



MAGDALEN COLLEGE

Report and Financial Statements

For the Year Ended

31 July 2006

The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.

MAGDALEN COLLEGE
Report of the Governing Body

The Governing Body of Magdalen College presents the annual report and financial statements for the year ended 31 July 2006.

Status

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

Objects

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

Governance

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

Scope of financial statements

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

- Magdalen Development Company Limited
- Magdalen College Development Trust
- Magdalen College Law Tutorship Company Limited
- The Fleet Tutorship Company Limited

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

Magdalen College Development Trust is a Charitable Trust.

Magdalen College Law Tutorship Company Limited and The Fleet Tutorship Company Limited are companies limited by guarantee. They are established to administer endowments set up to fund particular fellowships and scholarships in Magdalen College.

Review of operations and finance

The College, together with its subsidiary and connected bodies, generated a surplus before the profit on disposal of fixed assets of £775k. This was after receiving £1,078k of legacies and donations for current use. A profit on the sale of the College's property at 20 Norham Gardens of £1,582k has been included in the overall surplus for the year of £2,357k, which has been added to reserves. There was an overall cash inflow of £5,446k, which is mainly attributable to the sale of 20 Norham Gardens and the receipt of many generous donations and legacies both for current use and to add to the College Endowment.

MAGDALEN COLLEGE
Report of the Governing Body

Investment performance

The College's invested assets generated a total return during the year to 31st July 2006 of 15.57% (2005 - 12.17%).

Reserves

The balance on reserves at the year end amounted to £13.9m (note 13). After allowing for the amounts invested in fixed assets and the liability relating to the Pension Scheme, the Consolidated General Reserve was £4,589k. The Governing Body will be reviewing the level of reserves which should be maintained to allow the College to be managed efficiently.

Risk management

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

Approved by the Governing Body on 29 November 2006

D C Clary - President

MAGDALEN COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	1,979,690	1,892,254
Other operating income	2	3,943,410	3,395,538
Endowment return and interest receivable	3	4,218,036	3,983,723
Total income		<u>10,141,136</u>	<u>9,271,515</u>
EXPENDITURE			
Staff costs	4	4,815,605	4,646,830
Depreciation	6	430,231	459,152
Other operating expenses	6	3,811,542	3,763,360
Contribution under Statute XV	6	308,573	326,484
Total expenditure	6	<u>9,365,951</u>	<u>9,195,826</u>
Surplus for the year on continuing operations before taxation and disposal of fixed assets		775,185	75,689
Surplus on disposal of fixed assets		1,582,687	0
Surplus for the year	7	<u>2,357,872</u>	<u>75,689</u>

Consolidated Statement of Total Recognised Gains and Losses
Year ended 31 July 2006

	Notes	2006 £	2005 £
Reserves			
Surplus for the year		2,357,872	75,689
Endowments			
Income receivable from endowment asset investments	12	3,305,063	3,539,934
Endowment return transferred to income and expenditure account	12	(4,176,591)	(3,933,834)
Appreciation of endowment asset investments	12	14,600,642	11,250,046
New endowments received	12	2,494,256	992,090
Other			
Actuarial gain/(loss) on SRBS	5	164,000	(413,000)
Total recognised gains (losses) relating to the year		<u>18,745,242</u>	<u>11,510,925</u>
Opening reserves and endowments		134,340,498	122,829,573
Closing reserves and endowments		<u>153,085,740</u>	<u>134,340,498</u>

MAGDALEN COLLEGE
Balance Sheets
As at 31 July 2006

		CONSOLIDATED		COLLEGE	
	Notes	2006 £	2005 £	2006 £	2005 £
Fixed assets					
Tangible assets	8	<u>12,287,252</u>	<u>12,437,294</u>	<u>10,802,160</u>	<u>10,945,135</u>
		<u>12,287,252</u>	<u>12,437,294</u>	<u>10,802,160</u>	<u>10,945,135</u>
Endowment asset investments					
Securities and cash deposits	9	119,066,941	102,178,333	110,256,728	98,239,421
Land and property		20,065,378	19,007,873	20,065,378	19,007,873
		<u>139,132,319</u>	<u>121,186,206</u>	<u>130,322,106</u>	<u>117,247,294</u>
Current assets:					
Stocks		400,384	354,945	400,384	354,945
Debtors	10	1,513,149	1,042,713	5,520,997	5,991,238
Cash at bank and in hand		3,011,501	2,054,416	2,559,851	218,311
		<u>4,925,034</u>	<u>3,452,074</u>	<u>8,481,232</u>	<u>6,564,494</u>
Creditors:					
Amounts falling due within one year	11	(1,728,865)	(1,101,076)	(1,714,887)	(1,051,852)
Net current assets		<u>3,196,169</u>	<u>2,350,998</u>	<u>6,766,345</u>	<u>5,512,642</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>154,615,740</u>	<u>135,974,498</u>	<u>147,890,611</u>	<u>133,705,071</u>
Pension liability	5	(1,530,000)	(1,634,000)	(1,530,000)	(1,634,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>153,085,740</u>	<u>134,340,498</u>	<u>146,360,611</u>	<u>132,071,071</u>
Endowments					
Specific		21,465,286	17,737,598	16,721,456	13,378,220
General		<u>117,667,033</u>	<u>103,448,608</u>	<u>113,600,650</u>	<u>103,869,074</u>
	12	<u>139,132,319</u>	<u>121,186,206</u>	<u>130,322,106</u>	<u>117,247,294</u>
Reserves					
General Reserves	13	13,477,689	12,864,320	15,562,773	14,533,805
Designated Reserves	13	475,732	289,972	475,732	289,972
		<u>13,953,421</u>	<u>13,154,292</u>	<u>16,038,505</u>	<u>14,823,777</u>
TOTAL FUNDS		<u>153,085,740</u>	<u>134,340,498</u>	<u>146,360,611</u>	<u>132,071,071</u>

The financial statements were approved by the Governing Body of Magdalen College on 29 November 2006

D C Clary - President

C G Young - Senior Bursar

MAGDALEN COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash (outflow) from operating activities	15	<u>(2,840,706)</u>	<u>(3,770,316)</u>
Returns on investments and servicing of finance			
Income from endowments assets		3,305,063	3,539,934
Other income from investments and interest received		41,445	49,889
Net cash inflow from returns on investments and servicing of finance		<u>3,346,508</u>	<u>3,589,823</u>
Capital expenditure and financial investment			
Net disposal / (acquisition) of tangible fixed assets		1,302,498	(77,660)
Net disposal / (acquisition) of endowment asset investments		1,144,139	(1,518,360)
Endowments received		2,494,256	992,090
Net cash inflow/(outflow) from capital expenditure and financial investment		<u>4,940,893</u>	<u>(603,930)</u>
Increase/(decrease) in cash	16	<u>5,446,695</u>	<u>(784,423)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash for the year		5,446,695	(784,423)
Net funds at 1 August 2005		6,670,648	7,455,071
Net funds at 31 July 2006		<u>12,117,343</u>	<u>6,670,648</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

	2006	2005
	£	£
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,616,204	1,579,350
Tuition fees from overseas students	240,361	210,424
Other fees	111,546	78,530
Other tuition income	11,579	23,950
	<u>1,979,690</u>	<u>1,892,254</u>

The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,477,420 (2005 - £1,438,913).

	£	£
2 OTHER OPERATING INCOME		
Residential income from College members	2,104,864	1,893,512
Conference and function income	538,266	393,620
Grants and donations	1,078,266	900,332
Other income	222,014	208,074
	<u>3,943,410</u>	<u>3,395,538</u>

	£	£
3 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 12)	750,919	773,821
Transferred from general endowments (note 12)	3,425,672	3,160,013
Other investment income	922	4,354
Other interest receivable	40,523	45,535
	<u>4,218,036</u>	<u>3,983,723</u>

	£	£
4 STAFF COSTS		
Gross pay	3,841,221	3,788,657
Social Security costs	287,337	278,855
Other pension costs	623,671	497,170
Other benefits	63,376	82,148
	<u>4,815,605</u>	<u>4,646,830</u>

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

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

5 PENSION SCHEMES

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

	USS	OSPS	SRBS
Date of latest actuarial valuation	2005	2004	2003
Investment returns per annum	6.2%	7.0%	7%
Salary increases per annum	3.9%	4.4%	4.8%
Pension increases per annum	2.9%	3.0%	2.8%
Market value of assets at latest actuarial valuation	£21,740M	£167M	£2,910M
Funding ratio on a Scheme Valuation basis	77%	76%	71%

The contributions to USS payable by the College during the accounting period were equal to 14% of total pensionable salaries. The pensions charge recorded by the College with respect to USS during the accounting period was equal to the contributions payable of £213K (2005 - £198K).

The contributions made to SRBS by the College (including employee contributions) during the accounting period were equal to 21.6% of pensionable salaries.

OSPS: The actuarial valuation as at 31 July 2004 identified a required long term employer contribution rate of 15.8% of total pensionable salaries, but also a funding deficit of £51.3m. The University, on behalf of all the employers participating in the scheme, has agreed with the Trustees of OSPS to address this deficit by maintaining the employer contribution rate at the previously agreed rate of 17.5% until 31 July 2008, at which time it is expected to increase to 21.5%, subject to any revision resulting from the next triennial actuarial valuation of the scheme due as at 31 July 2007. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £313K.

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

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

Assumptions	2006	2005
	%	%
Inflation	2.90	2.75
Salary increases per annum	4.50	4.50
Rate of discount	5.25	5.25
Pension in payment increases	2.90	2.75
Revaluation rate for deferred pensioners	2.90	2.75
Expected long term rate of return - Scottish Mutual Deferred Annuity Policy	5.25	6.00

Scheme Balance Sheet	£	£
	Assets - Scottish Mutual Deferred Annuity Policy	4,322,000
Liabilities	5,852,000	5,311,000
Deficit in the Scheme	<u>(1,530,000)</u>	<u>(1,634,000)</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

5 PENSION SCHEMES (Continued)

Income and Expenditure Account	2005	2005
	£	£
The charge to the Income and Expenditure Account over the financial year is as follows:		
Current service cost	54,000	275,000
Expected return on pension scheme assets	(222,000)	(234,000)
Interest on pension scheme liabilities	280,000	261,000
Net finance charge / (return)	58,000	27,000
Total charge to Income and Expenditure Account	112,000	302,000

Statement of Total Recognised Gains and Losses (STRGL)

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

	2006		2005	
	£	% of scheme assets	£	% of scheme assets
Difference between expected and actual return on assets	572,000	13.2	(7,000)	0.2
Experience gains and losses arising on the scheme liabilities	(138,000)	2.4	1,000	0.0
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	(270,000)	4.6	(407,000)	7.7
Total amount recognised in STRGL	164,000	7.8	(413,000)	7.1

Movement in deficit during the year	2006	2005
	£	£
Deficit in scheme at the beginning of the year	1,634,000	1,218,000
Movement in the year		
Current service cost	54,000	275,000
Net finance charge	58,000	27,000
Contributions	(52,000)	(299,000)
Actuarial (gain)/loss	(164,000)	413,000
Deficit in the scheme at the end of the year	1,530,000	1,634,000

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

6 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2006 Total	2005 Total
	£	£	£	£	£
Academic	1,922,296	11,659	746,128	2,680,083	2,592,321
Residences, catering and conferences	1,345,745	47,887	1,095,436	2,489,068	2,280,349
Premises	525,023	294,707	1,000,355	1,820,085	2,075,310
College administration	593,776	66,668	168,111	828,555	1,077,470
Endowment management	0	0	557,596	557,596	298,447
Fundraising	172,558	3,880	55,569	232,007	146,635
Other	256,207	5,430	188,347	449,984	398,810
	<u>4,815,605</u>	<u>430,231</u>	<u>3,811,542</u>	<u>9,057,378</u>	<u>8,869,342</u>
Contribution under Statute XV				308,573	326,484
Total expenditure				<u>9,365,951</u>	<u>9,195,826</u>

Other operating expenses include auditors' remuneration:
in respect of the audit of these financial statements
in respect of other services

	15,210	15,000
	<u>2,409</u>	<u>2,107</u>

The above analysis includes expenditure in respect of UK and European Union publicly funded students amounting to £1,477,420 (2005 - £1,438,913).

7 SURPLUS FOR THE YEAR

The surplus for the year is made up as follows:

	2006	2005
	£	£
College surplus for the year	2,433,947	119,606
Deficit generated by the subsidiary undertakings	(76,075)	(43,917)
	<u>2,357,872</u>	<u>75,689</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

8 TANGIBLE FIXED ASSETS

COLLEGE

	Freehold Land & buildings £	Equipment £	Total £
Cost			
At start of year	12,825,502	1,554,774	14,380,276
Additions	236,403	42,112	278,515
Disposals	0	(387,982)	(387,982)
At end of year	<u>13,061,905</u>	<u>1,208,904</u>	<u>14,270,809</u>
Depreciation			
At start of year	2,387,211	1,047,930	3,435,141
Charge for period	256,511	164,979	421,490
On disposals	0	(387,982)	(387,982)
At end of year	<u>2,643,722</u>	<u>824,927</u>	<u>3,468,649</u>
Net book value			
At end of year	<u>10,418,183</u>	<u>383,977</u>	<u>10,802,160</u>
At start of year	<u>10,438,291</u>	<u>506,844</u>	<u>10,945,136</u>

CONSOLIDATED

	Freehold Land & buildings £	Equipment £	Total £
Cost			
At start of year	12,825,502	3,189,686	16,015,188
Additions	236,403	43,786	280,189
Disposals	0	(392,044)	(392,044)
At end of year	<u>13,061,905</u>	<u>2,841,428</u>	<u>15,903,333</u>
Depreciation			
At start of year	2,387,211	1,190,683	3,577,894
Charge for period	256,511	173,720	430,231
On disposals	0	(392,044)	(392,044)
At end of year	<u>2,643,722</u>	<u>972,359</u>	<u>3,616,081</u>
Net book value			
At end of year	<u>10,418,183</u>	<u>1,869,069</u>	<u>12,287,252</u>
At start of year	<u>10,438,291</u>	<u>1,999,003</u>	<u>12,437,294</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

9 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED			COLLEGE		
	Securities & cash £	Land & property £	Total £	Securities & cash £	Land & property £	Total £
At market value						
At start of year	102,178,333	19,007,873	121,186,206	98,239,421	19,007,873	117,247,294
Net additions / (disposals) of Endowment assets	4,569,445	(1,223,974)	3,345,471	4,617,276	(1,223,974)	3,393,302
Revaluation gains	12,319,163	2,281,479	14,600,642	7,400,031	2,281,479	9,681,510
At end of year	119,066,941	20,065,378	139,132,319	110,256,728	20,065,378	130,322,106
Analysed as						
Equities	81,034,918			76,353,010		
Investment in subsidiary undertaking				17,010,000		
Joint Venture	21,071,139			185,000		
Other securities	185,000			7,670,042		
Unlisted securities	7,670,042			9,038,676		
Cash	9,105,842					
	119,066,941			110,256,728		
Historical cost at end of year	110,211,997			101,797,099		

Estates land and property has been valued at 31 July 2006 by the College's Estate Managers, Savills, at market value.

The investment in the Joint Venture represents 50% of the gross assets and gross liabilities of the Oxford Science Park Joint Venture at 31st July 2006. Within the Joint Venture, fixed assets are valued on a market basis. The last valuation was carried out on 31 December 2005 by DTZ Debenham Tie Leung Limited. Stocks are valued at the lower of cost and net realisable value.

	£
Share of gross assets	25,403,730
Share of gross liabilities	(4,332,591)
	21,071,139

10 DEBTORS

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Amounts falling due within one year:				
Trade debtors	239,794	69,643	179,804	12,954
Amounts owed by College members	92,499	102,769	92,499	102,769
Amounts owed by group undertakings	0	0	4,809,827	5,060,303
Loans	18,011	10,658	18,011	10,658
Prepayments and accrued income	1,107,392	769,872	382,470	752,226
Other debtors	55,453	89,771	38,386	52,328
	1,513,149	1,042,713	5,520,997	5,991,238

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Trade creditors	299,903	422,803	292,885	398,631
College Contribution	396,085	326,484	396,085	326,484
Other taxation and Social Security	23,623	14,331	30,354	24,456
Internal clubs and societies	36,615	24,217	36,615	24,217
Sundry restricted funds	179,408	104,353	179,408	104,353
Owed to College members	60,697	49,557	60,697	49,557
Accruals and deferred income	589,870	71,594	578,149	50,204
Other creditors	142,664	87,737	140,694	73,950
	<u>1,728,865</u>	<u>1,101,076</u>	<u>1,714,887</u>	<u>1,051,852</u>

12 ENDOWMENTS

	CONSOLIDATED			COLLEGE		
	Specific £	General £	Total £	Specific £	General £	Total £
At start of year	17,737,598	103,448,608	121,186,206	13,378,220	103,869,074	117,247,294
Endowments received	2,494,256	0	2,494,256	2,419,395	0	2,419,395
Appreciation of endowment investments	1,554,104	13,046,538	14,600,642	1,140,852	8,540,658	9,681,510
Income receivable from endowment asset investments	405,927	2,899,136	3,305,063	321,527	3,233,371	3,554,898
Transfer to income and expenditure account (note 3)	(750,919)	(3,425,672)	(4,176,591)	(538,538)	(3,425,672)	(3,964,210)
Transfer from reserves	24,320	1,698,423	1,722,743		1,383,219	1,383,219
At end of year	<u>21,465,286</u>	<u>117,667,033</u>	<u>139,132,319</u>	<u>16,721,456</u>	<u>113,600,650</u>	<u>130,322,106</u>

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

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

Specific Endowments (consolidated and College) include Funds valued at £531,755 which provide income for purposes that lie outside the objects of the College. Income arising amounted to £9,509.

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

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

13 RESERVES

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
GENERAL RESERVES				
At start of year	12,864,320	13,881,444	14,533,805	15,584,462
Surplus from income and expenditure account	2,357,872	75,689	2,433,947	119,606
Actuarial gain/(loss) on SRBS	164,000	(413,000)	164,000	(413,000)
Transfer (to) endowment	(1,722,743)	(389,841)	(1,383,219)	(467,291)
Transfer (to) designated reserves	(185,760)	(289,972)	(185,760)	(289,972)
At end of year	13,477,689	12,864,320	15,562,773	14,533,805

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
Representing:				
Undepreciated cost of Land and Buildings financed out of general reserve	10,418,183	10,438,293	10,418,183	10,438,293
Pension liability	(1,530,000)	(1,634,000)	(1,530,000)	(1,634,000)
College general reserve	4,589,506	4,060,027	6,674,590	5,729,512
	13,477,689	12,864,320	15,562,773	14,533,805

	CONSOLIDATED		COLLEGE	
	2006 £	2005 £	2006 £	2005 £
DESIGNATED RESERVES				
At start of year	289,972	0	289,972	0
Transfer from general reserves	185,760	289,972	185,760	289,972
At end of year	475,732	289,972	475,732	289,972

Designated reserves are those reserves set aside by Magdalen College to be used for a specific purpose, and which do not form part of Magdalen's Endowment Funds. At 31 July 2006 they comprised:

CONSOLIDATED AND COLLEGE	2006 £	2005 £
Reserve for maintenance, refurbishment and renovation of buildings and facilities	<u>475,732</u>	<u>289,972</u>

14 COMMITMENTS

CONSOLIDATED AND COLLEGE	2006 £	2005 £
Commitments contracted at 31 July 2006	<u>-</u>	<u>506,046</u>

MAGDALEN COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

**15 RECONCILIATION OF CONSOLIDATED OPERATING DEFICIT TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2006 £	2005 £
Surplus for the year	2,357,872	75,689
Profit on disposal of fixed assets	(1,582,687)	0
Actuarial gain/(loss) on SRBS	164,000	(413,000)
Depreciation	430,231	459,152
Endowment income and interest receivable	(4,218,036)	(3,983,723)
Increase in stocks	(45,439)	(4,811)
Increase in debtors	(470,436)	(448,616)
Increase in creditors	627,789	128,993
(Decrease)/increase in provisions	(104,000)	416,000
	<u>(2,840,706)</u>	<u>(3,770,316)</u>

16 ANALYSIS OF CHANGES IN NET FUNDS

	2006 £	Changes £	2005 £
Cash at bank and in hand	3,011,501	(957,085)	2,054,416
Endowment assets cash	9,105,842	(4,489,610)	4,616,232
	<u>12,117,343</u>	<u>(5,446,695)</u>	<u>6,670,648</u>

17 FINANCIAL COMMITMENTS

There were no annual commitments under non-cancellable operating leases at 31 July 2006.

18 POST BALANCE SHEET EVENTS

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

19 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2006.

20 RELATED PARTY TRANSACTIONS

There were no material related party transactions in the year to 31 July 2006.