



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>