



MAGDALEN COLLEGE

Report and Financial Statements

for the Year Ended 31 July 2019

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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 2019 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 13 to 17.

2. STRUCTURE, GOVERNANCE and MANAGEMENT

a. Governing Documents

The College is governed by its Statutes dated 17 June 2015.

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, which consists of seven elected members including no more than one person who either is a stipendiary Fellow or (not being a Fellow) is remunerated by 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; from 1 July 2019, Revd Dr A Bowyer) is responsible for the Chapel; the Librarian (Mr D T Green) for the Library and Archives; and the 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 2019

a. Academic

The student population of the College consisted of 384 undergraduates on average, undertaking a mixture of three- and four-year courses, and 236 graduates, of whom 78 were studying for degrees in clinical medicine (27) or taught masters degrees (51) and 158 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. Forty-three out of 95 Finalists gained First Class Honours. Magdalen was placed third in the interim Norrington Table, which ranks the final examination results of 30 colleges in the University. Forty undergraduates achieved distinctions or first-class results in University examinations taken in the earlier years of their courses. Fifteen 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.

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

Magdalen Fellows published a significant number of research papers, books, and other original works. They also presented numerous lectures on their research work at national and international seminars and conferences. Major research awards include: Professor Clare Harris and Professor Laurence Brockliss were elected Fellows of the British Academy; Professor Marilyn Booth won the Man Booker International Prize; Professor Jeremias Adams-Prassl won the St Petersburg International Legal Forum Prize; Professor Gero Miesenböck, won the Warren Alpert Foundation Award; Professor Sir Peter Ratcliffe won the Massry Prize in biomedical sciences; Professor Sir David Clary was elected an Honorary Fellow of the Chemical Research Society of India. Professor Jeremias Adams-Prassl was awarded the title Professor of Law in the 2019 Recognition of Distinction Exercise.

Professor Timothy Barraclough was elected to a Tutorial Fellowship in Zoology, and Professor Richard Cornall was elected to the Nuffield Professorship of Clinical Medicine associated with a Professorial Fellowship at Magdalen. Revd Dr Andrew Bowyer was elected Fellow and Dean of Divinity, and the College Librarian Mr Daryl Green was elected to an Official Fellowship. Mr Kevin Dorst, Ms Signe Larsen, Mr Anthony Shillito, and Dr Marcello Cattaneo 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. Dr Kumi Naidoo (Secretary-General of Amnesty International) was elected as an Honorary Fellow.

The enhancement of the intellectual life of our members is a priority of the Strategic Plan. Distinguished lectures given during the year included the Waynflete Lecture by Dr Kumi Naidoo on "Creative maladjustment in a time of affluenza" and the Ewen Green Memorial Lecture by Professor Catherine Hall on "Customs in common: making "race" in the black/ white Atlantic". Speakers in the Old Library exhibition series on T. E. Lawrence included Rory Stewart (Secretary of State for Overseas Development) and John Simpson (BBC foreign correspondent). There were several prominent visitors to the College including His Royal Highness Prince Edward, Hillary Clinton, Juan Manuel Santos (Nobel Peace Prize Winner and former President of Colombia), and Ursula von der Leyen (German Minister of Defence and President-elect of the European Commission).

As was proposed in the Strategic Plan, the College continued with an increased provision for student counselling and mentoring support. Magdalen students won several major prizes connected to their academic or extra-curricular studies. Music undergraduate Siriol Jenkins won the composer's medal in the Urdd National Eisteddfod, and Human Sciences undergraduate Beth Plant won the Vice-Chancellor's Social Impact Award.

The College embarked upon the first year of its new Outreach Strategy for 2018-23, which involves the following four goals:

- i. To give opportunities for outstanding education to students regardless of background.

- ii. To increase the presence of under-represented groups at Magdalen and at Oxford.
- iii. To promote Magdalen and Oxford to all students with the potential for academic excellence
- iv. To support the University as a whole in its outreach and access work.

The Strategy is underpinned by an operational plan, which has included increased staffing, leading to a team now consisting of two Fellowship-Level positions (Access Fellow and Widening Participation Fellow), and two full-time Outreach and Access Officership positions).

Between 0th week of Michaelmas term 2018 and 0th week of Michaelmas term 2019, Magdalen will have run or participated in at least 85 outreach events. Of these 85 events (71 of which had taken place by 31 July 2019), 54 are inbound visits and 26 are outbound visits. Fifty-one involve schools/colleges from across our 7 link regions (Barnsley, Brent, Nottingham, Nottinghamshire, Rotherham, Sheffield, and Westminster), and 34 involve schools/colleges from beyond our link regions (including a small number of international groups). With each event involving approximately 30 prospective students and 2 to 3 teachers, by the end of the academic year we shall have directly engaged with over 2,500 prospective students and more than 200 teachers.

In addition to these regular visits we have organised a number of more targeted and ambitious events in 2019. Many of these have been organised in collaboration with student societies and colleagues across the University, as well as external organisations, and they have included Oxford African and Caribbean Society (ACS) Offer Holders' and English Study Days, Oxford First-Gen 'Informal Formal', Oxford History Teachers Conference, UNIQ residential, and UNIQ+ residential (a brand new six-week access summer school for prospective postgraduate students).

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 Magdalen Players received excellent reviews for their performance of Oscar Wilde's "A Woman of No Importance" as the Annual Play in the President's Garden. The Producer was Amber Seward and the Director Henry Sleight. Student societies also received talks from several distinguished speakers including Lord Hague, Dominic Grieve MP, and George Osborne. Numerous musical concerts were performed by Magdalen students in College and elsewhere. Blues were awarded to 31 students through selection for Oxford University sports teams in matches against Cambridge University. Tobias Schroder rowed in the Boat Race for Oxford University. The annual sports matches with Magdalene College, Cambridge were held in Cambridge 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 2018/19 75 students received Oxford Bursaries and a total of £200,400 was awarded. The College contributed £90,500 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 2018/19 the Student Support Fund made grants totalling £202,200. The College also supports all its students through travel and research grants and vacation study grants (£99,400 awarded in 2018/19).

d. Chapel and Choir

The Chapel and Choir continued to thrive in the academic year 2018-19. We welcomed Dominique Simpson as Chapel & Choir Administrative Assistant and we also welcomed a new Organ Scholar, three new stipendiary Clerks, three new Academical Clerks, and a new Sacristan.

There were more than 400 Chapel services, of which the College Choir sang around 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, and a joint service with

our own College Choir on Wednesday 22nd May. This was the group's final term in residence at Magdalen as they move to their new home as the girl choristers of Christ Church Cathedral in Oxford from September 2019. We wish them every success there. The College Choir and Consort of Voices collaborated with other visiting groups, including the Girls Choristers of Llandaff Cathedral, the Choir of the Oratory School, Woodcote, and the Girl Choristers of Merton College, Oxford. All Chapel services were open to the general public. There were many special services throughout the year including Choral Evensong with the distribution of Claymond's Dole, for which occasion we printed a new commemorative card, upon which the dole was mounted and information printed. The choir sang Fauré's *Requiem* for the feast of All Souls, and the Advent Carol Service and two Carols by Candlelight services were highly successful. In addition to these, we held short carol services before the JCR and MCR Christmas formal halls as well as a new carol service especially for Friends of the Choir and alumni, all of which were well received.

In Holy Week there were a number of successful musical and liturgical events, including a concert of Haydn's *Seven Last Words from the Cross*, given by the Villiers Quartet, a choral concert by the College Choir, a beautiful Sung Eucharist with washing of feet for Maundy Thursday, the Good Friday Liturgy sung by the Clerks, and a full chapel for Easter Day Eucharist. The Choir sang from the tower for May Morning and, the following week, on 8th May, took part in a live BBC broadcast of Choral Evensong on Radio 3, for the feast of Julian of Norwich. Later in the term there was a Choral Evensong sung jointly with the Choirs of New College and Christ Church, at Christ Church Cathedral. On 2nd June, the Consort of Voices were joined by Instruments of Time and Truth for Evensong, with Bach's setting of the Magnificat sung as part of the service – the congregation on that occasion numbered more than 300 people. The University Sermons were preached by The Reverend Canon Dr Emma Pennington, Canon Missioner at Canterbury Cathedral, and the Reverend Dr Robin Ward, Principal of St. Stephen's House, Oxford.

There were many pastoral services, including baptisms, confirmations and marriages. The funeral of Dr David Pattison was held in September 2018, and a memorial service for Sir Michael Wheeler-Booth took place in October. The funeral for former Chapel Verger, Syd Knight, also took place in October and the funeral of former PA to the President, Carolyn Tucker, was held in April. A funeral service for Sir Guenter Treitel was held in July. Total attendance at services during the course of the year is estimated at over 13,000.

The Choir performed in the College Chapel as part of the Martin Randall Travel 'Divine Office' Festival in September, and, in December, at concerts in Dorchester Abbey (in aid of the Home Farm Trust), and at the Manoir aux Quat'Saisons (with the impressionist Alastair McGowan), in addition to singing for members of the SCR and their guests at the much-loved annual Christmas Entertainment. Following the end of Hilary Term, the Choir sang to capacity audiences in Paris and Antwerp. At the close of Trinity Term, the Choir participated in workshops for the Oxford Choral Institute, hosted a 'Be a Chorister for a Day' event in the College chapel, performed with His Majestys Sagbutts and Cornetts in SJE, Iffley Road, as part of the Oxford Festival of the Arts, and recorded a disc in Merton College Chapel. The Choir's latest CD, *The Pillar of the Cloud*, was released in June, and immediately went to number 12 in the classical charts.

At the end of the academic year we said farewell to six choristers, to five clerks, and to four members of the Consort of Voices. We also said goodbye to Dominique Simpson, Chapel & Choir Administrative Assistant, who goes to a full-time position in Outreach and Access at St John's College, Oxford and to the Reverend James Crockford, Honorary Chaplain, who takes up the position of Dean of Chapel and Director of Studies in Theology at Jesus College, Cambridge. We thank them all for their contribution to the life of the Chapel and College, and wish them every success in the next phase of their lives.

Following the appointment of The Reverend Dr Jonathan Arnold as Director of Communities and Partnerships in the Diocese of Canterbury, The Reverend Dr Andrew Bowyer has succeeded him as Dean of Divinity.

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 2018/19, these afternoons have resulted in 4,200 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 350 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 2018/19 there were 24,112 adult paying visitors and 26,185 visitors who paid at a concessionary rate. In addition family tickets were purchased by 2,719 families. During the Long Vacation, a further 218 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 2019 welcomed 4,812 members of the public to the College free of charge; on New Year's Day there were 582 visitors; and there were 295 visitors on 14 April 2019 for the National Gardens Scheme.

In May 2019 the College began a joint admission ticket scheme with the Oxford Botanic Garden. By the end of July, 376 visitors to the College bought this ticket, while 107 bought the ticket at the Botanic Gardens.

f. Development and Alumni Relations

The Development Office is responsible for securing philanthropic income for the College, primarily from alumni, and in 2018/19 secured £2.4m in income.

The Office's priorities for 2018/19 were to secure additional funding to underpin core College activities, particularly toward the College's new Outreach and Access efforts, as well as financial support for undergraduate and postgraduate students and also support for teaching and research. These priorities were successfully addressed, with over 1,508 individuals (an increase of 100+ over the previous year) making donations to the College, contributing to these areas of College life.

The levels of alumni engagement remain 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 2019/20 it is envisaged that the main priority will be continued support for the College's developing Outreach & Access Strategy and for graduate scholarships, both of which we expect to source primarily through continued face-to-face fundraising as well as direct mail and telephone fundraising to alumni.

Our approach to fundraising relies upon high levels of positive alumni engagement in order that we may attract, steward, and maintain support from our alumni donors and prospective donors, but importantly also to protect our reputation, maintain a high profile, and establish with this audience our relevance among a wide array of philanthropic organisations vying for their support. A key element underpinning our work is the segmentation of alumni through our 'DARS' Customer Relationship Management database. This allows us to provide our alumni with communications and fundraising appeals at appropriate frequencies and ensures 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, particularly 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 £21.4m (2018: £20.5m) for the year to 31 July 2019, of which £6.6m (2018: £6.4m) related to charitable activities, principally teaching, research, and associated residential income. Trading income rose to £9.9m (2018: £8.3m), largely reflecting increased activity at The Oxford Science Park. Donations and legacies amounted to £2.4m (2018: £3.1m) whilst income from investments fell slightly to £2.4m (2018: £2.7m).

The overall investment portfolio had another strong year with net gains on investments of £24.4m (2018: £36.5m). Total investment returns for the year net of management fees were 9.6% (2018: 15.8%).

Total expenditure for the year rose to £22.8m (2018: £21.0m). Expenditure on charitable activities increased to £14.5m (2018: £12.5m). Investment management costs, which include £1m interest on the £30.0m private placement, were virtually unchanged at £2.2m.

The College reported an overall increase in funds for the year of £23.0m (2018: £36.0m). Within this total, £23.8m related to increases in the market value of endowment funds.

The College received £2.8m in tuition fees and OfS grant funding but spent £9.2m on teaching and research. A transfer from endowment funds of £7.5m was made to meet this shortfall.

The College spent £1.3m (2018: £1.2m) on improvements to its estate, and continues to fund its continuing capital programme as reserves permit. In addition, a further £3.8m was spent during the year at The Oxford Science Park, principally on construction of the Bellhouse Building, due to open in mid-2020, and on work to gain planning permission for a new building incorporating both office and lab space.

b. Reserves Policy

Total funds of the College and its subsidiaries at the year-end amounted to £332.1m (2018: £309.0m). This includes endowment capital of £296.0m and unspent restricted income funds totalling £2.0m. Free reserves at the year-end amounted to £3.2m (2018: £2.6m), representing retained unrestricted income reserves excluding an amount of £25.1m 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 £5.7m (2018: £5.2m). In line with FRS102 the College has recognised a provision of £3.6m (2018: £2.0m) 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 £3.2m 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 2019 was marketable equities 51.7%, private equity and venture capital 5.4%, property 38.9%, including 28.3% in respect of The Oxford Science Park, and cash/cash equivalents 4.5%. Foreign exchange exposure during the year was approximately 40% across the portfolio, principally US dollars.

d. Risk management

The College has on-going processes which operated throughout the financial year for identifying, evaluating and managing the principal risks and uncertainties faced by the College and its subsidiaries in undertaking 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 2019/20

The College will continue to aim for excellent standards in learning, teaching and research in the academic year 2019/20. Major projects will include:

- Implementation of the Strategic Plan for Magdalen College 2015-20 in its fifth year.
- Implementation of the College's Outreach Strategy for 2018-23 in its second year.
- Refurbishments of College buildings, facilities, and student accommodation.
- Development of a major fundraising campaign.
- Continued expansion of the Oxford Science Park.

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										
Adams-Prassl, Prof. J.F.B.B.		(1)					(6)				
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	Resigned 31/08/2019										
Bagshaw, Prof. R.M.		(1)									
Barr, Prof. G.D.		(1)									
Barraclough, Prof T.G.	Appointed 1/09/2019	(1)									
Berestycki, Prof. J.		(1)	(2)								
Billingham, Dr P.D.		(1)									
Blandford-Baker, Mr. M.R.		(1)					(6)				(10)
Bolorinos Allard, Dr E.N.											
Booth, Prof. M.L.									(8)		
Boubert, Dr D.P.	Appointed 1/10/2018										
Bowes, Prof. L.N.		(1)					(6)				
Bowyer, The Rev'd Dr A.D.	Appointed 1/07/2019	(1)				(5)					
Bridson, Prof. M.R.			(2)					(7)			
Budelmann, Prof. F.J.		(1)									
Castle, Dr. J.L.		(1)		(3)							

MAGDALEN COLLEGE
 Report of the Governing Body
 Year ended 31 July 2019

Cattaneo, M	Appointed 1/10/2019										
Clark, Prof. D.M.											
Cleveland, Prof. R.O.		(1)	(2)								
Conde, Dr. J-C.		(1)									
Cornall, Prof. R.J.	Appointed 1/07/2019										
Coussios, Prof. C-C.											
Dolan, Prof. L.					(4)						
Donohoe, Prof. T.J.		(1)					(6)				
Dorst, Dr. K.M.	Appointed 1/10/2019										
Douglas-Fairhurst, Prof. R.J.		(1)									
Due, Dr. R.		(1)									
Ebner, Mrs H. L.	Appointed 1/11/2019				(4)						
Elbourne, Prof P.D.		(1)						(8)			
Etheridge, Prof. A.M.											
Fortunato, Prof. L.		(1)									
Garfitt, Prof. J.S.T.	Retired 30/09/2018										
Garland, Prof. C.J.		(1)						(8)		(10)	
Garrod, Prof. R.S.S.	Appointed 1/10/2018	(1)									
Gilbert, Revd Prof. R.J.C.		(1)				(5)					
Gilson, Prof. S.A.											
Gingrich, Prof. J.		(1)	(2)	(3)				(7)			
Goodwin, Prof. S.F.		(1)									
Green, Mr D.T.	Appointed 1/10/2019									(9)	
Gregg, Prof. J.F.		(1)									
Grevling, Prof. K.D.		(1)									
Harris, Prof. C.E.		(1)									

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 Report of the Governing Body
 Year ended 31 July 2019

Hetherington, Dr. A.J.	Term ended 30/09/2019										
Hill, Prof. A.V.S.											
Horobin, Prof. S.C.P.		(1)								(9)	(10)
Karenowska, Dr A D.											
Kristensen, Prof. J.		(1)									
Kröning, Prof. D.H.F.						(6)					
Leitmeir, Dr. C.T.		(1)			(5)			(8)			
Lifschitz, Prof. A.S.		(1)								(9)	
MacKenzie, Prof. S.R.		(1)		(4)							
Magidor, Prof O.											
Maguire, Prof. L.E.		(1)									
Martinho-Truswell, Dr. A.	Term ended 30/09/2018										
McCarthy, Dr. R.P.	Term ended 30/09/2018										
Maw, Mr. J.R.H.		(1)	(3)	(4)		(6)	(7)				
Miesenböck, Prof. G.											
Moreno, Dr. A.		(1)									
Nightingale, Prof. J.B.W.		(1)		(4)							
Nizami, Dr. F.A.											
Norman, Dr. T.W.L.		(1)									
Pobjoy, Dr. M.P.		(1)				(6)					
Pooley, Prof. S.K.		(1)						(8)			
Prince, Dr T.M.	Term ended 30/09/2019										
Rainey, Mr. S.F.	Resigned 31/08/2018										
Robinson, Dr. D.H.	Term ended 30/09/2019										
Salow, Prof. B.J.	Appointed 1/10/2018	(1)									
Sampson, Prof. J.W.	Appointed 1/10/2018	(1)									

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 Report of the Governing Body
 Year ended 31 July 2019

Santhanam, Prof. R.		(1)							(8)		
Sattentau, Prof. Q.J.		(1)									
Shillito, Dr. A.P.	Appointed 1/10/2019										
Smith, Prof. R.J.	Retired 30/09/2018							(7)			
Stargardt, Prof. N.		(1)		(3)							
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)					(10)
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 Turner, J Wrigley

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

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

Moore 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 4 December 2019 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 2019 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 of the College's and the group's affairs as at 31 July 2019, and of the incoming resources of the group 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.

We have nothing to report in this regard.

MAGDALEN COLLEGE

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

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 18, 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.

MAGDALEN COLLEGE

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

- 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 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.

Moore Kingston Smith LLP
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Moore 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 under the historical cost convention, 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 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME FROM:						
Charitable activities:	1					
Teaching, research and residential		6,272	-	-	6,272	6,113
Public worship		37	-	-	37	40
Heritage		296	-	-	296	237
Other Trading Income	3	1,079	-	8,846	9,925	8,281
Donations and legacies	2	291	1,051	1,036	2,378	3,076
Investments						
Investment income	4	40	1	2,373	2,414	2,733
Total return allocated to income	13	6,162	1,311	(7,473)	-	-
Other income		86	3	-	89	48
Total income		14,263	2,366	4,782	21,411	20,528
Net income		14,263	2,366	4,782	21,411	20,528
EXPENDITURE ON:						
	5					
Charitable activities:						
Teaching, research and residential		12,188	1,527	-	13,715	11,735
Public worship		574	49	-	623	579
Heritage		205	11	-	216	213
Generating funds:						
Fundraising		774	1	-	775	752
Trading expenditure		1,401	-	3,744	5,145	5,371
Investment management costs		66	-	2,215	2,281	2,332
Total Expenditure		15,208	1,588	5,959	22,755	20,981
Net Income/(Expenditure) before gains		(945)	778	(1,177)	(1,344)	(453)
Net gains on investments	10, 11	547	10	23,837	24,394	36,541
Net Income/(Expenditure)		(398)	788	22,660	23,050	36,088
Transfers between funds	18	313	(443)	130	-	-
Net movement in funds for the year		(85)	345	22,790	23,050	36,088
Fund balances brought forward	18	34,124	1,704	273,224	309,052	272,964
Funds carried forward at 31 July		34,039	2,049	296,014	332,102	309,052

Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	32,371	28,540	28,473	28,113
Property investments	10	127,058	116,805	96,261	89,718
Other Investments	11	199,730	189,599	209,740	199,609
Total Fixed Assets		359,159	334,944	334,474	317,440
CURRENT ASSETS					
Stocks		913	769	898	755
Debtors	14	4,601	2,884	16,026	12,691
Investments		28	28	28	28
Cash at bank and in hand		6,108	6,482	1,623	1,777
Total Current Assets		11,650	10,163	18,575	15,251
LIABILITIES					
Creditors: Amounts falling due within one year	15	5,133	4,025	2,718	2,574
NET CURRENT ASSETS		6,517	6,138	15,857	12,677
TOTAL ASSETS LESS CURRENT LIABILITIES		365,676	341,082	350,331	330,117
CREDITORS: falling due after more than one year	16	30,000	30,000	30,000	30,000
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		335,676	311,082	320,331	300,117
Defined benefit pension scheme liability	17	3,574	2,030	3,423	1,815
TOTAL NET ASSETS		332,102	309,052	316,908	298,302
FUNDS OF THE COLLEGE					
Endowment funds		296,014	273,224	280,485	262,138
Restricted funds		2,049	1,704	2,049	1,704
Unrestricted funds					
Designated funds		34,222	33,388	34,222	33,388
General funds		3,240	2,551	3,575	2,887
Pension reserve	21	(3,423)	(1,815)	(3,423)	(1,815)
		332,102	309,052	316,908	298,302

The financial statements were approved and authorised for issue by the Governing Body of Magdalen College on 4 December 2019

President:

Bursar:

Magdalen College
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash (used in) / provided by operating activities	24	(3,545)	(5,005)
Cash flows from investing activities			
Dividends, interest and rents from investments		2,414	2,733
Purchase of property, plant and equipment		(4,485)	(10,971)
Proceeds from sale of investments		6,290	15,424
Purchase of investments		(2,083)	(6,517)
Net cash provided by investing activities		2,136	669
Cash flows from financing activities			
Receipt of endowment		1,036	1,650
Net cash provided by (used in) financing activities		1,036	1,650
Change in cash and cash equivalents in the reporting period		(373)	(2,686)
Cash and cash equivalents at the beginning of the reporting period		6,482	9,168
Cash and cash equivalents at the end of the reporting period	25	6,108	6,482

Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES

	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,588	1,644
Tuition fees - Overseas students	921	821
Other fees	143	127
Other HEFCE support	292	311
Other academic income	92	32
College residential income	3,236	3,178
Total Teaching, Research and Residential	6,272	6,113
Public worship		
Unrestricted funds		
Sundry income	37	40
Total Public worship	37	40
Heritage		
Unrestricted funds		
Heritage Income	296	237
Total Heritage	296	237
Total income from charitable activities	6,605	6,390

The above analysis includes £1,945,300 received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £1,954,500).

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 £739 (2018 - £6,771). These are not included in the fee income reported above.

2 DONATIONS AND LEGACIES

	2019	2018
	£'000	£'000
Unrestricted funds	291	404
Restricted funds	1,051	1,022
Endowed funds	1,036	1,650
	2,378	3,076

3 INCOME FROM OTHER TRADING ACTIVITIES

	2019	2018
	£'000	£'000
Subsidiary company trading income	9,863	8,246
Other trading income	62	35
	9,925	8,281

One subsidiary company, The Oxford Science Park Limited, receives income from its tenants under operating leases of varying lengths. The expected total income to be received from such leases, measured to the first break clause in each lease is £18.6m.

Notes to the financial statements
For the year ended 31 July 2019

4 INVESTMENT INCOME

	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Equity dividends	28	45
Bank interest	12	6
	40	51
<i>Restricted funds</i>		
Equity dividends	1	1
	1	1
<i>Endowed funds</i>		
Agricultural rent	346	348
Commercial rent	779	710
Other property income	361	405
Equity dividends	704	1,161
Interest on fixed term deposits and cash	170	29
Other investment income	1	21
Bank interest	12	7
	2,373	2,681
Total Investment income	2,414	2,733

5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	7,219	5,558
Public worship	224	204
Heritage	105	103
Other direct costs allocated to:		
Teaching, research and residential	4,789	4,522
Public worship	352	328
Heritage	84	84
Support and governance costs allocated to:		
Teaching, research and residential	1,707	1,655
Public worship	47	47
Heritage	27	26
Total charitable expenditure	14,554	12,526
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	461	431
Trading expenditure	1,419	1,467
Investment management costs	28	(1)
Other direct costs allocated to:		
Fundraising	213	231
Trading expenditure	3,310	3,492
Investment management costs	1,153	1,244
Support and governance costs allocated to:		
Fundraising	101	90
Trading expenditure	416	412
Investment management costs	1,100	1,089
Total expenditure on raising funds	8,201	8,455
Total expenditure	22,755	20,981

Notes to the financial statements
For the year ended 31 July 2019

In 2018, expenditure of £20,981,000 represented £12,986,000 from unrestricted funds, £1,854,000 from restricted funds and £6,141,000 from endowed funds.

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 £182,584 (2018 - £nil).

Included within expenditure are:	2019	2018
	Total	Total
	£'000	£'000
Stock recognised as an expense in the year	438	448
Operating lease payments	<u>14</u>	<u>12</u>

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2019 Total £'000
Financial administration	278	169	12	11	470
Domestic administration	117	170	-	11	298
Human resources	18	156	19	-	193
IT	60	182	6	-	248
Depreciation	111	928	10	5	1,054
Loan interest payable	995	-	-	-	995
Other finance charges	16	75	-	-	91
Governance costs	22	27	-	-	49
	<u>1,617</u>	<u>1,707</u>	<u>47</u>	<u>27</u>	<u>3,398</u>

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2018 Total £'000
Financial and domestic 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	0	1	-	-	1
Loan interest payable	995	-	-	-	995
Other finance charges	22	58	-	-	80
Governance costs	19	21	-	-	40
	<u>1,591</u>	<u>1,655</u>	<u>47</u>	<u>26</u>	<u>3,319</u>

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.

	2019	2018
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	34	36
Auditor's remuneration - tax advisory services	14	4
Other governance costs	1	-
	<u>49</u>	<u>40</u>

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.

Notes to the financial statements
For the year ended 31 July 2019

7 GRANTS AND AWARDS	2019	2018
	£'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	135	140
Bursaries and hardship awards	13	15
Grants to other institutions	194	185
Total unrestricted	342	340
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	272	267
Bursaries and hardship awards	257	326
Total restricted	529	593
Total grants and awards	871	933

The figures for grants and awards include the cost to the College of the Oxford Bursary scheme. Students of this college received £200,357 (2018 - £197,200). Some of those students also received fee waivers amounting to £50,000 in total.

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 £193,900, as a contribution towards the education of 16 choristers (2018 - £185,300). This sum is included within charitable expenditure on Public Worship.

8 STAFF COSTS	2019	2018
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	6,567	6,558
Social security costs	614	590
Pension costs:		
Defined contribution schemes	43	4
Defined benefit schemes	3,204	1,572
	10,428	8,724

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

	2019	2018
Tuition and research	17	16
College residential	87	85
Public worship	2	2
Heritage	-	-
Fundraising	7	6
Trading	25	25
Support	16	16
Total	154	150

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

Tutorial Fellowship (University)	25	25
Tutorial Fellowship (College)	12	11
Other teaching and research	16	16
Other	6	7
Total	59	59

Notes to the financial statements
For the year ended 31 July 2019

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:

	2019	2018
£60,001-£70,000	1	1
£80,001-£90,000	1	1
£120,000-£130,000	-	1
£130,000-£140,000	1	-
	2	2
In defined benefits schemes	1	1
In defined contribution schemes	£'000	£'000
Contributions to defined contribution pension schemes totalled	36	1

9 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost			
At start of year	32,096	5,649	37,745
Additions	4,714	407	5,121
Transfers to property investments	(236)	-	(236)
Disposals	-	(39)	(39)
At end of year	36,574	6,017	42,591
Depreciation			
At start of year	6,832	2,373	9,205
Depreciation charge for the year	636	418	1,054
Depreciation on disposals	-	(39)	(39)
At end of year	7,468	2,752	10,220
Net book value			
At end of year	29,106	3,265	32,371
At start of year	25,264	3,276	28,540
College			
Cost			
At start of year	31,520	5,463	36,983
Additions	1,071	238	1,309
Disposals	-	(39)	(39)
At end of year	32,591	5,662	38,253
Depreciation			
At start of year	6,832	2,038	8,870
Charge for the year	636	313	949
On disposals	-	(39)	(39)
At end of year	7,468	2,312	9,780
Net book value			
At end of year	25,123	3,350	28,473
At start of year	24,688	3,425	28,113

Notes to the financial statements
For the year ended 31 July 2019

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 two archivists, 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 £3,000 on specialist book and document purchases, funded by a donation. In addition it has also received a number of items from donors during the year. There have been no disposals of heritage 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	2019 Total £'000	2018 Total £'000
Valuation at start of year	20,012	90,729	6,064	116,805	81,304
Additions and improvements at cost	188	240	-	428	15,172
Disposals	-	-	(300)	(300)	(30)
Revaluation gains/(losses) in the year	(551)	10,347	329	10,125	20,359
Valuation at end of year	19,649	101,316	6,093	127,058	116,805

College	Agricultural £'000	Commercial £'000	Other £'000	2019 Total £'000	2018 Total £'000
Valuation at start of year	20,012	63,642	6,064	89,718	81,304
Additions and improvements at cost	188	4	-	192	943
Disposals	-	-	(300)	(300)	(30)
Revaluation gains/(losses) in the year	(551)	6,873	329	6,651	7,501
Valuation at end of year	19,649	70,519	6,093	96,261	89,718

A formal valuation of the agricultural, commercial and other properties was prepared by the College's Estate Managers, Savills, at 31 July 2019.

A formal valuation of the Oxford Science Park was prepared by GVA Grimley Limited at 31 July 2019.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2019 £'000	2018 £'000
Group investments	189,599	183,353
Valuation at start of year		
New money invested	1,113	4,463
Amounts withdrawn	(5,692)	(15,125)
Reinvested income	903	1,237
Investment management fees	(463)	(511)
Increase in value of investments	14,270	16,182
Group investments at end of year	199,730	189,599
Investment in subsidiaries	10,010	10,010
College investments at end of year	209,740	199,609

Notes to the financial statements
For the year ended 31 July 2019

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000
Equity investments	-	169,010	169,010	-	157,465	157,465
Alternative and other investments	13,661	3,920	17,581	12,239	5,961	18,200
Fixed term deposits and cash	-	13,139	13,139	-	13,934	13,934
Total group investments	13,661	186,069	199,730	12,239	177,360	189,599

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	36,757	12,330	899	491	2,380	261
Expenditure	(18,412)	(7,887)	(625)	(491)	(2,380)	(261)
Result for the year	18,345	4,443	274	-	-	-
Distribution to College under gift aid	273	-	(273)	-	-	-
Movement in reserves	18,618	4,443	1	-	-	-
Total assets	353,049	40,909	926	605	1,463	5
Total liabilities	(36,141)	(15,370)	(652)	(604)	(1,443)	(5)
Net funds at the end of year	316,908	25,539	274	1	20	-

Notes to the financial statements
For the year ended 31 July 2019

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% (2018: 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	6,576	-	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
Movements in the reporting period:					
Gift of endowment funds	3	-	3	1,033	1,036
Investment return: total investment income		146	146	2,227	2,373
Investment return: net trading income	-	-	-	5,102	5,102
Investment return: realised & unrealised gains and losses	-	445	445	23,392	23,837
Less: Investment management costs	-	(31)	(31)	(2,184)	(2,215)
Other transfers	-	-	-	130	130
Total	3	560	563	29,700	30,263
Unapplied total return allocated to income in the reporting period		(281)	(281)	-	(281)
Expendable endowments transferred to income	-	-	-	(7,192)	(7,192)
	-	(281)	(281)	(7,192)	(7,473)
Net movements in reporting period	3	279	282	22,508	22,790
At end of the reporting period:					
Gift component of the permanent endowment	6,579	-	6,579	-	6,579
Unapplied total return	-	4,371	4,371	-	4,371
Expendable endowment	-	-	-	285,064	285,064
Total Endowments	6,579	4,371	10,950	285,064	296,014

14 DEBTORS

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Amounts falling due within one year:				
Trade debtors	779	750	102	79
Amounts owed by College members	13	79	13	79
Amounts owed by Group undertakings	-	-	2,497	1,126
Loans repayable within one year	177	13	177	13
Prepayments and accrued income	843	356	165	206
Taxation and social security	87	-	87	-
Other debtors	507	430	338	351
Amounts falling due after more than one year:				
Amounts outstanding under lease incentive arrangements	2,195	1,256	747	837
Loan to Group undertaking	-	-	11,900	10,000
	4,601	2,884	16,026	12,691

Notes to the financial statements
For the year ended 31 July 2019

15 CREDITORS: falling due within one year

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	1,220	627	195	242
Amounts owed to College Members	48	46	48	46
Amounts owed to Group undertakings	-	-	181	-
Taxation and social security	7	170	7	170
College contribution	183	-	183	-
Accruals and deferred income	1,868	1,544	906	866
Other creditors	1,807	1,638	1,198	1,250
	5,133	4,025	2,718	2,574

16 CREDITORS: falling due after more than one year

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Fixed rate loan	30,000	30,000	30,000	30,000
	30,000	30,000	30,000	30,000

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 £136,300 are included within Other Debtors.

17 DEFINED BENEFIT PENSION SCHEME LIABILITY

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
At start of year	2,030	1,981	1,815	1,797
Charged in the Statement of Financial Activities	1,544	49	1,608	18
Settled in the year	-	-	-	-
At end of year	3,574	2,030	3,423	1,815

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 1.6% (2018: 2.2%) for USS and a 10 year corporate bond rate of 1.25% (2018: 1.95%) 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 2019, as a result of making a significant contribution in 2015/16, the scheme was in surplus.

Notes to the financial statements
For the year ended 31 July 2019

18 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
Beghian Scholarship Fund	3,624	119	(10)	(88)	(96)	3,549
Fleet Fund	4,799	19	(14)	(144)	369	5,029
Kerruish Fund	942	4	(3)	(28)	72	987
Harold Robertshaw bequest	510	2	(2)	(12)	39	537
Consolidated prizes/scholarships funds	605	2	(2)	(6)	47	646
Consolidated other sundry funds	188	3	(1)	(3)	14	201
Endowment Funds - Expendable						
General endowment fund	198,563	5,156	(1,066)	(6,162)	15,853	212,344
Calleva Fund	7,761	31	(23)	(54)	597	8,312
Perkin research studentship Fund	486	2	(1)	(14)	37	510
Dr Rose's Benefaction	911	4	(3)	(27)	70	955
Giles Bequest	889	4	(3)	(27)	68	931
History fellowship Fund	3,826	76	(11)	(89)	294	4,096
Law fellowship Fund	2,450	21	(7)	(67)	188	2,585
PPE Fund	2,841	14	(8)	(85)	218	2,980
Classics fellowship Fund	1,517	15	(4)	(40)	116	1,604
Frank Richardson Fund	746	3	(2)	(22)	57	782
Robin Snow Fund	536	2	(2)	(16)	41	561
Bellhouse Research Studentship	862	3	(3)	(13)	66	915
BCL Graduate Scholarship (Feltham)	645	115	(2)	-	50	808
Richard Havery Physics Fund	459	2	(1)	-	35	495
Duncan Mackinnon Fund	1,172	5	(3)	(41)	90	1,223
Student Support Fund	15,165	270	(45)	(112)	1,166	16,444
Tavella Stewart Fund	559	2	(2)	(20)	43	582
Allingham Settlement	867	38	(3)	-	67	969
Boat Club Fund	557	9	(2)	(42)	43	565
Paul Getty Fund	702	3	(2)	(22)	54	735
Hong Kong Scholarship	1,644	6	(5)	(46)	126	1,725
Law Tutorship Trust	3,878	15	(12)	(107)	298	4,072
Tutorial Teaching Fund	255	101	(1)	-	20	375
Consolidated prizes/scholarship funds	2,062	8	(6)	(33)	158	2,189
Consolidated chapel / choir funds	315	1	(1)	1	26	342
Consolidated gardens funds	359	1	(1)	(11)	28	376
Consolidated tutorial / research fellowship	296	20	(1)	(9)	23	329
Consolidated other sundry funds	1,147	505	(3)	(4)	87	1,732
Total Endowment Funds - College	262,138	6,581	(1,255)	(7,343)	20,364	280,485
Endowment funds held by subsidiaries	11,086	5,674	(4,704)	-	3,473	15,529
Total Endowment Funds - Group	273,224	12,255	(5,959)	(7,343)	23,837	296,014
Restricted Funds						
Transfer from other funds for spending	-	-	(1,311)	1,311	-	-
New Library Fund	-	121	-	(121)	-	-
Student Support Fund	394	129	(34)	(58)	-	431
Calleva Research Centre	-	150	(96)	-	-	54
Fellows by Examination Fund	634	300	-	(200)	-	734
Crawley Ancient History Fund	136	-	-	(4)	10	142
Consolidated scholarship funds	170	34	(77)	-	-	127
Consolidated other sundry funds	370	321	(70)	(60)	-	561
Total Restricted Funds - College	1,704	1,055	(1,588)	868	10	2,049
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	1,704	1,055	(1,588)	868	10	2,049

Notes to the financial statements
For the year ended 31 July 2019

	At 1 August 2018 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Unrestricted Funds						
General unrestricted funds	2,887	7,380	(13,032)	6,179	161	3,575
Designated funds:						
Fixed asset designated	28,113	-	-	360	-	28,473
History fellowship Fund	775	16	(25)	-	60	826
Law fellowship Fund	803	3	(26)	-	62	842
PPE Fund	236	1	(8)	-	18	247
George Freeman JRF Fund	1,701	7	(38)	-	131	1,801
Wills Fund	236	-	(117)	-	-	119
Student Support Fund	527	166	(2)	(64)	41	668
Consolidated chapel / choir funds	559	2	(17)	-	43	587
Consolidated other sundry funds	438	252	(62)	-	31	659
Defined benefit pension scheme reserve	(1,815)	-	(1,608)	-	-	(3,423)
Total Unrestricted Funds - College	34,460	7,827	(14,935)	6,475	547	34,374
Unrestricted funds held by subsidiaries	(336)	274	(273)	-	-	(335)
Total Unrestricted Funds - Group	34,124	8,101	(15,208)	6,475	547	34,039
Total Funds	309,052	21,411	(22,755)	-	24,394	332,102
Reconciliation - Transfers of Funds to SOFA			Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000
Per Note above			6,475	868	(7,343)	-
Less: Shown within Total Return Allocated to Income in SOFA			6,162	1,311	(7,473)	-
Transfer between funds per SOFA			313	(443)	130	-

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 2017/18 was as follows:

	At 1 August 2017 restated £'000	Income restated £'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

Notes to the financial statements
For the year ended 31 July 2019

	At 1 August 2017 restated £'000	Income restated £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2018 £'000
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 fund	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
	At 1 2017 restated £'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)	0	36,541	309,052

Notes to the financial statements
For the year ended 31 July 2019

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

Notes to the financial statements
For the year ended 31 July 2019

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
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	2019 Total £'000
Tangible fixed assets	27,846	-	4,525	32,371
Property investments	-	-	127,058	127,058
Other investments	5,148	-	194,582	199,730
Net current assets	4,468	2,049	-	6,517
Long term liabilities	-	-	(30,000)	(30,000)
Defined benefit pension scheme liability	(3,423)	-	(151)	(3,574)
	<u>34,039</u>	<u>2,049</u>	<u>296,014</u>	<u>332,102</u>
	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>

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. Two trustees lived in houses owned by the college and paid 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.

Notes to the financial statements
For the year ended 31 July 2019

Remuneration paid to trustees

Range	Number of Trustees /	2019 Gross remuneration, taxable benefits and	Number of Trustees /	2018 Gross remuneration, taxable benefits and pension
£1-£999	2	250	4	2,563
£1,000-£1,999	-	0	1	1,475
£2,000-£2,999	2	5,021	1	2,462
£3,000-£3,999	2	7,258	2	6,397
£4,000-£4,999	1	4,552	1	4,924
£5,000-£5,999	1	5,053	-	0
£6,000-£6,999	1	6,483	-	0
£7,000-£7,999	1	7,502	2	14,838
£8,000-£8,999	1	8,471	1	8,928
£9,000-£9,999	-	0	1	9,833
£10,000-£10,999	2	20,940	1	10,324
£11,000-£11,999	1	11,744	2	23,239
£12,000-£12,999	2	24,429	2	25,622
£13,000-£13,999	1	13,151	-	0
£15,000-£15,999	1	15,431	-	0
£16,000-£16,999	2	33,273	-	0
£19,000-£19,999	-	0	1	19,375
£22,000-£22,999	1	22,649	2	44,529
£23,000-£23,999	1	23,314	1	23,037
£26,000-£26,999	-	0	2	52,912
£27,000-£27,999	2	55,174	1	27,574
£28,000-£28,999	2	56,213	-	0
£29,000-£29,999	10	299,011	11	325,057
£30,000-£30,999	-	0	2	61,084
£31,000-£31,999	1	31,714	1	31,542
£32,000-£32,999	1	32,210	-	0
£33,000-£33,999	-	0	2	66,063
£35,000-£35,999	2	70,979	-	0
£36,000-£36,999	2	73,811	2	73,410
£37,000-£37,999	1	37,474	-	0
£39,000-£39,999	1	39,274	1	39,820
£40,000-£40,999	-	0	1	40,792
£44,000-£44,999	1	44,683	3	133,449
£45,000-£45,999	3	136,070	-	0
£46,000-£46,999	1	46,495	-	0
£47,000-£47,999	1	47,318	-	0
£48,000-£48,999	-	0	2	97,532
£52,000-£52,999	-	0	1	52,679
£54,000-£54,999	1	54,720	-	0
£55,000-£55,999	1	55,376	-	0
£56,000-£56,999	-	0	1	56,041
£60,000-£60,999	1	60,690	-	0
£61,000-£61,999	-	0	3	185,826
£62,000-£62,999	-	0	2	125,384
£63,000-£63,999	3	190,130	-	0
£64,000-£64,999	-	0	1	64,442
£66,000-£66,999	1	66,093	-	0
£73,000-£73,999	-	0	1	73,687
£74,000-£74,999	-	0	1	74,541
£75,000-£75,999	1	75,203	-	0
£76,000-£76,999	1	76,674	1	76,604
£78,000-£78,999	1	78,285	-	0
£80,000-£80,999	-	0	1	80,749
£85,000-£85,999	1	85,766	-	0
£87,000-£87,999	-	0	1	87,444
£89,000-£89,999	1	89,565	-	0
£92,000-£92,999	1	92,979	2	182,236
£93,000-£93,999	-	0	1	93,139
£94,000-£94,999	-	0	1	94,186
£96,000-£96,999	1	96,047	-	0

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Range	Number of Trustees /	2019 Gross remuneration, taxable benefits and	Number of Trustees /	2018 Gross remuneration, taxable benefits and pension
£97,000-£97,999	1	97,115	-	0
£100,000-£100,999	-	0	1	100,305
£101,000-£101,999	-	0	1	101,649
£102,000-£102,999	1	102,834	-	0
£132,000-£132,999	-	0	1	132,637
£135,000-£135,999	1	135,813	-	0
	67	2,537,237	70	2,728,330

13 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 £46 (2018 - £290) was reimbursed to two (2018 - four) 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 £579,900 (2018 - £575,200).

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 each 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). Both are multi-employer schemes and the company 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 Income and Expenditure Account 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.

	USS	OSPS
Date of valuation	31/03/2017	31/03/2016
Date valuation results published	28/01/2019	28/04/2017
Value of liabilities	£67.5bn	£661m
Value of assets	£60.0 bn	£528m
Funding surplus / (deficit)	(£7.5 bn) (a)	(£133m) (b)
Principal assumptions:		
Investment return	CPI - 0.53% to - CPI - 1.32%(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	CPI +2%	RPI+1% pa
Rate of increase in pensions	CPI pa (d)	Average RPI/CPI pa
Mortality Assumptions:		
Assumed life expectancy at age 65 (males)	24.5 yrs	22.4 yrs
Assumed life expectancy at age 65 (females)	26.0 yrs	24.7 yrs

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	USS	OSPS
Funding Ratios:		
Technical provisions basis	89%	80%
Statutory Pension Protection Fund basis	72%	67%
'Buyout' basis	48%	42%
Estimated FRS102 Total Funding Level	77%	82%
Recommended employer's contribution rate (as % of pensionable employment)	18% increasing to 24.2% by 01/04/2020 (f)	23% decreasing to 19% from 01/08/2017 (f)
Effective date of next valuation	31/03/2018	31/03/2019

a. USS' actuarial valuation as at 31 March 2017 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 were 8% of salary but will increase in stages from 1 April 2019 to a level of 11.7% from 1 April 2020; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold. Further details about the benefits 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 an employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2019, 19.5% from 1 April to 30 September 2019, 22.5% from 1 October 2019 to 31 March 2020 and a long-term rate of 24.2%. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 5% p.a. of salaries from 1 April 2020. At 31 March 2019 USS reported that the estimated funding deficit was £5.7bn (92% funded).

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 CPI – 0.53% in year 1, decreasing linearly to CPI – 1.32% over 10 years, CPI + 2.56% from year 11 reducing linearly to CPI + 1.7% by year 21, remaining at CPI + 1.7%.

d. USS' actuary has assumed that general pay growth will be CPI + 2% in year 1, CPI + 2% in year 2 and 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 1.0% p.a.

e. The total USS 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. The 2017 actuarial valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

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

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 £3.3 bn
Asset values	Reduce by 10%	Increase by £6.0 bn
RPI inflation	Increase / reduce by 0.25%	Increase / decrease by £3.3 bn
Rate of mortality	More prudent assumption (mortality used at	Increase by £1.6 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%

Notes to the financial statements
For the year ended 31 July 2019

Deficit Recovery Plans

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

	USS	OSPS
Finish date for deficit recovery plan	31/03/2034	30/06/2027
Average staff number increase	1.00%	1.00%
Average staff salary increase	2.00%	2.00%
Average discount rate over period	1.60%	1.25%
Effect of 0.5% change in discount rate	£101,800	£29,500
Effect of 1% change in staff growth	£208,700	£101,000

A provision of £3.574m has been made at 31 July 2019 (2018: £2.030m) for the present value of the estimated future deficit funding element of the contributions payable under these agreements, using the assumptions shown. The provision reduces as the deficit is paid off according to the pension recovery scheme.

The 2018 actuarial valuation of USS was finalised after the year end which indicated a total shortfall of £3.6 billion .

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 with the revised discount rate relevant to the length of the scheme of 1.30% and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £1,370,000, a decrease of £989,000 from the current consolidated year end provision and a lower charge to the Statement of Financial Activities of £554,000 instead of £1,543,000.

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 2018.

The amounts recognised in the balance sheet are as follows:

	2019 £'000	2018 £'000
Present value of funded obligations	(3,028)	(2,754)
Fair value of plan assets	3,483	3,227
Unrecognised surplus	(455)	(473)
Deficit	-	-

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

	2019 £'000	2018 £'000
Opening defined benefit obligation	(2,754)	(2,848)
Service cost	-	-
Interest cost	(74)	(73)
Employee contributions	-	-
Actuarial (loss)/gain	(200)	44
Benefits paid	-	123
Defined benefit obligation at end of year	(3,028)	(2,754)

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

	2019 £'000	2018 £'000
Opening fair value of scheme assets	3,227	3,264
Expected return	87	84
Actuarial gain	169	2
Employer contributions	-	-
Employee contributions	-	-
Benefits paid	-	(123)
Fair value of scheme assets at the year end	3,483	3,227

Notes to the financial statements
For the year ended 31 July 2019

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

	2019	2018
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Expected return on scheme assets	87	84
Interest on pension liabilities	(74)	(73)
Total amount charged within net incoming / (outgoing) resources	13	11
Actuarial gains	(13)	(11)
Total amount credited to the Statement of Financial Activities	-	-

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:

	2019	2018
Phoenix Life / Scottish Mutual With-Profits Fund	100%	100%

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 set out below:

	2019	2018
Principal assumptions at the balance sheet date		
Discount rate	2.20%	2.70%
Price inflation - RPI	3.40%	3.30%
Price inflation - CPI	2.60%	2.50%
Rate of increase in salaries	n/a	n/a
Rate of increase of pensions in payment	3.40%	3.30%
Rate of increase of pensions in deferment	2.60%	2.50%
Proportion of employees opting for early retirement	n/a	n/a
Expected return on scheme assets	2.20%	2.70%
Assumed life expectations on retirements age 65:		
Retiring today - males	22.2	22.9
Retiring today - females	24.1	25
Retiring in 20 years - males	23.9	25.1
Retiring in 20 years - females	25.9	27.3

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

	2019	2018	2017
	£'000	£'000	£'000
Fair value of scheme assets	3,483	3227	3264
Present value of defined benefit obligation	3,038	2,754	2,848
Surplus / (deficit) in plan	455	473	416
Defined benefit asset / (liability) to be recognised	0	0	0

Pension charge for the year - all schemes

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	2019	2018
	£'000	£'000
Universities Superannuation Scheme	2,105	425
University of Oxford Staff Pension Scheme	533	656
Magdalen College Staff Retirement Benefits Scheme	-	-
National Employment Savings Trust	43	6
	2,681	1,087

These amounts include £1.179m (2018: £1.171m) contributions payable to defined contribution schemes at rates specified in the rules of those plans.

Notes to the financial statements
For the year ended 31 July 2019

Summary of Movement in Pension Provision - All Schemes

	USS £'000	OSPS £'000	SRBS £'000	Total £'000
Opening provision	782	1,248	0	2,030
Actuarial movement in year	1,577	(33)	0	1,544
Closing provision	<u>2,359</u>	<u>1,215</u>	<u>-</u>	<u>3,574</u>
In unrestricted funds				3,423
In endowment funds				151
				<u>3,574</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.

23 FINANCIAL INSTRUMENTS

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

	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
Financial assets measured at fair value through profit or loss				
Investments	186,476	175,663	186,476	175,663
Financial assets measured at amortised cost				
Cash held within fixed asset investments	13,140	13,936	13,140	13,940
Cash held within current asset investments	28	28	28	28
Other cash and cash equivalents	6,108	6,477	1,624	1,773
Debtors and accrued income	1,770	997	458	303
Intercompany debtors	-	-	2,497	11,126
Financial liabilities measured at amortised cost				
Fixed rate loan	(30,000)	(30,000)	(30,000)	(30,000)
Trade and other creditors and Accruals	(4,085)	(2,976)	(2,248)	(2,118)
Intercompany creditors	-	-	(181)	-

24 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATIONS

	2019 Group £'000	2018 Group £'000
Net income/(expenditure)	23,050	36,088
Elimination of non-operating cash flows:		
Investment income	(2,414)	(2,733)
(Gains) in investments	(24,394)	(36,541)
Endowment donations	(1,036)	(1,650)
Depreciation	1,054	1,034
Decrease/(Increase) in stock	(144)	(45)
Decrease/(Increase) in debtors	(1,717)	442
(Decrease)/Increase in creditors	512	(1,649)
(Decrease)/Increase in pension scheme liabilities	1,544	48
Net cash (used in) / provided by operating activities	<u>(3,545)</u>	<u>(5,005)</u>

25 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £'000	2018 £'000
Cash at bank and in hand	6,108	6,482
Total cash and cash equivalents	<u>6,108</u>	<u>6,482</u>

Notes to the financial statements
For the year ended 31 July 2019

26 FINANCIAL COMMITMENTS

At 31 July the Group had total commitments under non-cancellable operating leases as follows:	2019	2018
Equipment:	£'000	£'000
payable within one year	17	12
payable between two and five years	29	31
	46	43

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2019 for future capital projects totalling £2.8m (2018 - £68,474).
The Oxford Science Park Limited had contracted commitments at 31 July 2019 for future projects totalling £4.2m (2018 - £0).

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:

	2019	2018
	£'000	£'000
Income received from / (expenditure paid to):		
The Oxford Science Park Limited	4,015	3,228
Magdalen College Trading Limited	844	830
Magdalen College Educational Conferences	486	593
Magdalen College Development Trust	2,376	3,072
Magdalen Development Company Limited	(261)	(192)
Outstanding balances at 31 July:		
The Oxford Science Park Limited	180	155
Inter-company balance		
Loan	11,900	10,000
Magdalen College Trading Limited	562	290
Magdalen College Educational Conferences	502	352
Magdalen College Development Trust	1,440	333
Magdalen Development Company Limited	(4)	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.

	2018/19		2017/18	
Range	Number of trustees	Total amount outstanding £	Number of trustees	Total amount outstanding £
£0-£999	12	5,994	14	7,127
£1,000- £1,999	3	3,219	4	4,257

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.

	2019	2018
	£'000	£'000
Professor C Garland	300	300
Professor S Goodwin	273	273

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.

In addition, the College has advanced a loan of £80,250 to one further trustee, Professor R Garrod, under the College's Housing Loan Scheme. The interest charge is based on Bank of England base rate 0.75%.

Notes to the financial statements
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The College made a loan of £80,000 to one further trustee during the year to assist with exceptional medical costs. Interest is being charged at 1% pa on the amount advanced. Donations of £49,821 have been received from alumni and fellows which will be used to offset this loan in part at the appropriate time.

Four trustees have made donations to the College during the year totalling £2,213 including total (including gift aid).

29 POST BALANCE SHEET EVENT

As set out in Note 21 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £989,000 in the provision for the Obligation to fund the deficit on the USS pension which would instead be £1,370,000. This adjustment will be reflected in the College's Financial Statements for the year ended 31 July 2020.