,642	7,818	(12,487)	5,798	116	2,887
Designated funds:						
Fixed asset designated	27,781	-	-	332	-	28,113
History fellowship Fund	720	6	(24)	-	73	775
Law fellowship Fund	746	6	(25)	-	76	803
PPE Fund	219	2	(7)	-	22	236
George Freeman JRF Fund	1,563	12	(33)	-	159	1,701
Wills Fund	353	-	(117)	-	-	236
Student Support Fund	477	4	(2)	-	48	527
Consolidated chapel / choir funds	519	4	(16)	-	52	559
Consolidated other sundry funds	368	46	(12)	-	36	438
Defined benefit pension scheme reserve	(1,798)	-	(17)	-	-	(1,815)
Total Unrestricted Funds - College	32,590	7,898	(12,740)	6,130	582	34,460
Unrestricted funds held by subsidiaries	(363)	273	(246)	-	-	(336)
Total Unrestricted Funds - Group	32,227	8,171	(12,986)	6,130	582	34,124
Total Funds	272,964	20,528	(20,981)	-	36,541	309,052

	SOFA			2018 Total £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	
Per Note above	6,130	945	(7,075)	-
Less: Shown within Total Return Allocated to Income in SOFA	5,652	1,428	(7,080)	-
Transfer between funds per SOFA	478	(483)	5	-

The net transfer out of Restricted Funds is made up of two elements - the funding of staff costs originally charged to unrestricted funds but where the posts are funded from restricted funds; and ongoing donations received by the New Library fund, the capital cost of which was charged to unrestricted funds in previous years.

The movement in funds for the prior year 2016/17 was as follows:

	At 1 August 2016 restated £'000	Income restated £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 restated £'000
Endowment Funds - Permanent						
Beghian Scholarship Fund	2,994	102	(7)	(56)	414	3,447
Fleet Fund	3,939	32	(15)	(125)	632	4,463
Kerruish Fund	772	6	(3)	(24)	124	875
Harold Robertshaw bequest	415	3	(2)	(11)	67	472
Consolidated prizes/scholarships funds	476	4	(2)	(4)	76	550
Consolidated other sundry funds	150	4	(1)	(7)	24	170
Endowment Funds - Expendable						
General endowment fund	163,780	4,512	(2,363)	(5,347)	22,628	183,210
Calleva Fund	4,606	1,898	(18)	(45)	739	7,180
Perkin research studentship Fund	396	4	(2)	(11)	63	450
Dr Rose's Benefaction	728	10	(3)	(23)	116	828
Giles Bequest	730	6	(3)	(23)	117	827
History fellowship Fund	2,469	84	(9)	(67)	396	2,873
Law fellowship Fund	1,881	55	(7)	(49)	302	2,182
PPE Fund	2,300	22	(9)	(43)	369	2,639
Classics fellowship Fund	1,199	24	(5)	(21)	192	1,389
Frank Richardson Fund	612	5	(2)	(19)	98	694
Robin Snow Fund	440	4	(2)	(15)	71	498
Bellhouse Research Studentship	690	7	(3)	(13)	111	792
Duncan Mackinnon Fund	969	8	(4)	(34)	156	1,095
Student Support Fund	11,855	272	(45)	(345)	1,903	13,640
Tavella Stewart Fund	470	4	(2)	(25)	76	523

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	At 1 August 2016 restated £'000	Income restated £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 restated £'000
Allingham Settlement	614	35	(2)	-	99	746
Boat Club Fund	448	9	(2)	(14)	72	513
Paul Getty Fund	576	5	(2)	(18)	92	653
Hong Kong Scholarship	1,337	11	(5)	(35)	214	1,522
Law Tutorship Trust	3,176	25	(12)	(93)	510	3,606
Tutorial Teaching Fund	-	50	-	-	-	50
Consolidated prizes/scholarship funds	1,822	281	(7)	(31)	293	2,358
Consolidated chapel / choir funds	236	2	(1)	(7)	38	268
Consolidated gardens funds	294	2	(1)	(9)	47	333
Consolidated tutorial / research fellowship	488	99	(2)	5	78	668
Consolidated other sundry funds	889	31	(3)	(13)	143	1,047
Total Endowment Funds - College	213,767	7,616	(2,544)	(6,522)	30,260	242,578
Endowment funds held by subsidiaries	(1,249)	4,050	(4,202)	-	-	(1,401)
Total Endowment Funds - Group	212,518	11,666	(6,746)	(6,522)	30,260	241,177
	At 1 August 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
Restricted Funds						
Transfer from other funds for spending	-	-	(1,185)	1,185	-	-
New Library Fund	-	899	-	(899)	-	-
Student Support Fund	277	73	(16)	-	-	334
Calleva Research Centre	200	-	(177)	-	-	23
Fellows by Examination Fund	600	-	-	(83)	-	517
Crawley Ancient History Fund	111	1	-	(4)	18	126
Consolidated scholarship funds	272	36	(68)	-	-	240
Consolidated other sundry funds	226	289	(128)	(50)	-	337
Total Restricted Funds - College	1,686	1,298	(1,574)	149	18	1,577
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	1,686	1,298	(1,574)	149	18	1,577
	At 1 August 2016 restated £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 restated £'000
Unrestricted Funds						
General unrestricted funds	1,014	7,508	(12,216)	4,625	711	1,642
Designated funds:						
Fixed asset designated	26,033	-	-	1,748	-	27,781
History fellowship Fund	635	5	(22)	-	102	720
Law fellowship Fund	658	5	(23)	-	106	746
PPE Fund	193	2	(7)	-	31	219
George Freeman JRF Fund	1,377	11	(47)	-	221	1,562
Wills Fund	470	-	(117)	-	-	353
Student Support Fund	409	3	(2)	-	66	476
Consolidated chapel / choir funds	457	4	(15)	-	73	519
Consolidated other sundry funds	335	3	(16)	-	48	370
Defined benefit pension scheme reserve	(2,380)	-	472	-	110	(1,798)
Total Unrestricted Funds - College	29,201	7,541	(11,993)	6,373	1,468	32,590
Unrestricted funds held by subsidiaries	(609)	246	-	-	-	(363)
Total Unrestricted Funds - Group	28,592	7,787	(11,993)	6,373	1,468	32,227
Total Funds	242,796	20,751	(20,313)	-	31,746	274,981

FUNDS OF THE COLLEGE - DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

Beghian Scholarship Fund	Legacy to provide scholarships for graduate students
Fleet Fund	Lifetime gifts and legacy for endowing fellowships in Modern History and Economics
Kerruish Fund	Lifetime gift for the benefit of the choir
Harold Robertshaw Bequest	Legacy for the benefit of the choir
Consolidated prizes/scholarships funds	Individual gifts to establish prizes and scholarships for students
Consolidated other sundry funds	Individual gifts, none larger than £200k, for a variety of other purposes

Endowment Funds - Expendable:

General endowment fund	Those funds required for the long term which fundamentally underpin and sustain the operation of the College at its desired level of activity. It has not been possible to distinguish between the original Founder's capital or assets purchased with sale proceeds therefrom, and invested surpluses, and so the entire fund is maintained as an expendable endowment used to fund the general purposes of the College.
Calleva Fund	Lifetime gift to establish a research centre for the study of Evolution and Human Science; and to provide funding for graduate studentships
Perkin research studentship Fund	Legacy to establish a research studentship in Chemistry
Dr Rose's Benefaction	Lifetime gift, augmented by numerous individual gifts to benefit the choir
Giles Bequest	Legacy to fund a fellowship by examination
History fellowship Fund	Numerous individual gifts to fund two fellowships in History
Law fellowship Fund	Numerous individual gifts to fund a fellowship in Law
PPE Fund	Numerous individual gifts to fund a fellowship in PPE
Classics fellowship Fund	Numerous individual gifts to fund a fellowship in Classics
Frank Richardson Fund	Lifetime gift to fund a fellowship in Economics
Robin Snow Fund	Lifetime gift to fund a fellowship in Plant Sciences
Bellhouse Research Studentship	Individual lifetime gifts to fund a graduate research studentship
BCL Graduate Scholarship (Feltham)	Numerous individual gifts to fund a scholarship in Civil Law
Richard Havery Physics Fund	Lifetime gift to fund a fellowship in Physics
Duncan Mackinnon Fund	Legacy to provide for scholarships for junior members
Student Support Fund	Numerous individual gifts to provide bursaries for junior members
Tavella Stewart Fund	Legacy to provide for scholarships for junior members
Allingham Settlement	Fund to support junior members
Boat Club Fund	Numerous individual gifts to fund rowing
Paul Getty Fund	Lifetime gift to fund conservation
Hong Kong Scholarship Fund	Individual gift to fund a graduate scholarship
Law Tutorship Trust	Individual gifts to fund a fellowship in Law and to advance the study of Law
Consolidated prizes/scholarship funds	Numerous individual gifts to establish prizes and scholarships for students
Consolidated chapel/choir funds	Individual gifts and legacies to support the chapel and choir
Consolidated gardens funds	Individual gifts and legacies to maintain the College gardens, including the Lasker Rose Garden
Consolidated tutorial/research fellowship funds	Individual gifts and legacies to fund fellowships
Consolidated other sundry funds	Individual gifts, none larger than £200k, for a variety of other purposes

Restricted Funds:

New Library Fund	Donations for the improvement of Library facilities in College
Student Support Fund	Numerous individual gifts to provide bursaries for junior members
Calleva Research Centre	Additional short term funding in support of Calleva research projects
Crawley Fund in Ancient History	To be applied to the teaching of ancient history
Consolidated scholarship funds	Individual gifts to fund scholarships for junior members
Consolidated other sundry funds	Individual gifts for a variety of other purposes

Unrestricted Funds

General unrestricted fund	These funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College
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Designated Funds

Fixed asset designated	Unrestricted funds which are represented by the net book value of freehold land and buildings and fixture, fittings and equipment of the College and therefore not available for expenditure on the College's general purposes.
History fellowship Fund	Unrestricted funds allocated by the Fellows to the History Fellowship fund
Law fellowship Fund	Unrestricted funds allocated by the Fellows to the Law Fellowship fund
George Freeman JRF Fund	Unrestricted funds allocated by the Fellows to fund a Junior Research Fellowship in Science
Wills Fund	Income from externally held trust used to fund fellowships in the Chapel and Choir
Student Support Fund	Unrestricted funds allocated by the Fellows to provide bursaries for junior members
Chapel and choir funds	Funds allocated by the Fellows for future costs of the choir
Consolidated other sundry funds	Unrestricted funds allocated by the Fellows to a variety of other purposes

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	27,484	-	1,056	28,540
Property investments	-	-	116,805	116,805
Other investments	4,021	-	185,578	189,599
Net current assets	4,434	1,704	-	6,138
Long term liabilities	-	-	(30,000)	(30,000)
Defined benefit pension scheme liability	(1,815)	-	(215)	(2,030)
	<u>34,124</u>	<u>1,704</u>	<u>273,224</u>	<u>309,052</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	27,149	-	5,704	32,853
Property investments	-	-	81,304	81,304
Other investments	3,432	-	179,920	183,352
Net current assets	3,446	1,577	2,416	7,437
Long term liabilities	-	-	(30,000)	(30,000)
Defined benefit pension scheme liability	(1,798)	-	(184)	(1,982)
	<u>32,229</u>	<u>1,577</u>	<u>239,163</u>	<u>272,964</u>

20 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College.

Trustees of the college fall into the following categories:

Non Stipendiary (Professorial) Fellows

Tutorial Fellows

Fellows by Examination (Junior Research Fellows)

Full time College Officers (President, Senior Tutor, Dean of Divinity, Bursar, Home Bursar, Development Director).

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

Additional stipends are paid to fellows, including some non-stipendiary fellows, who hold a position of part-time College Officer in addition to their academic work. There are 14 such posts including Senior and Junior Deans, Dean of Degrees, Tutor for Admissions, Tutor for Graduate Admissions and Equal Opportunities Adviser. These amounts are included in the gross remuneration figures below.

All trustees may eat at Common Table, free of charge. Staff of the College are also entitled to meals when on duty.

All Official and Research Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. One trustee lives in a house owned by the college and pays market rent on a monthly basis.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in the Trustees Report.

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Remuneration paid to trustees

Range	Number of Trustees / Fellows	2018	Number of Trustees / Fellows	2017
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£1-£999	4	2,563	6	1,940
£1,000-£1,999	1	1,475	-	-
£2,000-£2,999	1	2,462	1	2,702
£3,000-£3,999	2	6,397	1	3,552
£4,000-£4,999	1	4,924	-	-
£5,000-£5,999	-	-	1	5,951
£6,000-£6,999	-	-	1	6,839
£7,000-£7,999	2	14,838	2	14,394
£8,000-£8,999	1	8,928	-	-
£9,000-£9,999	1	9,833	-	-
£10,000-£10,999	1	10,324	1	10,894
£11,000-£11,999	2	23,239	1	11,644
£12,000-£12,999	2	25,622	2	24,705
£14,000-£14,999	-	-	2	28,780
£17,000-£17,999	-	-	2	35,007
£19,000-£19,999	1	19,375	-	-
£21,000-£21,999	-	-	1	21,723
£22,000-£22,999	2	44,529	-	-
£23,000-£23,999	1	23,037	-	-
£26,000-£26,999	2	52,912	-	-
£27,000-£27,999	1	27,574	2	54,872
£28,000-£28,999	-	-	3	86,526
£29,000-£29,999	11	325,057	10	294,000
£30,000-£30,999	2	61,084	2	60,189
£31,000-£31,999	1	31,542	2	62,333
£33,000-£33,999	2	66,063	-	-
£35,000-£35,999	-	-	2	70,929
£36,000-£36,999	2	73,410	1	36,473
£37,000-£37,999	-	-	1	37,940
£39,000-£39,999	1	39,820	2	79,449
£40,000-£40,999	1	40,792	-	-
£42,000-£42,999	-	-	2	85,052
£43,000-£43,999	-	-	2	87,345
£44,000-£44,999	3	133,449	-	-
£48,000-£48,999	2	97,532	-	-
£50,000-£50,999	-	-	1	50,787
£51,000-£51,999	-	-	1	51,135
£52,000-£52,999	1	52,679	-	-
£54,000-£54,999	-	-	1	54,106
£56,000-£56,999	1	56,041	-	-
£61,000-£61,999	3	185,826	5	306,628
£62,000-£62,999	2	125,384	1	62,035
£63,000-£63,999	-	-	1	63,702
£64,000-£64,999	1	64,442	-	-
£72,000-£72,999	-	-	1	72,457
£73,000-£73,999	1	73,687	-	-
£74,000-£74,999	1	74,541	-	-
£75,000-£75,999	-	-	1	75,324
£76,000-£76,999	1	76,604	-	-
£77,000-£77,999	-	-	1	77,894
£80,000-£80,999	1	80,749	-	-
£85,000-£85,999	-	-	1	85,899
£87,000-£87,999	1	87,444	-	-
£89,000-£89,999	-	-	2	179,067
£90,000-£90,999	-	-	1	90,160
£92,000-£92,999	2	182,236	1	92,959
£93,000-£93,999	1	93,139	-	-
£94,000-£94,999	1	94,186	-	-
£98,000-£98,999	-	-	1	98,628
£100,000-£100,999	1	100,305	1	100,246
£101,000-£101,999	1	101,649	-	-
£130,000-£130,999	-	-	1	130,492
£132,000-£132,999	1	132,637	-	-
	<u>70</u>	<u>2,728,330</u>	<u>71</u>	<u>2,714,758</u>

14 trustees of the college did not receive any remuneration.

Other transactions with trustees

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £290 (2017 - £116) was reimbursed to four (2017 - two) of the Trustees for travel expenses. See also note 28 Related Party Transactions.

Key management remuneration

Key management are considered to be the President, the Vice-President, Senior Tutor, Bursar, Home Bursar and Development Director. Their total remuneration including National Insurance costs amounted to £575,200 (2017 - £585,400).

21 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). Staff employed at The Oxford Science Park Limited are members of OSPS. The assets of the schemes are held in separate trustee-administered funds. USS and OSPS schemes are contributory mixed benefit schemes (i.e. they provide benefits on a defined benefit basis - based on length of service and pensionable salary and on a defined contribution basis - based on contributions into the scheme). The schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities relating to defined benefits of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Consolidated Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of 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.

The College has made available the National Employment Savings Trust (NEST) for employees who are eligible under automatic enrolment regulations to pension benefits.

Schemes accounted for under FRS102 paragraph 28.11 as defined contribution schemes

Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are for the two schemes shown in the following table.

	USS	OSPS
Date of valuation	31/03/2014	31/03/2016
Date valuation results published	24/07.2015	28/04/2017
Value of liabilities	£46.9bn	£661m
Value of assets	£41.6 bn	£528m
Funding surplus / (deficit)	(£5.3 bn) (a)	(£133m) (b)
Principal assumptions:		
Investment return	5.2% pa (c)	-
Rate of interest (periods up to retirement)	-	Gilts+1.2%pa
Rate of interest (periods after retirement)	-	Gilts+1.2%pa
Rate of increase in salaries	RPI+1% pa (d)	RPI+1% pa
Rate of increase in pensions	CPI pa (d)	Average RPI/CPI pa
Mortality Assumptions:		
Assumed life expectancy at age 65 (males)	24.2 yrs	22.4 yrs
Assumed life expectancy at age 65 (females)	26.3 yrs	24.7 yrs
Funding Ratios:		
Technical provisions basis	89%	80%
Statutory Pension Protection Fund basis	82%	67%
'Buyout' basis	54%	42%
Estimated FRS102 Total Funding Level	77%	82%
Recommended employer's contribution rate (as % of pensionable employment)	18% (e)	23% decreasing to 19% from 01/08/2017 (f)
Effective date of next valuation	31/03/2017	31/03/2019

- a. USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is matched by the employer. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a. of salaries. At 31 March 2016 USS reported that the funding deficit was £10.0 bn (83% funded). The valuation as at 31 March 2017 is underway.
- b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.
- c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.
- d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a.
- e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it was 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.
- f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	USS change in Assumption	Impact on USS liabilities
Initial discount rate	Increase / reduce by 0.25%	Decrease / increase by £0.8 bn
Discount rate in 20 years	Increase / reduce by 0.25%	Decrease / increase by £1.1 bn
RPI inflation	Increase / reduce by 0.1%	Increase / decrease by £0.8 bn
Rate of mortality	More prudent assumption (mortality used at last valuation, rated down by a further year)	Increase by £0.5 bn
Assumption	OSPS change in Assumption	Impact on OSPS technical provisions (from 80% funded at 31/03/2016)
Valuation rate of interest	Decrease by 1.0%	68%
Rate of pension increases	Increase by 1.0%	69%
Life expectancy	More prudent assumption (life expectancy increases by 3 years)	72%

Deficit Recovery Plans

In line with FRS 102 paragraph 28.11A, the University has recognised a liability for the contributions payable for the agreed deficit funding plan. The principle assumptions used in these calculations are tabled below:

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	USS	OSPS
Finish date for deficit recovery plan	31/03/2031	30/06/2027
Average staff number increase	1.00%	1.00%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	2.20%	1.95%
Effect of 0.5% change in discount rate	£27,000	£26,000
Effect of 1% change in staff growth	£66,000	£105,000

A provision of £2.030m has been made at 31 July 2018 (2017: £1.982m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown.

A copy of the full actuarial valuation report and other further details on the scheme are available on the relevant website: www.uss.co.uk , www.nhsbsa.nhs.uk/Pensions , www1.admin.ox.ac.uk/finance/epp/pensions/schemes/osps , www.saul.org.uk .

Closed Pension Scheme

Prior to 1 October 2005, staff were able to accrue benefits for service in the Magdalen College Staff Retirement Benefits Scheme (the 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 SRBS provides benefits based on length of service and final pensionable salary. The assets of the SRBS are held in separate trustee-administered funds. The scheme is periodically valued by qualified actuaries using the projected unit method.

The last triennial actuarial valuation was carried out as at 31 July 2015.

The amounts recognised in the balance sheet are as follows:

	2018 £'000	2017 £'000
Present value of funded obligations	(2,754)	(2,848)
Fair value of plan assets	3,227	3,264
Unrecognised surplus	(473)	(416)
Deficit	-	-

Changes in the present value of the defined benefit obligation are as follows:

	2018 £'000	2017 £'000
Opening defined benefit obligation	(2,848)	(3,018)
Service cost	-	-
Interest cost	(73)	(76)
Employee contributions	-	-
Actuarial (loss)	44	204
Benefits paid	123	42
Defined benefit obligation at end of year	(2,754)	(2,848)

Changes in the fair value of the scheme assets are as follows:

	2018 £'000	2017 £'000
Opening fair value of scheme assets	3,264	2,910
Expected return	84	74
Actuarial gain	2	322
Employer contributions	-	-
Employee contributions	-	-
Benefits paid	(123)	(42)
Fair value of scheme assets at the year end	3,227	3,264

The amounts included within the Statement of Financial Activities are as follows:

	2018 £'000	2017 £'000
Current service cost	-	-
Past service cost	-	-
Expected return on scheme assets	84	74
Interest on pension liabilities	(73)	(76)
Total amount charged within net incoming / (outgoing) resources	11	(2)
Actuarial gains	(11)	110
Total amount credited to the Statement of Financial Activities	-	108

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In 2016, Magdalen College made a contribution of £275,000 to fully cover the funding deficit arising out of the 2015 actuarial valuation. It does not therefore expect to make any further contributions in later years.

The major categories of scheme assets as a percentage of total Scheme assets are as follows:

	2018	2017
Phoenix Life / Scottish Mutual With-Profits Fund	<u>100%</u>	<u>100%</u>

The overall expected rate of return on the scheme assets is determined by reference to UK long dated bond yields at the balance sheet date. The expected long term rates of return for each accounting period are:

	2018	2017
Phoenix Life / Scottish Mutual With-Profits Fund	2.70%	2.63%

Principal assumptions at the balance sheet date

	2018	2016
Discount rate	2.70%	2.63%
Price inflation - RPI	3.30%	3.30%
Price inflation - CPI	2.50%	2.50%
Rate of increase in salaries	n/a	n/a
Rate of increase of pensions in payment	3.30%	3.30%
Rate of increase of pensions in deferment	2.50%	2.50%
Proportion of employees opting for early retirement	n/a	n/a
Expected return on scheme assets	2.70%	2.63%
Assumed life expectations on retirements age 65:		
Retiring today - males	22.9	22.8
Retiring today - females	25.0	24.9
Retiring in 20 years - males	25.1	25.0
Retiring in 20 years - females	27.3	27.2

The amounts for the current and previous periods are as follows:

	2018	2017	2016
	£'000	£'000	£'000
Fair value of scheme assets	3,227	3,264	2,910
Present value of defined benefit obligation	2,754	2,848	3,018
Surplus / (deficit) in plan	473	416	(108)
Defined benefit asset / (liability) to be recognised	-	-	(108)

Pension charge for the year

The pension charge recorded by the College during the accounting period (excluding pension finance costs) was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2018	2017
	£'000	£'000
Universities Superannuation Scheme	425	517
University of Oxford Staff Pension Scheme	656	54
Magdalen College Staff Retirement Benefits Scheme	-	-
National Employment Savings Trust	6	5
	<u>1,087</u>	<u>576</u>

Summary of Movement in Pension Provision - All Schemes

	USS	OSPS	SRBS	Total
Opening provision	843	1,139	-	1,982
Actuarial movement in year	(61)	109	-	48
Closing provision	<u>782</u>	<u>1,248</u>	<u>-</u>	<u>2,030</u>
In unrestricted funds				1,815
In endowment funds				216
				<u>2,030</u>

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of this/these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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23 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at fair value:

	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
Financial assets measured at fair value through profit or loss				
Investments	175,663	173,344	175,663	173,344
Financial assets measured at amortised cost				
Cash held within fixed asset investments	13,936	10,008	13,940	10,008
Cash held within current asset investments	28	28	28	28
Other cash and cash equivalents	6,477	9,168	1,773	-
Debtors and accrued income	997	1,765	303	865
Intercompany debtors	-	-	11,126	5,220
Financial liabilities measured at amortised cost				
Fixed rate loan	(30,000)	(30,000)	(30,000)	(30,000)
Trade and other creditors and Accruals	(2,976)	(4,283)	(2,118)	(2,870)
Intercompany creditors	-	-	-	(675)

24 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATIONS

	2018 Group £'000	2017 Group £'000
Net income/(expenditure)	36,088	32,074
Elimination of non-operating cash flows:		
Investment income	(2,733)	(2,704)
(Gains)/losses in investments	(36,541)	(31,636)
Endowment donations	(1,650)	(2,602)
Depreciation	1,034	1,059
Decrease/(Increase) in stock	(45)	(88)
Decrease/(Increase) in debtors	442	2,600
(Decrease)/Increase in creditors	(1,649)	2,381
(Decrease)/Increase in pension scheme liabilities	48	(472)
Net cash (used in) / provided by operating activities	(5,005)	612

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £'000	2017 £'000
Cash at bank and in hand	6,482	9,168
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	6,482	9,168

26 FINANCIAL COMMITMENTS

At 31 July the Group had total commitments under non-cancellable operating leases as follows:

	2018	2017
Equipment		
payable within one year	12	5
payable between two and five years	31	6
payable in over five years	-	-
	43	11

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 201 for future capital projects totalling £68,474 (2017 - £377,400).

The Oxford Science Park Limited had contracted commitments at 31 July 2018 for future projects totalling £0 (2017 - £9,458,000).

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28 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

The College received income from and had outstanding balances with its subsidiary entities as follows:

	2018	2017
	£'000	£'000
Income received from / (expenditure paid to):		
The Oxford Science Park Limited	3,228	2,877
Magdalen College Trading Limited	830	593
Magdalen College Educational Conferences	593	452
Magdalen College Development Trust	3,072	4,159
Magdalen Development Company Limited	(192)	(524)
Outstanding balances at 31 July:		
The Oxford Science Park Limited	155	(657)
Inter-company balance		
Loan	10,000	-
Magdalen College Trading Limited	290	600
Magdalen College Educational Conferences	352	463
Magdalen College Development Trust	333	4,159
Magdalen Development Company Limited	1	1

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The following trustees had amounts outstanding in respect of the Oxford Colleges Healthcare Scheme, due to the College at the start and/or end of the year. The College pays the annual premium at the start of the scheme year and this is recovered on a monthly basis from trustees.

Range	2017-18		2016-17	
	Number of trustees	Total amount outstanding £	Number of trustees	Total amount outstanding £
£0-£999	14	7,127	12	5,771
£1,000- £1,999	4	4,257	5	5,098

The College has two properties owned jointly with trustees under a joint equity ownership agreements between the trustees and the College. The following amounts, representing the financial contribution made by the College, are included within property investments.

	2018	2017
	£'000	£'000
Professor C Garland	300	300
Professor S Goodwin	273	0

Joint equity properties are subject to sale on the departure of the trustee from the College. In consideration for permitting a trustee to occupy a joint equity property, an annual occupation fee is payable by the trustee to the College. This is based on Bank of England base rate plus a margin ranging from -0.1% to +1.5% depending on the length of occupation.

Six trustees have made donations to the College during the year totalling £7,338 in total (net of gift aid).

29 POST BALANCE SHEET EVENTS

There were no post balance sheet events.

30 PRIOR YEAR ADJUSTMENTS

Three adjustments have been made to the 2016/17 financial statements.

1. The Financial Reporting Council has ruled that gift aid payments from charity trading subsidiaries should not be recorded in the Profit & Loss account and should instead be treated as dividends on the date of payment and cannot be accrued. Accordingly the gift aid payment from Magdalen College Trading Limited of £246,288 has been removed from the 2016/17 accounts as it was not paid until early in 2017/18.

2. In line with the terms of the lease agreements between the College and the Science Park, a prior year adjustment was made in 2016/17 to recognise that 80% of the lease incentive debtors in The Oxford Science Park Limited on 1 January 2016. The adjustment was reflected in the inter-company accounts of both entities. Correct treatment should have been to recognise income of £965,116 in College and a matching cost in The Oxford Science Park Limited. These adjustments have now been made.

3. Funds held by subsidiary companies, as stated in Note 18 did not match the funds in the individual company accounts. They have now been brought into alignment.

None of these adjustments have any impact on the consolidated Group accounts.

Effect on College-only Balance Sheet

	2017 Total £'000
Debtors as previously stated	7,487
Reduction in amounts owed by Group undertakings - removal of gift aid accrual	<u>(246)</u>
Restated Debtors	<u>7,241</u>
Creditors: amounts falling due within one year as previously stated	4,862
Reduction in amounts owed to Group undertakings - adjustment to lease incentives	<u>(965)</u>
Restated Creditors	<u>3,897</u>

Funds	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2017 Total £'000
Funds as previously stated	34,868	1,577	237,566	274,011
Removal of gift aid accrual previously credited to Endowment funds		-	(246)	(246)
Lease incentive balance on 1 January 2016 credited to Endowment funds		-	965	965
Realignment of subsidiary company funds	(2,278)	-	2,276	(2)
Restated Funds at 31 July 2017	<u>32,590</u>	<u>1,577</u>	<u>240,561</u>	<u>274,728</u>