

Magdalen College School Oxford Limited

Limited by Guarantee

Accounts

for the year ended

31st July 1999

WENN TOWNSEND



Wenn Townsend

Chartered Accountants

Oxford

Magdalen College School Oxford Limited
Limited by Guarantee

Directors: Mr J P Leighfield (Chairman)
Mr G G Audley-Miller
Prof B J Bellhouse (appointed 18th February 1999)
Dr L W B Brockliss
Dr C L Brundin
Mr R J Clarke (resigned 18th February 1999)
Dr R G Denning
Mr D J Eeley
Dr C J Ferdinand
Mrs W Hart (appointed 18th February 1999)
Mr C J G Ives
Mr G W Neilson
Miss M Newton
Dr M J Peagram (appointed 18th February 1999)
Mr G C Pye
Mr S F Race
Mrs J Townsend

Secretary: Mr M H Kefford

Members: The President and Fellows of
the College of St Mary Magdalen

The Senior Bursar of Magdalen College

Registered Office: Cowley Place
Oxford

Registered Number: 2106661

Registered Charity Number: 295785

Auditors: Wenn Townsend
Chartered Accountants and Registered Auditors
Oxford

Bankers: National Westminster Bank
Oxford

Solicitors: Cole & Cole
Oxford

Magdalen College School Oxford Limited
Limited by Guarantee

Report of the Directors

31st July 1999

The directors present their report and the audited financial statements for the year ended 31st July 1999.

Principal activity

The principal activity of the company is to promote and provide for the advancement and education of children in the United Kingdom, and in connection therewith to conduct, carry on, acquire and develop any boarding or day school or schools. There has been no significant change in this activity during the year and the directors do not anticipate that the nature and scope of the company's activity will change significantly in the foreseeable future.

Business review

The company's balance sheet as detailed on page 7 shows a satisfactory position, members' funds amounting to £4,864,968.

Surplus and appropriations

The results for the year are shown in the income and expenditure account on page 4.
The retained surplus for the year was funded by the accumulated fund.

Fixed assets

Changes in fixed assets during the year are set out in note 8 to the accounts. In the opinion of the directors there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts.

Directors

The directors of the company during the year are detailed on the previous page.

Charitable and taxation status

The company is a registered charity (No. 295785) and, under Section 360 of the Income and Corporation Taxes Act 1970, is exempted from income tax and corporation tax.

Auditors

Wenn Townsend have agreed to offer themselves for re-appointment.

On behalf of the board



Mr M H Kefford

Company Secretary

15th November 1999

**Magdalen College School Oxford Limited
Limited by Guarantee**

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial accounts, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Magdalen College School Oxford Limited
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Report of the Auditors
to the members of Magdalen College School Oxford Limited

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

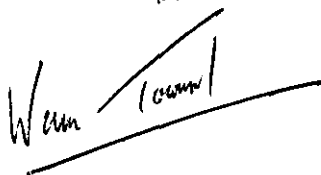
Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st July 1999 and of its surplus and cash flow for the year ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, appearing to read 'Wenn Townsend', is written over a horizontal line.

Wenn Townsend

Chartered Accountants and Registered Auditors

Oxford

15th November 1999

WENN TOWNSEND

**Magdalen College School Oxford Limited
Limited by Guarantee**

Income and Expenditure Account
for the year ended 31st July 1999

11 months to
31st July 1998

	Note		
Income	2	2,900,481	2,746,485
Educational costs		(2,279,926)	(1,915,034)
Administrative expenses		(906,976)	(752,863)
Other operating income		258,192	290,015
Operating deficit		(28,229)	368,603
Investment income	3	128,142	110,480
Interest payable	4	(38,710)	(11,813)
Surplus on ordinary activities before tax		61,203	467,270
Taxation	5	-	-
Transfer to reserves	14	-	(460,000)
Retained surplus		<u>£ 61,203</u>	<u>£ 7,270</u>

Movements in reserves are shown in note 16.

None of the company's activities was acquired or discontinued during the above financial years.

Magdalen College School Oxford Limited
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Statement of Total Recognised Gains and Losses
for the year ended 31st July 1999

		11 months to <u>31st July 1998</u>
Profit for the financial year	61,203	7,270
Unrealised surplus on revaluation	<u>1,170,072</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>£ 1,231,275</u>	<u>£ 7,270</u>

**Magdalen College School Oxford Limited
Limited by Guarantee**

Statement of Financial Activities
for the year ended 31st July 1999


	Notes	Unrestricted Funds		Total Funds 1999	Total Funds 11 months to 31st July 1998
		General	Designated		
Income and Expenditure					
Incoming resources					
Donations and gifts		102,670	-	102,670	151,030
Investment income		23,093	-	23,093	57,840
Educational operating income		3,355,206	-	3,355,206	3,102,832
<i>Total incoming resources</i>	2	<u>3,480,969</u>	<u>-</u>	<u>3,480,969</u>	<u>3,311,702</u>
Resources used					
Direct charitable expenditure					
Direct educational operating costs		2,279,926	-	2,279,926	1,915,034
		<u>2,279,926</u>	<u>-</u>	<u>2,279,926</u>	<u>1,915,034</u>
Other expenditure					
Fundraising costs		6,749	-	6,749	12,874
Administration		1,133,091	-	1,133,091	916,524
		<u>1,139,840</u>	<u>-</u>	<u>1,139,840</u>	<u>929,398</u>
<i>Total resources used</i>		<u>3,419,766</u>	<u>-</u>	<u>3,419,766</u>	<u>2,844,432</u>
Net incoming resources before transfers	6	61,203	-	61,203	467,270
Transfers between funds	14	-	-	-	-
Net incoming resources for the year		<u>61,203</u>	<u>-</u>	<u>61,203</u>	<u>467,270</u>
Other Recognised Gains and Losses		1,170,072	-	1,170,072	-
Gains and losses on investments		-	-	-	-
Unrealised		-	-	-	-
Net movement in funds		<u>1,231,275</u>	<u>-</u>	<u>1,231,275</u>	<u>467,270</u>
Balance brought forward at 1st September 1998		<u>1,615,567</u>	<u>2,018,126</u>	<u>3,633,693</u>	<u>3,166,423</u>
Balance carried forward at 31st July 1999		<u>£ 2,846,842</u>	<u>2,018,126</u>	<u>4,864,968</u>	<u>3,633,693</u>

Magdalen College School Oxford Limited
Limited by Guarantee

Balance Sheet
31st July 1999

	Note		<u>1998</u>
Fixed assets			
Tangible assets	8	5,140,000	3,806,491
Current assets			
Debtors	9	256,568	210,475
Investments	10	<u>314,208</u>	<u>769,444</u>
		570,776	979,919
Creditors: Amounts falling due within one year	11	<u>(572,808)</u>	<u>(777,717)</u>
Net current liabilities		<u>(2,032)</u>	<u>202,202</u>
Total assets less current liabilities		5,137,968	4,008,693
Creditors: Amounts falling due after one year	12	<u>(273,000)</u>	<u>(375,000)</u>
Net assets		<u>£4,864,968</u>	<u>£3,633,693</u>
Capital and reserves			
Revaluation reserve	13	1,970,072	800,000
Other reserves	14	2,018,126	2,018,126
Income and Expenditure account	15	<u>876,770</u>	<u>815,567</u>
Members' funds	16	<u>£4,864,968</u>	<u>£3,633,693</u>

On behalf of the board



Mr J P Leighfield

Director

15th November 1999

**Magdalen College School Oxford Limited
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Cash Flow Statement
for the year ended 31st July 1999

	<u>1999</u>	<u>11 months to 31st July 1998</u>
Reconciliation of operating surplus to net cash flow from operating activities:		
Operating deficit	(26,935)	368,603
Depreciation	44,716	42,207
Increase in debtors	(46,093)	(102,246)
(Decrease)/increase in creditors	(178,310)	96,188
	£ <u>(206,622)</u>	£ <u>404,752</u>
 Cash flow		
Net cash flow from operating activities	(206,622)	404,752
Returns on investments and servicing of finance (note 17)	89,432	98,667
Capital expenditure (note 17)	(208,153)	(1,346,138)
	(325,343)	(842,719)
Management of liquid resources (note 17)	455,236	279,441
Financing	(130,945)	528,945
	£ <u>(1,052)</u>	£ <u>(34,333)</u>
Decrease in cash		
 Reconciliation of net cash flow to movement in net funds (note 17)		
Decrease in cash	(1,052)	(34,333)
Change in bank loans	130,945	(528,945)
Net debt at 31st August 1998	(591,257)	(27,979)
	£ <u>(461,364)</u>	£ <u>(591,257)</u>
Net debt at 31st July 1999		

**Magdalen College School Oxford Limited
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Notes to the Accounts
for the year ended 31st July 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Depreciation

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

Leasehold land and buildings	Equal instalments over the lease term
Equipment	0%

The leasehold property was valued by James Styles & Whitlock (Chartered Surveyors) at £5,090,000 on 27th July 1999.

Equipment was valued by the directors at £50,000 on 29th September 1987. In view of the nature of the equipment in the school, no depreciation is provided. All maintenance, replacement and renewals are charged as a revenue cost in the financial year when incurred.

Surpluses or deficits arising on the disposal of fixed assets are adjusted in the depreciation charge for the year.

Pensions

Defined contribution scheme

Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

2 Income

In the opinion of the directors, none of the income of the company is attributable to geographical markets outside the UK. (1998: nil)

3 Investment income

		<u>1998</u>
Interest receivable	23,093	57,840
Hire of buildings	105,049	52,640
	<u>£128,142</u>	<u>£110,480</u>

Magdalen College School Oxford Limited
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Notes to the Accounts
for the year ended 31st July 1999

4 Interest payable

		<u>1998</u>
Bank loan interest payable	£ 38,710	£ 11,813

5 Taxation

The company is a registered charity and under section 360 of the Income and Corporation Taxes Act 1970, is exempt from income tax and corporation tax.

6 Net incoming resources

		<u>1998</u>
Net incoming resources is stated after charging:		
Public liability insurance	£ 2,227	£ 1,510
Staff costs (note 7)	£ 1,810,595	£ 1,526,035
Auditor remuneration - audit	£ 2,853	£ 3,500
Operating leases		
Rent	£ 3,962	£ 164
Depreciation of tangible fixed assets (note 8)		
owned assets	£ 44,716	£ 42,207

7 Directors and employees

		<u>1998</u>
Staff costs including directors' emoluments		
Wages and salaries	1,810,595	1,526,035
Social security costs	144,626	118,796
Pension costs	120,371	93,165
	<u>£ 2,075,592</u>	<u>£ 1,737,996</u>

	<u>Number</u>	<u>Number</u>
Average number employed including executive directors		
Teaching staff	62	56
Domestic staff	13	14
Administration staff	8	7
Management staff	16	14
	<u>99</u>	<u>91</u>

		<u>1998</u>
Directors' emoluments	£ Nil	£ Nil

Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £120,371 (1998: £93,165).

Magdalen College School Oxford Limited
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Notes to the Accounts
for the year ended 31st July 1999

8 Tangible fixed assets

	Equipment	Long Leasehold Property	Total
Cost or valuation			
At 1st August 1998	50,000	3,962,006	4,012,006
Additions	-	208,153	208,153
Surplus on revaluation	-	919,841	919,841
	<u> </u>	<u> </u>	<u> </u>
At 31st July 1999	£ 50,000	5,090,000	5,140,000
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1st August 1998	-	205,515	205,515
Charge for year	-	44,716	44,716
Revaluation	-	(250,231)	(250,231)
	<u> </u>	<u> </u>	<u> </u>
At 31st July 1999	£ -	-	-
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31st July 1999	£ 50,000	5,090,000	5,140,000
	<u> </u>	<u> </u>	<u> </u>
At 1st August 1998	£ 50,000	3,756,491	3,806,491
	<u> </u>	<u> </u>	<u> </u>

The leasehold property was valued by James Styles & Whitlock (Chartered Surveyors) at £5,090,000 on 27th July 1999.

Equipment was valued by the directors at £50,000 on 29th September 1987. In view of the nature of the equipment in the school, no depreciation is provided. All maintenance, replacement and renewals are charged as a revenue cost in the financial year when incurred.

9 Debtors

		<u>1998</u>
Amounts falling due within one year		
Trade debtors	203,168	124,242
Other debtors	6,430	47,948
Prepayments and accrued income	46,970	38,285
	<u> </u>	<u> </u>
	£ 256,568	£ 210,475
	<u> </u>	<u> </u>

10 Current asset investments

		<u>1998</u>
Bank deposit account	£ 314,208	£ 769,444
	<u> </u>	<u> </u>

Magdalen College School Oxford Limited
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Notes to the Accounts
for the year ended 31st July 1999

11 Creditors: amounts falling due within one year

		<u>1998</u>
Bank loans	125,000	153,945
Bank overdraft	63,364	62,312
Trade creditors	268,191	373,577
Other taxation and social security	47,543	43,429
Accruals and deferred income	68,710	144,454
	<u>£572,808</u>	<u>£777,717</u>

The bank overdraft and loans are secured on the company's bank deposit accounts.

12 Creditors: amounts falling due after one year

		<u>1998</u>
Bank loans	273,000	375,000
	<u>£273,000</u>	<u>£375,000</u>
Maturity of debt		
In one year or less, or on demand		
- see note 11	125,000	153,945
Between one and two years	202,500	153,945
Between two and five years	70,500	221,055
	<u>£398,000</u>	<u>£528,945</u>

13 Revaluation reserve

		<u>1998</u>
At 1st August 1998	800,000	800,000
Surplus on revaluation	1,170,072	-
	<u>£1,970,072</u>	<u>£800,000</u>

Magdalen College School Oxford Limited
Limited by Guarantee

Notes to the Accounts
for the year ended 31st July 1999

14 Other reserves

	<u>Governor</u> <u>Awards</u>	<u>Fee</u> <u>Insurance</u>	<u>Building</u> <u>Development</u>	<u>Building</u> <u>Improvements</u>	<u>1999</u> <u>Total</u>	<u>1998</u>
At 1st September 1998	413,126	20,000	1,315,000	270,000	2,018,126	1,558,126
Transfer for the period	-	-	-	-	-	460,000
At 31st August 1999	£ 413,126	20,000	1,315,000	270,000	2,018,126	2,018,126

15 Income and expenditure account

		<u>1998</u>
At 1st August 1998	815,567	808,297
Retained surplus for the year	61,203	7,270
At 31st July 1999	£ 876,770	£ 815,567

16 Reconciliation of movements in members' funds

		<u>1998</u>
At 1st August 1998	3,633,693	3,166,423
Surplus for the year	61,203	7,270
Other recognised gains during the year	1,170,072	-
Other movements in reserves	-	460,000
At 31st July 1999	£ 4,864,968	£ 3,633,693

17 Analysis of gross cash flows

		<u>1998</u>
Returns on investment and servicing of finance		
Bank deposit interest received	23,093	57,840
Hire of buildings	105,049	52,640
Bank interest paid	(38,710)	(11,813)
	£ 89,432	£ 98,667
Capital expenditure		
Payments to acquire fixed assets	£ (208,153)	£ (1,346,138)

**Magdalen College School Oxford Limited
Limited by Guarantee**

Notes to the Accounts
for the year ended 31st July 1999

17 Analysis of gross cash flows (continued)

1998

Management of liquid resources

Transfers from deposit accounts	£ <u>455,236</u>	£ <u>279,441</u>
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Analysis of changes in net debt

	At 31.8.98	Cash flow	At 31.7.99
Bank loans and overdraft	£ <u>(591,257)</u>	<u>129,893</u>	<u>(461,364)</u>

18 Related parties

J P Leighfield a Governor of Magdalen College School is also a director of R M plc.
During the year transactions to the value of £60,642 were made with R M plc for new computers for the school. The transactions was under normal trading terms and there was no balance due at the end of the year.

19 Approval of accounts

These accounts were approved by the directors at a meeting held on 15th November 1999.