

MARLBOROUGH HOUSE SCHOOL

England & Wales · Charity number 307793

Details

Status	Registered
Legal form	Charitable company
Company number	00587487
Registered	1965-09-08
Register	View on the Charity Commission register

Contact

Address	Marlborough House School High Street Hawkhurst Cranbrook TN18 4PY
Phone	01580755125
Email	frontoffice@marlboroughhouseschool.co.uk
Website	www.marlboroughhouseschool.co.uk

Activities

Objects: "(A) to acquire and to carry on, develop and turn to account a private preparatory school carried on by Robert Arthur Harrison at Marlborough House School, Hawkhurst, Kent. (B) to advance the education of children including (but not limited to) by acquiring and carrying on in the United Kingdom any other school or schools for the education of children

Activities: A School Trust for the education of boys and girls aged between 3 - 13 in the Independent Preparatory, Pre-Preparatory and Nursery School.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Kent

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,834,049	£5,512,230	£0	80
2023-08-30	£3,562,831	£3,977,803	£5,172,328	86
2022-08-30	£3,175,841	£3,609,919	£4,832,236	90
2021-08-31	£3,284,562	£3,727,587	£5,266,314	93
2020-08-31	£3,496,317	£3,870,654	£5,671,739	98

Trustees

Name	Role	Appointed
SIMON JAMES HODSON	Chair	2001-03-12
Amanda Petch		2013-11-29
HENRY ROBERT FITZROY SOMERSET		1991-03-12
Hon Thomas Nigel Maclear Lawson		2017-06-08
PETER WHITWORTH SMALLWOOD		1991-03-12

MARLBOROUGH HOUSE SCHOOL

England & Wales - Charity number 307793

Accounts

Registered number: 00587487
Charity number: 307793

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Governors and Advisers	1
Governors' Report	2 - 7
Independent Auditor's Report on the Financial Statements	8 - 11
Statement of Financial Activities	12
Balance Sheet	13
Statement of Cash Flows	14
Notes to the Financial Statements	15 - 30

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

Governors

Mr S J Hodson, Chairman
Mr T N M Lawson
Mrs A H Petch
Mr P W Smallwood
Mr H R F Somerset

Company registered number

00587487

Charity registered number

307793

Registered office

Marlborough House School Trust Limited, High Street, Hawkhurst, Cranbrook, TN18 4PY

Head

Mr E Newton

Company Secretary

Mr E Newton

Independent auditor

Crowe U.K. LLP, Medway Bridge House, 1-8 Fairmeadow, Maidstone, Kent, ME14 1JP

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2024

The Governors present their Annual Report together with the audited financial statements for 1st September 2023 to 31st December 2024. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Marlborough House School (the "School") is registered with the Department for Children, Schools and Families as School Number 886/6005. It is registered as Charity Number 307793, and holds the Company Registration number 587487, with the liability of its members limited to £1 each by guarantee. Within the insurance policies that the School holds is an extension that indemnifies the Trustees against any acts that result in action against them. None of the Directors of the School (the "Directors") has any beneficial interest in the Company. The Registered Office and principal address of the Company is at Marlborough House School, High Street, Hawkhurst, Kent TN18 4PY.

Introduction

As described in more detail in 'Review of Activities' below, the Company entered into an agreement during 2024 with another charitable company to prepare for the combination of Marlborough House School with another local preparatory school. The legal transaction was completed on 31 December 2024 and was implemented by way of the Company passing its assets and liabilities at that date to the other charity. Following completion, Marlborough House School was owned by that other charitable company.

The Company thus ceased operations at 31 December 2024 and has been dormant since then. The Directors decided to extend the accounting period under review to cover the 16 months from 1 September 2023 to 31 December 2024, so that the end of the accounting period coincided with the completion date of the legal transaction and the date when the Company became dormant.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status of the company

Marlborough House School was founded in 1874 and was incorporated on 18th July 1957 under the Companies Acts 1948 as Marlborough House School Trust Limited, a Charitable Company limited by guarantee.

Governing body

The School is governed by its Memorandum and Articles of Association. The Directors, who were also the Charity Trustees and the School Governors, who served during the year are shown below:

Mr S J Hodson (Chairman)
Mr S F Cloke (Resigned, 31st December 2024)
Mr T N M Lawson
Mrs A Petch
Dr R Ratnavel (Resigned, 28th June 2024)
Mrs S R Reeves (Resigned, 31st December 2024)
Mr O A Reynolds (Resigned, 1st December 2023)
Mr P W Smallwood
Mr H R F Somerset
Mrs J M Webb (Resigned, 1st December 2023)
Mrs C A Wilson (Resigned, 31st December 2024)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024

Board of Governors

The Directors were required under the Articles to serve as Governors of the School. They were elected at a full Governors' Meeting on the basis of nominations received, after an appropriate recruitment process was undertaken from existing Governors and the Head taking independent advice as appropriate in order to ensure a suitable cross section of expertise, personal competence, specialist skills and local availability. Governors served for an initial term of five years and were eligible to stand for re election for further five year terms.

Governor training

New Governors were inducted into the workings of the School and the Company as a Registered Charity, including Board Policy and Procedures, through a program arranged by the Head. Training Days and Extraordinary Meetings are scheduled periodically to provide updates for the Directors and to consider strategic planning and governance issues. New Governors were encouraged to attend the Association of Governing Bodies in Independent Schools (AGBIS) New Governors Course and all Governors had the opportunity to attend AGBIS briefings and specialist courses run by external organisations.

Organisational management

The Governors, acting as Directors, determined the general policies of the School and reviewed its overall management and control. The day to day management of the School was delegated to the key management personnel, comprising the Head and the other members of the School's Senior Leadership Team. The Governors met as a Board at least three times a year. The work of implementing most of the Board's policies was carried out by Committees of the Board comprising 4 to 5 Board members: the Finance and Property Committee (specifically to review the budgets, annual accounts and reports), the Education and Welfare Committee and the Health and Safety Committee. Each Committee met at least three times a year prior to the Main Board meetings. Each Committee operated under specific terms of reference agreed by the Board of Governors and had its decisions reported to and ratified by the full Board. The Head attended all meetings of the full Board and all meetings of the Board Committees.

Group structure and relationships

The School was an active member of the Independent Association of Prep Schools ("IAPS") and the Boarding School Association ("BSA") for the promotion and maintenance of preparatory school standards generally and also took part in peer group studies for the evaluation of quality and performance improvement methods. The School actively sought to engage with local Charities, community and voluntary groups in continuing endeavours to widen public access to its facilities, to optimise the educational use of its cultural and sporting facilities and to awaken in the pupils an awareness of the wider social context of the education they received at the School.

OBJECTIVES AND ACTIVITIES

The principal object of the Company, in accordance with its Memorandum and Articles of Association, was the education of children at the Independent Preparatory School of Marlborough House, Hawkhurst, Kent. In the furtherance of this object, the Directors, as the Charity Trustees, have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the public benefit requirement under that Act.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024

Principal Activity

Marlborough House School Trust's principal activity was the provision of a Preparatory School in Hawkhurst for girls and boys aged from 2 ½ to 13. In conducting its business, the School was one of the biggest local employers with many members of its staff resident within the immediate vicinity. The School used the services of local businesses and suppliers wherever possible. Pupil numbers stood at 190 with an additional 34 in Nursery giving a total school role of 224 (2023 – 248) in the Autumn term 2024.

Following the transfer of the assets and liabilities of the Company to another charitable company on 31 December 2024, as described in more detail in 'Review of Activities' below, Marlborough House School was owned by that other charitable company, and the Company ceased operations and became dormant.

Strategic Aim and Effect

The Board's overall strategic aim was to satisfy the requirements of public benefit by operating Marlborough House School as a charitable Independent Preparatory School. While the families of most of the School's pupils paid full fees, the Board aimed to set these fees at a level which enabled the School to provide bursaries on a means tested basis to the families of a number of pupils who otherwise would not have been able to attend the School.

In addition, the Board's strategic aim for the School was for it to offer an outward looking, secure and inclusive environment for the whole School community, using high quality resources and facilities and providing an excellent all round education for the School's pupils. To help achieve its objectives, the Board aimed to ensure that the School was as close to capacity as possible, maintained a high "teacher to pupil" ratio and tailored its teaching and pastoral care services to suit pupils' individual needs.

Objectives for the Year

The Board's main objectives for the School during the period under review were:

1. to support the Head's drive and passion to build on recent successes to develop the whole School community (e.g with events organised for staff, Pupils (and their families) and alumni to attend);
2. to continue to develop the School's strategy, focused on continued educational improvement and modernisation of the curriculum, as well as reviewing and agreeing new short and medium financial and staffing plans;
3. to continue to educate pupils at the School to a very high standard, ensuring all pupils reach their full potential in all aspects of School life and are well prepared for their move into senior school;
4. to continue to provide bursaries and other financial support to the families of pupils who would otherwise not be able to attend the School;
5. to continue to work collaboratively with local charities, community and voluntary organisations and educational bodies to provide access to the School's facilities.
6. to seek a partner with a view to providing a more sustainable future.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024

STAFF

Volunteers

The Friends of Marlborough House School continued to help the School's charitable fundraising and cultural activities during the period under review, with members devoting considerable time and resources on a voluntary basis. The Board has been very appreciative of their work and that of their predecessors on behalf of the School over many years.

Remuneration of Employees

The remuneration of the Head was set by the Board. The remuneration of other members of the Senior Leadership Team and all other staff was determined by the Head in accordance with the whole School remuneration policy and budget, which was set annually by the Board following a recommendation by the Finance and Property Committee. In setting this policy and budget, reference was made to comparisons with other schools to ensure that the School was sensitive to the broader issues of pay and employment conditions elsewhere. Staff costs were, by a long way, the largest single element of the School's regular charitable expenditure and the Board believes that successful delivery of the School's charitable vision and purpose was very significantly dependent on the skills, expertise and performance of the key management personnel and all other members of the School's staff.

REVIEW OF ACTIVITIES

Achievements and Performance

Following on from a successful Independent Schools Inspectorate in January 2023, when the School was rated "Excellent" in all areas, the School continued to look for ways to always raise the standards of the teaching and learning standards. This was achieved through various ways including, but not limited to, increased IT provision, closer monitoring of teaching and learning, regular meetings of sub committee groups and enhanced use of the new developed all-weather sports pitch and the Art and DT Centre of Excellence.

The School made a conscious decision to support a number of local charities as well as some national ones. Donations were made as follows: British Red Cross: £267.40, Children in Need: £836.93, Barnardo's: £202.90, Kwest Charity Books: £191 and various donations to the Local Food Bank.

As referred to in last year's Governors' Report, the Board has been giving active consideration to the School's overall strategic position, against the background of the many challenges facing the independent school sector, both economic and political. The Board accelerated this process during the first few months of 2024 and considered a number of different configurations for the School, as well as entering into early stage discussions with several potential partners. These discussions culminated in the announcement in September 2024 of the planned combination of Marlborough House School with another local and charitably owned preparatory school, Vinehall School, to become effective in September 2025.

The legal transaction to prepare for the combination of the two schools, which took place at 31 December 2024, involved the transfer by the Company of its assets and liabilities to Marlborough House Vinehall School Ltd, the re-named charitable trust which owned and operated Vinehall School from its site near Robertsbridge in East Sussex.

The newly merged school, named Marlborough House Vinehall, opened on the Robertsbridge site in September 2025, with Eddy Newton, who has been Head of Marlborough House School for the past five years, as its new Head.

Following the transfer of its assets and liabilities on 31 December 2024, the Company ceased operations and became dormant.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024

FUTURE DEVELOPMENTS

As at 31 December 2024, the assets and liabilities were transferred to another charitable trust and at this point the charitable company became dormant.

Therefore, there are no future developments to consider for the Company.

FINANCIAL REVIEW

The period under review comprised a 16 month period from 1 September 2023 to 31 December 2024, which covered four school terms. The previous period from 1 September 2022 to 31 August 2023 was a 12 month period and covered three school terms. Therefore the two periods are not strictly comparable.

The directors report a deficit of £678,181 for the 16 month period to 31 December 2024 (12 months to 31 August 2023: £31,308). Total income was £4,834,049 (2023: £3,562,831) and total expenditure was £5,512,230 (2023: £3,614,139).

Capital expenditure during the year totalled £59,569 (2023: £172,771). This was spent on fixtures and fittings and computer equipment.

Investment powers are set out in the Memorandum and Articles of Association. These permit the Directors to invest the monies of the Trust not immediately required for its purposes in such investments, securities or property as may be thought fit, except for monies subject to (or representing property subject to) the jurisdiction of the Charity Commissioners for England and Wales or the Secretary of State for Children, Schools and Families, which may only be invested as may for the time being be prescribed by law. During the period investment income totalled £12,671 (2023: £219).

RESERVES POLICY

At 31st December 2024, the School had no reserves as these were transferred to Marlborough House Vinehall School Ltd upon completion of the transfer agreement.

Therefore, there is no reserves policy for the company to take forward as it is now dormant.

PRINCIPAL RISKS AND UNCERTAINTIES

Following the transfer of the entire undertaking, assets and liabilities of the school to Marlborough House Vinehall School Ltd on 31st December 2024 the school had no continuing activity and the entity became dormant.

GOING CONCERN

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Charitable Company has ceased operations following the transfer of trade and assets on 31 December 2024 and at that point became dormant. Therefore the Governors have adopted an alternative basis other than going concern in preparing the Governors' report and accounts. There is no material difference between the recognition or measurement of amounts in the financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2024

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Marlborough House School Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial period. Under company law the Governors 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 School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

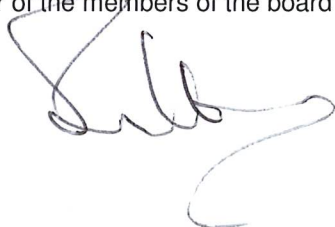
DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the School's auditor is aware of that information

Approved by order of the members of the board of Governors on 29/1/2025 and signed on their behalf by:

Mr S J Hodson



MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Marlborough House School Trust Limited (the 'charitable company') for the Period ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure for the Period 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 Companies Act 2006.

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Emphasis of Matter - financial statements prepared on a basis other than going concern

We draw attention to Note 2.2 to the financial statements which explains that the Charitable Company has ceased operations due to the transfer of trade and assets to Marlborough House Vinehall School Ltd and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in respect of this matter.

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 Governors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial Period for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the Charitable Company for the purposes of company law) 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 Governors 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 Governors are responsible for assessing the Charitable Company'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 Governors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Charitable Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Charitable Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charitable Company's members 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 anyone other than the Charitable Company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Weekes (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Medway Bridge House

1-8 Fairmeadow

Maidstone

Kent

ME14 1JP

Date:

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD ENDED 31 DECEMBER 2024**

	Note	Unrestricted funds 16 months ended 31 December 2024 £	Total funds 16 months ended 31 December 2024 £	Total funds Year ended 31 August 2023 £
Income from:				
Donations and legacies	4	16,988	16,988	1,686
Charitable activities	5	4,785,479	4,785,479	3,548,255
Other trading activities	6	19,323	19,323	12,671
Investments	7	12,259	12,259	219
Total income		4,834,049	4,834,049	3,562,831
Expenditure on:				
Charitable activities	8	5,512,230	5,512,230	3,977,803
Total expenditure		5,512,230	5,512,230	3,977,803
Net expenditure before net losses on investments		(678,181)	(678,181)	(414,972)
Net losses on transfer of assets		(4,494,148)	(4,494,148)	-
Net movement in funds before other recognised gains/(losses)		(5,172,329)	(5,172,329)	(414,972)
Other recognised gains/(losses):				
Gains on revaluation of fixed assets		-	-	755,065
Net movement in funds		(5,172,329)	(5,172,329)	340,093
Reconciliation of funds:				
Total funds brought forward		5,172,329	5,172,329	4,832,236
Net movement in funds		(5,172,329)	(5,172,329)	340,093
Total funds carried forward		-	-	5,172,329

The Statement of Financial Activities includes all gains and losses recognised in the Period.

The notes on pages 15 to 30 form part of these financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00587487

BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	31 December 2024 £	31 August 2023 £
Fixed assets			
Tangible assets	12	-	5,173,175
Investment property	13	-	950,000
		-	6,123,175
Current assets			
Stocks	14	-	9,546
Debtors	15	-	59,856
Cash at bank and in hand		50,000	25,775
		50,000	95,177
Current liabilities			
Creditors: amounts falling due within one year	16	(50,000)	(763,119)
		-	(667,942)
Net current assets / liabilities			
		-	5,455,233
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	-	(282,904)
		-	5,172,329
Total net assets			
		-	5,172,329
Charity funds			
Unrestricted funds	18	-	5,172,329
		-	5,172,329
Total funds			
		-	5,172,329

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 29th September 2025 and signed on their behalf by:

Mr S J Hodson



MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2024

	16 months ended 31 December 2024 £	<i>Year ended 31 August 2023 £</i>
Cash flows from operating activities		
Net cash provided by/(used in) in operating activities	(537,642)	2,169
Cash flows from investing activities		
Dividends, interests and rents from investments	12,259	219
Purchase of tangible fixed assets	(59,569)	(172,771)
Proceeds from sale of investment properties	1,030,000	-
Interest paid	(69,593)	(13,563)
New loans	-	130,339
Net cash (used in)/provided by investing activities	913,097	(55,776)
Cash flows from financing activities		
Repayments of borrowing	(326,424)	(113,034)
Net cash used in financing activities	(326,424)	(113,034)
Change in cash and cash equivalents in the Period	49,031	(166,641)
Cash and cash equivalents at the beginning of the Period	969	167,610
Cash and cash equivalents at the end of the Period	50,000	969

The notes on pages 15 to 30 form part of these financial statements

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

1. General information

Marlborough House School is a company limited by guarantee incorporated in England and Wales (company registration number 00587487 and charity number 307793). The principal activity was that of an independent school. At the Period end, the assets and liabilities were transferred out of this charitable company and it became dormant at that point.

Its registered address is at:-

High Street
Hawkhurst
Cranbrook
TN18 4PY

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Marlborough House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Charitable Company has ceased operations following the transfer of trade and assets on 31 December 2024 and at that point became dormant. Therefore the Governors have adopted an alternative basis other than going concern in preparing the Directors' report and accounts. There is no material difference between the recognition or measurement of amounts in the financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.3 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees receivable, less any bursaries or scholarships are billed termly in advance and the income is recognised on the first day of the new term to which they relate. Where fees are received in advance of the relevant period, they are recognised as deferred income.

Income receivable for extras to the core school fees is billed in arrears on the following term's bill when the amount of income receivable can be measured reliably. Amounts are recognised in the period to which they relate and held in trade debtors until payment is received.

Donations, legacies, grants and other voluntary income are accounted for when the following criteria are satisfied; entitlement has arisen, the amount can be reliably measured and the economic benefit is considered probable.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- over 10 - 50 years
Motor vehicles	- Straight line over 5 years
Fixtures and fittings	- Reducing balance at 15%
Computer equipment	- Straight line over 3 years

2.7 Investment properties

The Trustees' policy was to revalue the company's investment properties at each reporting date.

Governors assessed the value of the land and buildings based on an independent valuation carried out in 2023 and updated for current market prices.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the Period.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 50 years, based on experience.
- ii) Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

4. Income from donations and legacies

	Unrestricted funds 16 months ended 31 December 2024 £	Total funds 16 months ended 31 December 2024 £
Donations	16,988	16,988

	<i>Unrestricted funds Year ended 31 August 2023 £</i>	<i>Total funds Year ended 31 August 2023 £</i>
Donations	<i>1,686</i>	<i>1,686</i>

5. Income from charitable activities

	Unrestricted funds 16 months ended 31 December 2024 £	Total funds 16 months ended 31 December 2024 £
Gross fee income	5,005,479	5,005,479
Less: bursaries, scholarships and allowances	(433,973)	(433,973)
Other charges to pupils	209,923	209,923
Registration fees	4,050	4,050
	<u>4,785,479</u>	<u>4,785,479</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

5. Income from charitable activities (continued)

	<i>Unrestricted funds</i>	<i>Total funds</i>
	<i>Year ended 31 August 2023 £</i>	<i>Year ended 31 August 2023 £</i>
Gross fee income	3,777,606	3,777,606
Less: bursaries, scholarships and allowances	(356,890)	(356,890)
Other charges to pupils	124,589	124,589
Registration fees	2,950	2,950
	3,548,255	3,548,255

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 16 months ended 31 December 2024 £	Total funds 16 months ended 31 December 2024 £
Lettings	19,323	19,323

	<i>Unrestricted funds</i>	<i>Total funds</i>
	<i>Year ended 31 August 2023 £</i>	<i>Year ended 31 August 2023 £</i>
Lettings	12,671	12,671

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

7. Investment income

	Unrestricted funds 16 months ended 31 December 2024 £	Total funds 16 months ended 31 December 2024 £
Bank interest	12,259	12,259
	12,259	12,259

	<i>Unrestricted funds Year ended 31 August 2023 £</i>	<i>Total funds Year ended 31 August 2023 £</i>
Bank interest	219	219
	219	219

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 16 months ended 31 December 2024 £	Total 16 months ended 31 December 2024 £
Teaching costs	2,974,365	2,974,365
Welfare costs	670,460	670,460
Premises	1,056,910	1,056,910
Support for schooling	733,317	733,317
Bank interest and charges	77,178	77,178
	5,512,230	5,512,230

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

8. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Total</i>
	<i>Year ended 31 August 2023 £</i>	<i>Year ended 31 August 2023 £</i>	<i>Year ended 31 August 2023 £</i>
Teaching costs	2,246,925	2,313	2,249,238
Welfare costs	471,928	-	471,928
Premises	547,496	-	547,496
Support for schooling	691,360	-	691,360
Bank interest and charges	17,781	-	17,781
	<u>3,975,490</u>	<u>2,313</u>	<u>3,977,803</u>

9. Auditor's remuneration

	16 months ended 31 December 2024 £	<i>Year ended 31 August 2023 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	16,160	16,675
Fees payable to the Company's auditor in respect of: All non-audit services not included above	1,000	1,000

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

10. Staff costs

	16 months ended 31 December 2024 £	<i>Year ended 31 August 2023 £</i>
Wages and salaries	2,933,050	2,278,142
Social security costs	259,224	198,599
Contribution to defined contribution pension schemes	271,597	219,314
	<u>3,463,871</u>	<u>2,696,055</u>

The average number of persons employed by the Company during the Period was as follows:

	16 months ended 31 December 2024 No.	<i>Year ended 31 August 2023 No.</i>
Teaching	57	58
Domestic	16	20
Administration	7	8
	<u>80</u>	<u>86</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	16 months ended 31 December 2024 No.	<i>Year ended 31 August 2023 No.</i>
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	1	1
In the band £100,001 - £110,000	-	1
In the band £130,001 - £140,000	1	-

The total remuneration and benefits received by key management personnel during the Period was £404,562 (2023: £ 325,781).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

11. Governors' remuneration and expenses

During the Period, no Governors received any remuneration or other benefits (2023 - £NIL).

During the Period ended 31st December 2024, expenses totalling £NIL were reimbursed or paid directly to Governors (2023 - £NIL).

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2023	6,831,600	96,360	1,181,365	688,043	8,797,368
Additions	-	-	31,371	28,198	59,569
Transfers intra group	(6,533,518)	-	(206,534)	(28,198)	(6,768,250)
Disposals	(298,082)	(96,360)	(1,006,202)	(688,043)	(2,088,687)
Depreciation					
At 1 September 2023	1,978,661	96,360	864,566	684,606	3,624,193
Charge for the Year	181,404	-	65,003	12,499	258,906
Transfers intra group	(2,044,616)	-	(46,793)	(9,059)	(2,100,468)
On disposals	(115,449)	(96,360)	(882,776)	(688,046)	(1,782,631)
At 31 December 2024	-	-	-	-	-
Net book value					
At 31 December 2024	-	-	-	-	-
At 31 August 2023	4,852,939	-	316,799	3,437	5,173,175

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

13. Investment property

	Freehold investment property £
At 1 September 2023	950,000
Disposals	(950,000)
At 31 December 2024	-

Governors assessed the value of the land and buildings based on an independent valuation carried out in 2023. The investment property was disposed of in the Period.

14. Stocks

	31 December 2024 £	<i>31 August 2023 £</i>
Finished goods	-	9,546

15. Debtors

	31 December 2024 £	<i>31 August 2023 £</i>
Due within one year		
Trade debtors	-	50,052
Prepayments and accrued income	-	9,804
	-	59,856

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

16. Creditors: Amounts falling due within one year

	31 December 2024	<i>31 August 2023</i>
	£	£
Bank overdrafts	-	24,806
Bank loans	-	126,068
Trade creditors	-	83,046
Fees in advance and deposits	-	475,779
Other creditors	-	9,634
Accruals and deferred income	50,000	19,499
Advance payment scheme	-	24,287
	<hr/> 50,000 <hr/>	<hr/> 763,119 <hr/>

A CBILS bank loan of £500,000 was taken out in 2020 and was repaid during the Period.

Interest was being charged on the loan at 2.34% p.a over base rate.

A Societe Generale bank loan of £130,399 was taken out in 2023 and interest is being charged on the loan at 5.3% p.a. The loan is repayable in instalments over 5 years. This loan was transferred to Marlborough House Vinehall School Ltd on 31 December 2024.

17. Creditors: Amounts falling due after more than one year

	31 December 2024	<i>31 August 2023</i>
	£	£
Bank loans	-	282,904
	<hr/> - <hr/>	<hr/> 282,904 <hr/>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024**

18. Statement of funds

Statement of funds - current Period

	Balance at 1 September 2023 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 December 2024 £
Unrestricted funds					
General Funds	5,172,329	4,834,049	(5,512,230)	(4,494,148)	-

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

18. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 September 2022</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2023</i>
	£	£	£	£	£
Unrestricted funds					
General Funds	4,829,923	3,562,830	(3,975,489)	755,065	5,172,329
Restricted funds					
Restricted Funds - all funds	2,313	-	(2,313)	-	-
Total of funds	<u>4,832,236</u>	<u>3,562,830</u>	<u>(3,977,802)</u>	<u>755,065</u>	<u>5,172,329</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	16 months ended 31 December 2024	<i>Year ended 31 August 2023</i>
	£	£
Net expenditure for the Period (as per Statement of Financial Activities)	<u>(5,172,329)</u>	<u>(414,972)</u>
Adjustments for:		
Depreciation charges	258,906	190,705
Interest paid	69,593	13,563
Dividends, interests and rents from investments	(12,259)	(219)
Loss/(profit) on the sale of investment properties	(80,000)	-
Loss/(profit) on the disposal of fixed assets	306,055	172,959
Decrease in debtors	59,855	24,086
Increase/(decrease) in creditors	(644,791)	15,676
Decrease/(increase) in stock	9,546	371
Loss on transfer of assets	4,667,782	-
Net cash provided by/(used in) operating activities	<u>(537,642)</u>	<u>2,169</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

20. Analysis of cash and cash equivalents

	31 December 2024	<i>31 August 2023</i>
	£	£
Cash in hand	50,000	25,775
Overdraft facility repayable on demand	-	(24,806)
Total cash and cash equivalents	50,000	969

21. Analysis of changes in net debt

	At 1 September 2023	Cash flows	Other non- cash changes	At 31 December 2024
	£	£	£	£
Cash at bank and in hand	25,775	24,225	-	50,000
Bank overdrafts repayable on demand	(24,806)	24,806	-	-
Debt due within 1 year	(126,068)	100,000	26,068	-
Debt due after 1 year	(282,904)	226,424	56,480	-
	(408,003)	375,455	82,548	50,000

22. Pension commitments

The charity also makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the Period, contributions of £271,597 (2023 - £218,538) were made to the pension scheme with contributions of £nil (2023 - £nil) outstanding at the balance sheet date.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2024

23. Operating lease commitments

At 31 December 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2024 £	<i>31 August 2023 £</i>
Not later than 1 year	-	31,646
Later than 1 year and not later than 5 years	-	110,825
	<hr/>	<hr/>
	-	142,471
	<hr/> <hr/>	<hr/> <hr/>

MARLBOROUGH HOUSE SCHOOL

England & Wales - Charity number 307793

Accounts

Registered number: 00587487
Charity number: 307793

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Governors and Advisers	1
Governors' Report	2 - 9
Independent Auditor's Report on the Financial Statements	10 - 13
Statement of Financial Activities	14
Balance Sheet	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 - 32

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2023**

Governors

Mr S J Hodson, Chairman
Mr S F Cloke
Mr T N M Lawson
Mrs A H Petch
Mrs S R Reeves
Mr P W Smallwood
Mr H R F Somerset
Mrs C A Wilson

Company registered number

00587487

Charity registered number

307793

Registered office

Marlborough House School Trust Limited, High Street, Hawkhurst, Cranbrook, TN18 4PY

Head

Mr E Newton

Company Secretary

Mr E Newton

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their Annual Report together with the audited financial statements for 1st September 2022 to 31st August 2023. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Marlborough House School (the "School") is registered with the Department for Children, Schools and Families as School Number 886/6005. It is registered as Charity Number 307793, and holds the Company Registration number 587487, with the liability of its members limited to £1 each by guarantee. Within the insurance policies that the School holds is an extension that indemnifies the Trustees against any acts that result in action against them. None of the Directors of the School (the "Directors") has any beneficial interest in the Company. The Registered Office and principal address of the Company is at Marlborough House School, High Street, Hawkhurst, Kent TN18 4PY.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status of the company

Marlborough House School was founded in 1874 and was incorporated on 18th July 1957 under the Companies Acts 1948 as Marlborough House School Trust Limited, a Charitable Company limited by guarantee.

Governing body

The School is governed by its Memorandum and Articles of Association. The Directors, who are also the Charity Trustees and the School Governors, who served during the year are shown below:

Mr S J Hodson (Chairman)
Mr S F Cloke
Mr T N M Lawson
Mrs A Petch
Dr R Ratnavel (Resigned, 28th June 2024)
Mrs S R Reeves
Mr O A Reynolds (Resigned, 1st December 2023)
Mr P W Smallwood
Mr H R F Somerset
Mrs J M Webb (Resigned, 1st December 2023)
Mrs C A Wilson

Board of Governors

The Directors are required under the Articles to serve as Governors of the School. They are elected at a full Governors' Meeting on the basis of nominations received, after an appropriate recruitment process is undertaken from existing Governors and the Head taking independent advice as appropriate in order to ensure a suitable cross section of expertise, personal competence, specialist skills and local availability. Governors serve for an initial term of five years and are eligible to stand for re election for further five year terms.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Governor training

New Governors are inducted into the workings of the School and the Company as a Registered Charity, including Board Policy and Procedures, through a program arranged by the Head. Training Days and Extraordinary Meetings are scheduled periodically to provide updates for the Directors and to consider strategic planning and governance issues. New Governors are encouraged to attend the Association of Governing Bodies in Independent Schools (AGBIS) New Governors Course and all Governors have the opportunity to attend AGBIS briefings and specialist courses run by external organisations.

Organisational management

The Governors, acting as Directors, determine the general policies of the School and review its overall management and control. The day to day management of the School is delegated to the key management personnel, comprising the Head and the other members of the School's Senior Leadership Team. The Governors meet as a Board at least three times a year. The work of implementing most of the Board's policies is carried out by Committees of the Board comprising 4-5 Board members: the Finance and Property Committee (specifically to review the budgets, annual accounts and reports), the Education and Welfare Committee and the Health and Safety Committee. Each Committee meets at least three times a year prior to the Main Board meetings. Each Committee operates under specific terms of reference agreed by the Board of Governors and has its decisions reported to and ratified by the full Board. The Head attends all meetings of the full Board and all meetings of the Board Committees.

Group structure and relationships

The School is an active member of the Independent Association of Prep Schools ("IAPS") and the Boarding School Association ("BSA") for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. The School actively seeks to engage with local Charities, community and voluntary groups in continuing endeavours to widen public access to its facilities, to optimise the educational use of its cultural and sporting facilities and to awaken in the pupils an awareness of the wider social context of the education they receive at the School.

OBJECTIVES AND ACTIVITIES

The principal object of the Company, in accordance with its Memorandum and Articles of Association, is the education of children at the Independent Preparatory School of Marlborough House, Hawkhurst, Kent. In the furtherance of this object, the Directors, as the Charity Trustees, have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the public benefit requirement under that Act.

Principal Activity

Marlborough House School Trust's principal activity is the provision of a Preparatory School in Hawkhurst for girls and boys aged from 2 ½ to 13. In conducting its business, the School is one of the biggest local employers with many members of its staff resident within the immediate vicinity. The School uses the services of local businesses and suppliers wherever possible. Total pupil numbers stood at 202 with an additional 46 in Nursery giving a total school role of 248 (2022 – 235) in the Summer term 2023.

Strategic Aim and Effect

The Board's overall strategic aim is to satisfy the requirements of public benefit by operating Marlborough House School as a charitable Independent Preparatory School. While the families of most of the School's pupils pay full fees, the Board aims to set these fees at a level which enables the School to provide bursaries on a means-tested basis to the families of a number of pupils who otherwise would not be able to attend the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

In addition, the Board's strategic aim for the School is for it to offer an outward-looking, secure and inclusive environment for the whole School community, using high quality resources and facilities and providing an excellent all round education for the School's pupils. To help achieve its objectives, the Board aims to ensure that the School is as close to capacity as possible, maintains a high "teacher to pupil" ratio and tailors its teaching and pastoral care services to suit pupils' individual needs.

Objectives for the Year

The Board's main objectives for the School during the year under review were:

1. to support the Head's drive and passion to build on recent successes to develop the whole School community (e.g with events organised for staff, Pupils (and their families) and alumni to attend);
2. to continue to develop the School's strategy, focused on continued educational improvement and modernisation of the curriculum, as well as reviewing and agreeing new short and medium financial and staffing plans;
3. to work with the Head, and the Senior Leadership Team, to continue to improve the School's facilities;
4. to continue to educate pupils at the School to a very high standard, ensuring all pupils reach their full potential in all aspects of School life and are well prepared for their move into senior school;
5. to continue to provide bursaries and other financial support to the families of pupils who would otherwise not be able to attend the School;
6. to continue to work collaboratively with local charities, community and voluntary organisations and educational bodies to provide access to the School's facilities.

Grant making policies

During the financial year under review, the School has maintained its means tested bursary support for 7 pupils (2022: 5 pupils) at a cost of £36,738 (2022: £32,708) through its own bursary scheme. This support is available on a needs basis as determined by the members of the Finance and Property Committee following discussions with the Head. The School's approach to awarding bursaries is kept under regular review by the Board with a focus on providing means-tested support to families who need it most.

STAFF

Volunteers

The Friends of Marlborough House School continue to help with the School's charitable fundraising and cultural activities, with members devoting considerable time and resources on a voluntary basis. The Board is very appreciative of their work on behalf of the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Remuneration of Employees

The remuneration of the Head is set by the Board. The remuneration of other members of the Senior Leadership Team and all other staff is determined by the Head in accordance with the whole School remuneration policy and budget, which is set annually by the Board following a recommendation by the Finance and Property Committee. In setting this policy and budget, reference is made to comparisons with other schools to ensure that the School is sensitive to the broader issues of pay and employment conditions elsewhere. Staff costs are, by a long way, the largest single element of the School's regular charitable expenditure and the Board believes that successful delivery of the School's charitable vision and purpose is very significantly dependent on the skills, expertise and performance of the key management personnel and all other members of the School's staff.

REVIEW OF ACTIVITIES

Achievements and Performance

In January 2023 the School was delighted to have been able to share the details of its latest full inspection report undertaken by the Independent Schools Inspectorate ("ISI"). The School was rated "Excellent" in all areas with pupils of all abilities said to be able to "employ highly effective study skills which enable them to make rapid progress in all subjects" and which allow them to "develop outstanding attitudes to learning, demonstrating initiative, independence and a willingness to work collaboratively". The full report is available on the ISI website.

The staff Academic Committee continues to monitor teaching and learning and look at various topics, such as ICT provision, differentiation and assessment and reporting.

This year the School made a conscious decision to support a number of local charities as well as some national ones. Donations were made as follows: Red Cross, Earthquake Appeal: £333.65, Children in Need: £402.02, Hands of Hope: £107.62, Nourish: £107.61 KSS Air Ambulance £103.20, Comic Relief: £466.91, Red Cross, Sudan Appeal: £133.81, Porchlight: £32.10 and various food donations to the Local Food Bank.

The development of facilities continued. The extension to the Art and DT Centre of Excellence was completed and became fully operational for use in the Autumn term 2022 and has become a valuable new facility for use by the whole School community. During the 2023 Easter break, the School's all-weather sports pitch was resurfaced, providing an excellent new facility for sports to be played throughout the year.

FUTURE DEVELOPMENTS

The implementation of the Head's initial school improvement strategy has given rise to positive educational results for pupils and increased confidence for staff and parents, while recent physical improvements to the School's buildings and other facilities (including the completion of the refurbishment and expansion of the Art and DT buildings, the resurfacing and improvement of the all-weather sports pitch and the painting of the outside of the Old Gym) are providing benefits for pupils and staff. The ISI Inspection Report on the School published in January 2023, which rated the School "Excellent" in all areas, was an outstanding reflection on the dedication of our staff.

The total number of pupils enrolled in the 2023 Summer term increased by over 5% compared to the Summer term of 2022, and there continues to be a drive to increase pupil numbers, while controlling the operating costs of the School.

There are many challenges currently facing the independent schools sector, however, most notably the stated policies of the new UK Government to introduce VAT (or a similar levy) on school fees and to remove the current partial business rates relief applying to independent schools. If implemented, these policies are likely to add further to the cost pressures at private schools and to impact on the affordability of an independent school education for many children. Against this background, the Board has been giving, and is continuing to give, active consideration to the School's overall strategic position.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW

The Directors report a deficit before depreciation, revaluation of fixed assets and loss on sale of fixed assets for the year ended 31st August 2023 of £31,308 (2022 deficit: £255,456). Total income (before revaluation of fixed assets) was £3,562,831 (2022: £3,175,841), which was 12.2% higher than the previous year. Total expenditure (before depreciation and loss on sale of fixed assets) was £3,614,139 (2022: £3,431,297), which was 5.3% higher than the previous year.

During the year, the Governors decided that one of the School's properties was no longer required for educational purposes, and prepared it for potential sale. The property has therefore been designated as an Investment Property at 31st August 2023, which has resulted in a gain on revaluation of fixed assets during the year ended 31st August 2023 of £755,065.

A number of items on the fixed assets register which related to properties sold in prior years have been identified during the year. In addition, the existing value of the all weather sports pitch was written off upon its resurfacing during the year. Together these items resulted in a loss on sale of fixed assets recorded during the year ended 31st August 2023 of £172,959.

After deducting depreciation of £190,705 (2022: £186,785), and including the revaluation of fixed assets and deducting the loss on sale of fixed assets, a net increase in funds of £340,093 (2022 deficit: £434,078) was recorded for the year ended 31st August 2023.

Capital expenditure during the year totalled £172,771 (2022: £600,687). This was spent on fixtures and fittings, which included resurfacing of the all-weather sports facilities.

Investment powers are set out in the Memorandum and Articles of Association. These permit the Directors to invest the monies of the Trust not immediately required for its purposes in such investments, securities or property as may be thought fit, except for monies subject to (or representing property subject to) the jurisdiction of the Charity Commissioners for England and Wales or the Secretary of State for Children, Schools and Families, which may only be invested as may for the time being be prescribed by law. During the year investment income totalled £219 (2022: £232).

RESERVES POLICY

At 31st August 2023, unrestricted funds (after excluding those funds which have been designated for specific purposes) stood at £5,172,328 (31st August 2022: £4,829,923). The School aims to increase its unrestricted funds each year by budgeting for a modest post depreciation surplus to be achieved and through careful financial management. This objective was not achieved during the year under review in terms of underlying financial performance.

At 31st August 2023, free reserves (after deducting the carrying value of fixed assets which are all held for the School's use), as defined by the Charity Commission, stood at a deficit of £847 (31st August 2022: surplus of £729,080).

At 31st August 2023, the School had total cash of £969 (2022: £167,610). After deducting outstanding loans, fees paid in advance, deposits and amounts received under the advance fee payment scheme, underlying net debt stood at £908,069 (2022: £740,884). Maintaining cash balances in addition to the committed debt and overdraft bank facilities that the School has in place, provides the School with financial security, as, in the event of a sudden significant drop in fee income, which could be caused by a substantial reduction in pupil numbers, it would enable the School's current activities to be continued, while consideration was given to ways in which operating costs could be reduced or additional funds raised to ensure that the School's finances were sustainable. The School's clear objective, which will only be likely to be achieved if enrolled pupil numbers show growth, is to rebuild its cash balances and unrestricted reserves.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

During the year ended 31st August 2023, the School did not take part in or lead an active program of fundraising.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, through its Committees and with assistance from the School's Senior Leadership Team, keeps the School's activities under regular review, with particular regard to any risks which may arise. The Board discusses such risks and takes steps which aim to minimise the probability of occurrence and the extent of the impact that any of them may have on the continued success of the School.

The Board considers that the principal risks which could impact the School include the following:

- (i) a substantial reduction in pupil numbers. This could be caused, inter alia, by:
 - a decline in the affordability of school fees generally across the independent schools sector, meaning that fewer pupils attend independent preparatory schools, due, for instance, to a difficult economic environment, or changes in legislation or charity regulations; and
 - specific factors which could affect the School, such as a failure to recruit high quality staff, increased competition from nearby schools and the unlikely event of severe reputational damage to the School being caused by actions or events involving the School's staff and/or pupils;
- (ii) catastrophic events, which could cause significant damage to the School's premises, including, for instance, flood or fire;
- (iii) personal health and safety risks, including a major accident involving the School's pupils and/or staff, either on the School's premises or when away from the School on trips organised by the School; and
- (iv) significant financial fraud.

The School maintains a Risk Management Register, which identifies the major risks to which the School is subject and describes the Control Procedures, including internal controls and other viable means, such as insurance cover, used to reduce the likelihood of each event occurring and/or to mitigate its effect. The School's Senior Leadership Team is responsible for ensuring that the risks identified are managed appropriately, with reference to the Control Procedures. The Risk Management Register is considered in detail by the Head and two Governors on at least an annual basis and then reviewed by the Board as appropriate.

In addition, the Board oversees compliance with current legislation and the regulatory requirements of the ISI, as well as regularly reviewing and considering the effectiveness of the School's Policies, which cover a wide range of matters which are important for the successful management of the School.

The School is confident that it can take and maintain whatever steps are needed to ensure a safe environment for pupils, staff and visitors to the School. At any time, the School will always aim to be ready to adapt its premises in order to provide the best educational experience whilst being mindful of complying with Government rules and guidance.

The School considers that in the near term, the threat posed to independent fee paying schools that will be posed by a new Government in the UK deciding to require that VAT, or an equivalent levy, is charged on all fees that are paid for a child's education, is a very real concern. A paper, considering the likely impact of this change in the law being enacted as well as any other changes in taxation that might have an impact on the School, has been reviewed and discussed by the Board and the potential to mitigate any impacts has been discussed. This matter is being kept under close review.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

GOING CONCERN

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have arranged for the preparation of cashflow forecasts for the next 12 months and beyond based on current expectations of pupil numbers, fees and expectations of pupil numbers, fees and expenditures. These forecasts also include the partial repayment of the CBILS and Societe Generale loan facilities described in note 16 of the financial statements and include assumptions about the availability and repayment of an additional £600,000 loan facility entered into during the year ended 31st August 2023 and drawn down after the end of the financial year, as well as the sale of certain fixed assets. These loan facilities were put in place to finance the refurbishment of the all-weather sports facilities and to provide additional working capital.

Taking into consideration all of the above factors, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Marlborough House School Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the School's auditor is aware of that information

Approved by order of the members of the board of Governors on 25 July 2024 and signed on their behalf by:



Mr S J Hodson
(Chair of Trustees)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Marlborough House School Trust Limited (the 'charitable company') for the Year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

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 Governors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial Year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 30 July 2024

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023**

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	1,686	-	1,686	830
Charitable activities	5	3,548,255	-	3,548,255	3,156,355
Other trading activities	6	12,671	-	12,671	18,424
Investments	7	219	-	219	232
Total income		3,562,831	-	3,562,831	3,175,841
Expenditure on:					
Charitable activities	8	3,975,490	2,313	3,977,803	3,609,919
Total expenditure		3,975,490	2,313	3,977,803	3,609,919
Net movement in funds before other recognised gains/(losses)		(412,659)	(2,313)	(414,972)	(434,078)
Other recognised gains/(losses):					
Gains on revaluation of fixed assets		755,065	-	755,065	-
Net movement in funds		342,406	(2,313)	340,093	(434,078)
Reconciliation of funds:					
Total funds brought forward		4,829,923	2,313	4,832,236	5,266,314
Net movement in funds		342,406	(2,313)	340,093	(434,078)
Total funds carried forward		5,172,329	-	5,172,329	4,832,236

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 17 to 32 form part of these financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00587487

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	5,173,175	5,559,003
Investment property	13	950,000	-
		6,123,175	5,559,003
Current assets			
Stocks	14	9,546	9,917
Debtors	15	59,855	83,941
Cash at bank and in hand		25,775	167,610
		95,176	261,468
Creditors: amounts falling due within one year	16	(763,119)	(696,568)
		(667,943)	(435,100)
Total assets less current liabilities		5,455,232	5,123,903
Creditors: amounts falling due after more than one year	17	(282,904)	(291,667)
Total net assets		5,172,328	4,832,236
Charity funds			
Restricted funds	18	-	2,313
Unrestricted funds	18	5,172,328	4,829,923
Total funds		5,172,328	4,832,236

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 26 July 2024 and signed on their behalf by:



Mr S J Hodson
(Chair of Trustees)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023	<i>2022</i>
	£	£
Cash flows from operating activities		
Net cash provided by/(used in) in operating activities	2,169	<i>(310,089)</i>
Cash flows from investing activities		
Dividends, interests and rents from investments	219	<i>232</i>
Purchase of tangible fixed assets	(172,771)	<i>(600,687)</i>
Proceeds from sale of investment properties	-	<i>565,163</i>
Interest paid	(13,563)	<i>(15,180)</i>
New loans	130,339	<i>-</i>
Net cash (used in)/provided by investing activities	(55,776)	<i>(50,472)</i>
Cash flows from financing activities		
Repayments of borrowing	(113,034)	<i>(391,262)</i>
Net cash used in financing activities	(113,034)	<i>(391,262)</i>
Change in cash and cash equivalents in the Year	(166,641)	<i>(751,823)</i>
Cash and cash equivalents at the beginning of the Year	167,610	<i>919,433</i>
Cash and cash equivalents at the end of the Year	969	<i>167,610</i>

The notes on pages 17 to 32 form part of these financial statements

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

Marlborough House School is a company limited by guarantee incorporated in England and Wales (company registration number 00587487 and charity number 307793). The principal activity is that of an independent school.

Its registered address is at:-

High Street
Hawkhurst
Cranbrook
TN18 4PY

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have arranged for the preparation of cashflow forecasts for the next 12 months and beyond based on current expectations of pupil numbers, fees and expenditures of pupil numbers, fees and expenditures. These forecasts also include the partial repayment of the CBILS and Societe Generale loan facilities described in note 16 of the financial statements and include assumptions about the availability and repayment of an additional £600,000 loan facility entered into during the year ended 31st August 2023 and drawn down after the end of the financial year, as well as the sale of certain fixed assets. These loan facilities were put in place to finance the refurbishment of the all-weather sports facilities and to provide additional working capital.

Taking into consideration all of the above factors, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

Marlborough House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees receivable, less any bursaries or scholarships are billed termly in advance and the income is recognised on the first day of the new term to which they relate. Where fees are received in advance of the relevant period, they are recognised as deferred income.

Income receivable for extras to the core school fees is billed in arrears on the following term's bill when the amount of income receivable can be measured reliably. Amounts are recognised in the period to which they relate and held in trade debtors until payment is received.

Donations, legacies, grants and other voluntary income are accounted for when the following criteria are satisfied; entitlement has arisen, the amount can be reliably measured and the economic benefit is considered probable.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- over 10 - 50 years
Motor vehicles	- Straight line over 5 years
Fixtures and fittings	- Reducing balance at 15%
Computer equipment	- Straight line over 3 years

2.6 Investment properties

The Trustees' policy was to revalue the company's investment properties at each reporting date.

Governors assessed the value of the land and buildings based on an independent valuation carried out in 2023 and updated for current market prices.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

There were no investment properties held in the current year.

2.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the Year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 50 years, based on experience.

ii) Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Total funds 2023 £
Donations	1,686	1,686

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from donations and legacies (continued)

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Donations	830	830
	830	830

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £
Gross fee income	3,777,606	3,777,606
Less: bursaries, scholarships and allowances	(356,890)	(356,890)
Other charges to pupils	124,589	124,589
Registration fees	2,950	2,950
	3,548,255	3,548,255

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Gross fee income	3,336,078	3,336,078
Less: bursaries, scholarships and allowances	(278,679)	(278,679)
Other charges to pupils	96,906	96,906
Registration fees	2,050	2,050
	3,156,355	3,156,355

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £
Lettings	12,671	12,671

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Lettings	18,424	18,424

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £
Bank interest	219	219

	<i>Unrestricted funds 2022 £</i>	<i>Total funds 2022 £</i>
Bank interest	232	232

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Teaching costs	2,246,925	2,313	2,249,238
Welfare costs	471,928	-	471,928
Premises	547,496	-	547,496
Support for schooling	691,360	-	691,360
Bank interest and charges	17,781	-	17,781
	<u>3,975,490</u>	<u>2,313</u>	<u>3,977,803</u>

	<i>Unrestricted funds 2022 £</i>	<i>Total 2022 £</i>
Teaching costs	2,076,551	2,076,551
Welfare costs	434,500	434,500
Premises	577,587	577,587
Support for schooling	499,514	499,514
Bank interest and charges	21,767	21,767
	<u>3,609,919</u>	<u>3,609,919</u>

9. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	16,675	14,245
Fees payable to the Company's auditor in respect of: All non-audit services not included above	1,000	3,400
	<u>17,675</u>	<u>17,645</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Staff costs

	2023	<i>2022</i>
	£	£
Wages and salaries	2,278,142	<i>2,191,452</i>
Social security costs	198,599	<i>193,431</i>
Contribution to defined contribution pension schemes	219,314	<i>234,290</i>
	<u>2,696,055</u>	<u><i>2,619,173</i></u>

The average number of persons employed by the Company during the Year was as follows:

	2023	<i>2022</i>
	No.	No.
Teaching	58	<i>59</i>
Domestic	20	<i>22</i>
Administration	8	<i>9</i>
	<u>86</u>	<u><i>90</i></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023	<i>2022</i>
	No.	No.
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	1	<i>-</i>
In the band £90,001 - £100,000	-	<i>1</i>
In the band £100,001 - £110,000	1	<i>-</i>

The total remuneration and benefits received by key management personnel during the year was £325,781 (2022: £ 367,335).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

11. Governors' remuneration and expenses

During the Year, no Governors received any remuneration or other benefits (2022 - £NIL).

During the Year ended 31st August 2023, expenses totalling £NIL were reimbursed or paid directly to Governors (2022 - £NIL).

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2022	7,398,915	96,358	1,026,715	688,043	9,210,031
Additions	-	-	172,771	-	172,771
Disposals	(275,461)	-	(6,037)	-	(281,498)
Transfers between classes	(291,852)	-	(12,084)	-	(303,936)
At 31 August 2023	<u>6,831,602</u>	<u>96,358</u>	<u>1,181,365</u>	<u>688,043</u>	<u>8,797,368</u>
Depreciation					
At 1 September 2022	2,034,189	96,142	844,203	676,494	3,651,028
Charge for the Year	146,706	216	35,669	8,114	190,705
On disposals	(104,159)	-	(4,380)	-	(108,539)
Transfers between classes	(98,075)	-	(10,926)	-	(109,001)
At 31 August 2023	<u>1,978,661</u>	<u>96,358</u>	<u>864,566</u>	<u>684,608</u>	<u>3,624,193</u>
Net book value					
At 31 August 2023	<u>4,852,941</u>	<u>-</u>	<u>316,799</u>	<u>3,435</u>	<u>5,173,175</u>
At 31 August 2022	<u>5,364,726</u>	<u>216</u>	<u>182,512</u>	<u>11,549</u>	<u>5,559,003</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

13. Investment property

	Freehold investment property £
Valuation	
Surplus on revaluation	755,065
Transfer between classes	194,935
	950,000
At 31 August 2023	950,000

Governors assessed the value of the land and buildings based on an independent valuation carried out in 2023 and updated for current market prices.

14. Stocks

	2023 £	<i>2022 £</i>
Finished goods	9,546	<i>9,917</i>

15. Debtors

	2023 £	<i>2022 £</i>
Due within one year		
Trade debtors	50,052	<i>60,204</i>
Prepayments and accrued income	9,803	<i>23,737</i>
	59,855	<i>83,941</i>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank overdrafts	24,806	-
Bank loans	126,068	100,000
Trade creditors	83,046	46,294
Fees in advance and deposits	475,779	453,544
Other creditors	9,634	11,207
Accruals and deferred income	19,499	22,243
Advance payment scheme	24,287	63,280
	<u>763,119</u>	<u>696,568</u>

A CBILS bank loan of £500,000 was taken out in 2020.

Interest is being charged on the loan at 2.34% p.a over base rate.

The CBILS loan is repayable in instalments over 5 years.

A Societe Generale bank loan of £130,399 was taken out in 2023 and interest is being charged on the loan at 5.3% p.a.

The loan is repayable in instalments over 5 years.

17. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	<u>282,904</u>	<u>291,667</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Statement of funds	Balance at 1 September 2022 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2023 £
Statement of funds - current Year					
Unrestricted funds					
General Funds	4,829,923	3,562,830	(3,975,490)	905,065	5,322,328
Unallocated amounts	-	-	-	(150,000)	(150,000)
	4,829,923	3,562,830	(3,975,490)	755,065	5,172,328
Restricted funds					
Restricted Funds - all funds	2,313	-	(2,313)	-	-
	4,832,236	3,562,830	(3,977,803)	755,065	5,172,328

Restricted funds consist of:
A music fund to be used in awarding prizes to pupils and in purchasing new musical instruments for the school's music department. At the balance sheet date, the balance on the fund was £nil (2022: £2,313).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

18. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 September 2021 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2022 £</i>
Unrestricted funds				
General Funds - all funds	5,264,001	3,175,841	(3,609,919)	4,829,923
Restricted funds				
Restricted Funds	2,313	-	-	2,313
Total of funds	<u>5,266,314</u>	<u>3,175,841</u>	<u>(3,609,919)</u>	<u>4,832,236</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(414,972)</u>	<u>(434,078)</u>
Adjustments for:		
Depreciation charges	190,705	186,785
Interest paid	13,563	15,180
Dividends, interests and rents from investments	(219)	(232)
Loss/(profit) on the sale of investment properties	-	(8,163)
Loss/(profit) on the disposal of fixed assets	172,959	-
Decrease/(increase) in debtors	24,086	(9,047)
Increase/(decrease) in creditors	15,676	(60,534)
Decrease/(increase) in stock	371	-
Net cash provided by/(used in) operating activities	<u><u>2,169</u></u>	<u><u>(310,089)</u></u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

20. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	25,775	167,610
Overdraft facility repayable on demand	(24,806)	-
Total cash and cash equivalents	969	167,610

21. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	167,610	(141,835)	25,775
Bank overdrafts repayable on demand	-	(24,806)	(24,806)
Debt due within 1 year	(100,000)	(26,068)	(126,068)
Debt due after 1 year	(291,667)	8,763	(282,904)
	(224,057)	(183,946)	(408,003)

22. Pension commitments

The School previously participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff but exited the scheme on 1 May 2021. The pension charge for the year includes contributions payable to the TPS of £nil (2022: £nil) and at the year-end £nil (2022 - £nil) was accrued in respect of contributions to this scheme.

The charity also makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £218,538 (2022 - £234,290) were made to the pension scheme with contributions of £nil (2022 - £1,599) outstanding at the balance sheet date.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

23. Operating lease commitments

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023	<i>2022</i>
	£	£
Not later than 1 year	31,646	<i>4,057</i>
Later than 1 year and not later than 5 years	110,825	<i>6,867</i>
	<u>142,471</u>	<u><i>10,924</i></u>

MARLBOROUGH HOUSE SCHOOL

England & Wales - Charity number 307793

Accounts

Registered number: 00587487
Charity number: 307793

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details of the Company, its Governors and Advisers	1
Governors' Report	2 - 9
Independent Auditor's Report on the Financial Statements	10 - 13
Statement of Financial Activities	14
Balance Sheet	15 - 16
Statement of Cash Flows	17
Notes to the Financial Statements	18 - 31

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Governors

Mrs J M Webb
Mr S F Cloke
Dr R Ratnavel
Mr T N M Lawson
Mr S J Hodson, Chairman
Mrs S R Reeves
Mrs A H Petch
Mr P W Smallwood
Mr O A Reynolds
Mr H R F Somerset

Company registered number

00587487

Charity registered number

307793

Registered office

Marlborough House School Trust Limited, High Street, Hawkhurst, Cranbrook, TN18 4PY

Head

Mr E Newton

Company Secretary

Mr E Newton

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the audited financial statements for 1st September 2021 to 31st August 2022. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

Marlborough House School ('the School') is registered with DCSF as School Number 886/6005. It is registered as Charity Number 307793, and holds the Company Registration number 587487, with the liability of its members limited to £1 each by guarantee. During the year, the School changed its accounting reference date to 30th August 2022; as permitted by section 390(2b) of the Companies Act the accounts have been prepared up to 31st August 2022. Within the insurance policies that the School holds is an extension that indemnifies the Trustees against any acts that result in action against them. None of the Directors has any beneficial interest in the Company. The Registered Office and principal address of the Company is at Marlborough House School, High Street, Hawkhurst, Kent TN18 4PY.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status of the company

Marlborough House School was founded in 1874 and was incorporated on 18th July 1957 under the Companies Acts 1948 as Marlborough House School Trust Limited, a Charitable Company limited by guarantee.

Governing body

The School is governed by its Memorandum and Articles of Association. The Directors of the School, who are also the Charity Trustees and the School Governors, who served during the year are shown below:

Mr S F Cloke
Mr S J Hodson (Chairman)
Mr T N M Lawson
Mrs A Petch
Dr R Ratnavel
Mrs S R Reeves
Mr O A Reynolds
Mr P W Smallwood
Mr H R F Somerset
Mrs J M Webb
Mrs C Marshall appointed 16th September 2022

Board of Governors

The Directors, who are also the Charity Trustees, are required under the Articles to serve as Governors of the School. They are elected at a full Governors' Meeting on the basis of nominations received from existing Governors and the Head taking independent advice as appropriate in order to ensure a suitable cross section of expertise, personal competence, specialist skills and local availability. Governors serve for an initial term of five years and are eligible to stand for re election for further five year terms.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Governor training

New Governors are inducted into the workings of the School, and also of the Company as a Registered Charity including Board Policy and Procedures, through a program arranged by the Head and Clerk to the Governors. Training Days and Extraordinary Meetings are scheduled periodically to provide updates for the Directors and to consider strategic planning and governance issues. New Governors have the opportunity to attend the Association of Governing Bodies in Independent Schools (AGBIS) New Governors Course and all Governors have the opportunity to attend AGBIS briefings and specialist courses run by external organisations.

Organisational management

The Governors as Directors determine the general policies of the School and review its overall management and control. The day to day management of the School is delegated to the key management personnel, comprising the Head and the other members of the School's Senior Leadership Team. The Governors meet as a Board at least three times a year. The work of implementing most of the Board's policies is carried out by the Finance and Property Committee (specifically to review the budgets, annual accounts and reports), the Education and Welfare Committee and the Health and Safety Committee, each of which meets at least three times a year prior to the Main Board meetings. In addition, the Finance and Property Committee has been considering ways to develop the School's premises and facilities. Each Committee operates under specific terms of reference agreed by the Board of Governors and has its decisions ratified by the full Board. The Head attends all meetings of the full Board and all meetings of the Board Committees.

Group structure and relationships

The School is an active member of the Independent Association of Prep Schools ('IAPS') and the Boarding School Association ('BSA') for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. The School actively seeks to engage with local Charities, community and voluntary groups in continuing endeavors to widen public access to its facilities, to optimise the educational use of its cultural and sporting facilities and to awaken in the pupils an awareness of the wider social context of the education they receive at the School.

OBJECTIVES AND ACTIVITIES

The principal object of the Company, in accordance with its Memorandum and Articles of Association, is the education of children at the Independent Preparatory School of Marlborough House, Hawkhurst, Kent. In the furtherance of this object, the Directors, as the Charity Trustees, have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under that Act.

Principal Activity

Marlborough House School Trust's principal activity is the provision of a Preparatory School in Hawkhurst for girls and boys aged from 2 ½ to 13. In conducting its business, the School is one of the biggest local employers with many members of its staff resident within the immediate vicinity. The School uses the services of local businesses and suppliers where possible. Total pupil numbers stood at 203 with an additional 32 in Nursery giving a total school roll of 235 (2021 247) in the Summer term 2022.

Strategic Aim and Effect

The Board's overall strategic aim is to satisfy the requirements of Public Benefit by operating Marlborough House School as a charitable Independent Preparatory School. While the families of most of the School's pupils pay full fees, the Board aims to set these fees at a level which enables the School to provide bursaries to the families of a number of pupils who otherwise would not be able to attend the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

The Board's strategic aim for the School is for it to offer an outward looking, secure and inclusive environment for the whole School community, using high quality resources and a high standard of facilities and providing an excellent all round education for the School's pupils. To help achieve its objectives, the Board aims to ensure that the School is as close to capacity as possible, maintains a high "teacher to pupil" ratio and tailors its teaching and pastoral care services to suit pupils' individual needs.

Objectives for the Year

The Board's main objectives for the School during the year under review were:

1. to support the Head's drive and passion to instil greater confidence in the whole School community.
2. following the appointment of Mr Newton, to establish and implement his 2 year strategy, which was presented to and signed off by the Board shortly after his appointment, with their full support; this 2 year strategy covers both short and medium term financial and organisational plans and covered a period that extended beyond the end of the 2021/2022 financial year.
3. to work with the new Head, and other members of the Senior Leadership Team to continue to implement the School's long term Strategic Plan, which is complementary to the new Head's 2 year strategy;
4. to continue to educate pupils at the School to a very high standard, ensuring all pupils reach their full potential in all aspects of school life and are well prepared for their move into senior school;
5. to support and embed the Pre School Baccalaureate with Year 7 pupils;
6. to continue to provide bursaries to the families of pupils who would otherwise not be able to attend the School;
7. to continue to work collaboratively with local charities, community and voluntary organisations and educational bodies to provide access to the School's facilities;
8. to complete the renovation and start using the Art and DT Centre of Excellence as well as to commence the planning of improvement to other School facilities.

Grant making policies

During the financial year under review, the School has maintained its means tested bursary support for 5 pupils (2021: 5 pupils) at a cost of £32,708. (2021: £65,415) through its own Bursary Scheme. This support is available on a needs basis as determined by the members of the Finance and Property Committee following discussions with the Head. The School's policy on awarding bursaries is kept under regular review by the Board.

STAFF

Volunteers

The Friends of Marlborough House continue to help with the School's charitable fundraising and cultural activities, with members devoting considerable time and resources on a voluntary basis. The Board is very appreciative of their work on behalf of the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Remuneration of Employees

The remuneration of the Head is set by the Board. The remuneration of other members of the Senior Leadership Team and all other staff is determined by the Head in accordance with the whole School remuneration policy and budget, which is set annually by the Board following a recommendation by the Finance and Property Committee. In setting this policy and budget, reference is made to comparisons with other schools to ensure that the School is sensitive to the broader issues of pay and employment conditions elsewhere. Staff costs are, by a long way, the largest single element of the School's regular charitable expenditure and the Board believes that successful delivery of the School's charitable vision and purpose is very significantly dependent on the skills, expertise and performance of the key management personnel and all other members of the School's staff.

REVIEW OF ACTIVITIES

Achievements and Performance

The School has continued to embed the new Senior Curriculum (Pre Senior Baccalaureate) which was launched in Year 7 in 2019 with allocated staff all trained appropriately. The delivery of the new Senior Curriculum was discussed with parents in all year groups in face to face meetings, while the senior children also receive school Chrome books to assist with their independent learning.

The staff Academic Committee continues to monitor teaching and learning and look at various topics, such as ICT provision, differentiation and assessment and reporting.

This year the School made a conscious decision to support a number of local charities as well as some national ones. Donations were made as follows: Red Cross, Ukraine Appeal: £959, Children in Need: £410, Barnardo's: £53, Demelza House £60, Comic Relief: £365 and various food donations to the Local Food Bank.

The development of facilities continued, with the extension to the Art and DT Centre of Excellence being largely completed and opened for use in the Summer term 2022.

FUTURE DEVELOPMENTS

The arrival of a new, experienced Head has enabled the School to look forward with confidence and optimism. Eddy Newton's initial actions have given certainty and reassurance to the staff and parents, and the implementation of his 2 year strategy for the School is seeing positive results.

Physical developments have included improving the appearance of certain buildings and the refurbished and newly located second hand uniform shop has been well received within the School community. Painting the outside of the Old Gym has lifted the whole appearance of the building. Having secured full planning permission for the refurbishment of the staff room and complete replacement and expansion of the Art and DT buildings, works commenced in October 2021 and were largely completed in May 2022. A thorough review of site usage and a timetable for the improvement of outdoor sports' facilities is being considered. In this context, the construction of a new all-weather sports pitch was commenced and has been completed since the financial year end, which is providing a much improved facility for the pupils, especially for playing hockey

With the profound effects of the Covid 19 pandemic still a factor, the on going challenge of providing a high standard of teaching without disruptions remains a key priority, as does the installation of satisfactory safety measures for the day to day use of the School. Hybrid teaching, with teachers delivering lessons to pupils in school and simultaneously to pupils at home was established and this model can be quickly adapted if the School is required to respond again to any health related shocks or problems that might result in a closure of the School's premises.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Alongside Marketing and Admissions, there is a planned drive to increase pupil numbers while simultaneously controlling the staff costs of the School. The 2 year strategy for the School anticipated a 10% increase in pupil numbers, with a managed reduction of costs over the period and pleasingly the total number of pupils enrolled in Summer 2023 has increased by over 5% compared to the equivalent period in 2022. The recently published Independent Schools Inspection report on the School rated it Excellent in all areas which is a very positive conclusion, the effect of which might be expected to support the School's ambitious recovery expectations going forward.

In the first quarter of 2021, following consultation, the School made the decision to leave the Teachers' Pension Scheme and transfer the eligible employees to a new defined contribution scheme. This has successfully been implemented and the new APTIS scheme is in place and fully operational.

FINANCIAL REVIEW

The Directors report a deficit before depreciation, amortisation and property revaluations for the year ended 31st August 2022 of £255,456 (2021 deficit : £241,302). Total income of £3,175,841 (2021 : £3,284,562), was 3.3% lower than that achieved in the previous year, while total expenditure (before depreciation and amortisation) of £3,431,297 (2021 : £3,526,388) was 3% lower than the previous year.

Capital expenditure during the year totalled £600,687 (2021: £87,685). £584,655 was spent on the Buildings Development Plan with an additional £10,872 spent on fixtures and fittings and £5,160 on IT equipment.

Funds are raised from fee income and a proportion of net fee income is used directly to support children through means tested bursaries. In this way families of children who would otherwise not be able to attend the School are given financial support; this includes some cases of hardship in the families of existing pupils.

Investment powers are set out in the Memorandum and Articles of Association. These permit the Directors to invest the monies of the Trust not immediately required for its purposes in, or upon such investments, securities or property as may be thought fit, but so that monies subject to, or representing property subject to the jurisdiction of the Charity Commissioners for England and Wales or the Secretary of State for Children, Schools and Families, shall only be invested in such securities and with such sanction, if any, as may for the time being be prescribed by law.

During the year investment income totalled £232 (2021: £642).

RESERVES POLICY

At 31st August 2022, unrestricted funds (after excluding those funds which have been designated for specific purposes) stood at £4,829,923 (31st August 2021: £5,264,001). The School aims to increase its unrestricted funds each year by budgeting for a modest post depreciation surplus to be achieved and through careful financial management. This objective was not achieved during the year under review in terms of underlying financial performance.

At 31st August 2022, free reserves (after deducting the carrying value of fixed assets which are all held for the School's use), as defined by the Charity Commission, stood at a deficit of £729,080 (31st August 2021: surplus of £121,213).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

At 31st August 2022, the School had total net cash of £167,610 (2021: £919,433). After deducting fees paid in advance, deposits and amounts received under the advance fee payment scheme, underlying net debt stood at £349,215 (2021 : £394,302). Maintaining cash balances in addition to the committed debt and overdraft bank facilities that the School has in place, provides the School with financial security, as, in the event of a sudden significant drop in fee income, which could be caused by a substantial reduction in pupil numbers, it would enable the School's current activities to be continued, while consideration was given to ways in which operating costs could be reduced or additional funds raised to ensure that the School's finances were sustainable. The School's clear objective, which will only be likely to be achieved if enrolled pupil numbers show growth, is to rebuild its cash balances and unrestrictive reserves.

During the 2021/2022 financial year, the School has not taken part in or led an active program of fundraising.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, through its Committees and with assistance from the School's Senior Leadership Team, keeps the School's activities under regular review, with particular regard to any risks which may arise. The Board discusses such risks and takes steps which aim to minimise the probability of occurrence and the extent of the impact that any of them may have on the continued success of the School.

The Board considers that the principal risks which could impact the School include the following:

- (i) a substantial reduction in pupil numbers. This could be caused, inter alia, by:
 - a decline in the affordability of school fees generally across the independent schools sector, meaning that fewer pupils attend independent preparatory schools, due, for instance, to a difficult economic environment, or changes in legislation or charity regulations; and
 - specific factors which could affect the School, such as a failure to recruit high quality staff, increased competition from nearby schools, the decision taken by a nearby Grammar School to reduce its intake age from 13 years old to 11 years old, and the unlikely event of severe reputational damage to the School being caused by actions or events involving the School's staff and/or pupils;
- (ii) catastrophic events, which could cause significant damage to the School's premises, including, for instance, flood or fire;
- (iii) personal health and safety risks, including a major accident involving the School's pupils and/or staff, either on the School's premises or when away from the School on trips organised by the School; and
- (iv) significant financial fraud.

The School maintains a Risk Management Register, which identifies the major risks to which the School is subject and describes the Control Procedures, including internal controls and other viable means, such as insurance cover, used to reduce the likelihood of each event occurring and/or to mitigate its effect. The School's Senior Leadership Team is responsible for ensuring that the risks identified are managed appropriately, with reference to the Control Procedures. The Risk Management Register is considered in detail by the Head and two Governors on at least an annual basis and then reviewed by the Board as a whole.

In addition, the Board oversees compliance with current legislation and the Regulatory Requirements of the Independent Schools Inspectorate, as well as regularly reviewing and considering the effectiveness of the School's Policies, which cover a wide range of matters which are important for the successful management of the School.

Inevitably, as a consequence of the Covid 19 pandemic, the School was required to review with the utmost care and diligence its procedures in relation to managing the risk of infection when the School fully reopened in the

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Autumn of 2020 and on an ongoing basis as the Covid 19 pandemic evolved. These procedures are kept under constant review and the School continues to pay close attention to this evolving situation and to any other health related risks. The School is confident that it can take and maintain whatever steps are needed to ensure a safe environment for pupils, staff and visitors to the School. At any time, the School will always aim to be ready to adapt its premises in order to provide the best educational experience whilst being mindful of complying with Government rules and guidance at the relevant time.

GOING CONCERN

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have prepared cashflow forecasts for the next 12 months based on current expectations of pupil numbers and expenditure. These cashflow forecasts also include the repayment of the CBILS loan facilities as noted in note 16 of the financial statements as well as repayments associated with a loan taken out to pay for works to resurface its all-weather playing surface (the loan taken out and associated works undertaken after the end of the financial year to 31st August 2022.) In order to ensure that the School has adequate financial resources going forward, both to manage working capital swings during the year and to provide capital for investment, the School has also arranged a new £600,000 loan facility which was secured (but not drawn) after the end of the financial year to 31st August 2022.

Taking into consideration all of the above factors, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Marlborough House School Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware

Approved by order of the members of the board of Governors on *21st Aug 2023* and signed on their behalf by:


Mr S J Hodson
(Chair of Trustees)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Marlborough House School Trust Limited (the 'charitable company') for the Year ended 31st August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2022 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

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 Governors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial Year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the charitable company for the purposes of company law) 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 24 August 2023

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	830	-	830	66,255
Charitable activities	5	3,156,355	-	3,156,355	3,211,854
Other trading activities	6	18,424	-	18,424	5,813
Investments	7	232	-	232	642
Total income		3,175,841	-	3,175,841	3,284,564
Expenditure on:					
Charitable activities	8	3,609,919	-	3,609,919	3,727,589
Total expenditure		3,609,919	-	3,609,919	3,727,589
Net movement in funds before other recognised gains		(434,078)	-	(434,078)	(443,025)
Other recognised gains:					
Gains on revaluation of fixed assets		-	-	-	37,600
Net movement in funds		(434,078)	-	(434,078)	(405,425)
Reconciliation of funds:					
Total funds brought forward		5,264,001	2,313	5,266,314	5,671,739
Net movement in funds		(434,078)	-	(434,078)	(405,425)
Total funds carried forward		4,829,923	2,313	4,832,236	5,266,314

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 18 to 31 form part of these financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00587487

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	5,559,003	5,145,101
Investment property	13	-	557,000
		<u>5,559,003</u>	<u>5,702,101</u>
Current assets			
Debtors	14	93,858	84,810
Cash at bank and in hand		167,610	919,433
		<u>261,468</u>	<u>1,004,243</u>
Creditors: amounts falling due within one year	15	(696,568)	(757,101)
Net current liabilities / assets		<u>(435,100)</u>	<u>247,142</u>
Total assets less current liabilities		<u>5,123,903</u>	<u>5,949,243</u>
Creditors: amounts falling due after more than one year	16	(291,667)	(682,929)
Total net assets		<u><u>4,832,236</u></u>	<u><u>5,266,314</u></u>
Charity funds			
Restricted funds:			
Restricted funds	17	2,313	2,313
Total restricted funds	17	2,313	2,313
Unrestricted funds	17	4,829,923	5,264,001
Total funds		<u><u>4,832,236</u></u>	<u><u>5,266,314</u></u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 00587487

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2022

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on
and signed on their behalf by:

21st August 2023



Mr S J Hodson
(Chair of Trustees)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(310,089)	(240,124)
Cash flows from investing activities		
Dividends, interests and rents from investments	232	642
Purchase of tangible fixed assets	(600,687)	(87,685)
Proceeds from sale of investment properties	565,163	670,000
Interest paid	(15,180)	(27,746)
Net cash (used in)/provided by investing activities	(50,472)	555,211
Cash flows from financing activities		
Repayments of borrowing	(391,262)	(661,255)
Net cash used in financing activities	(391,262)	(661,255)
Change in cash and cash equivalents in the Year	(751,823)	(346,168)
Cash and cash equivalents at the beginning of the Year	919,433	1,265,601
Cash and cash equivalents at the end of the Year	167,610	919,433

The notes on pages 18 to 31 form part of these financial statements

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

Marlborough House School is a company limited by guarantee incorporated in England and Wales (company registration number 00587487 and charity number 307793). The principal activity is that of an independent school.

Its registered address is at:-

High Street
Hawkhurst
Cranbrook
TN18 4PY

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have prepared cashflow forecasts for the next 12 months based on current expectations of pupil numbers and expenditure. These cashflow forecasts also include the repayment of the CBILS loan facilities as noted in note 16 of the financial statements as well as repayments associated with a loan taken out to pay for works to resurface its all-weather playing surface (the loan taken out and associated works undertaken after the end of the financial year to 31st August 2022.) In order to ensure that the School has adequate financial resources going forward, both to manage working capital swings during the year and to provide capital for investment, the School has also arranged a new £600,000 loan facility which was secured (but not drawn) after the end of the financial year to 31st August 2022.

Taking into consideration all of the above factors, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

Marlborough House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees receivable, less any bursaries or scholarships are billed termly in advance and the income is recognised on the first day of the new term to which they relate. Where fees are received in advance of the relevant period, they are recognised as deferred income.

Income receivable for extras to the core school fees is billed in arrears on the following term's bill when the amount of income receivable can be measured reliably. Amounts are recognised in the period to which they relate and held in trade debtors until payment is received.

Donations, legacies, grants and other voluntary income are accounted for when the following criteria are satisfied; entitlement has arisen, the amount can be reliably measured and the economic benefit is considered probable.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Grants are accounted under the accruals model.

Grants of a revenue nature are recognised in the statement of financial activities in the same period as the related expenditure.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- over 10 - 50 years
Motor vehicles	- Straight line over 5 years
Fixtures and fittings	- Reducing balance at 15%
Computer equipment	- Straight line over 3 years

2.7 Investment properties

The Trustees' policy was to revalue the company's investment properties at each reporting date.

Governors assessed the value of the land and buildings based on independent valuations carried out in 2018 and updated for current market prices.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

The final investment property was sold in the current year.

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of Financial Activities as a finance cost.

2.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the Year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 50 years, based on experience.

ii) Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £
Donations	830	830

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from donations and legacies (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Donations	15,339	15,339
Government grants	50,916	50,916
	66,255	66,255
	66,255	66,255

Included in government grants in 2021 is income relating to the corona virus job retention scheme as well as the income in relation to the first year interest on the CBILS loan.

The first year of interest on the CBILS loan is interest free for the School as it is paid for by the UK government. The applicable interest in the first year has been included as a government grant and corresponding interest charge in the financial statements.

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £
Gross fee income	3,336,078	3,336,078
Less: bursaries, scholarships and allowances	(278,679)	(278,679)
Other charges to pupils	96,906	96,906
Registration fees	2,050	2,050
	3,156,355	3,156,355
	3,156,355	3,156,355

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Gross fee income	3,473,900	3,473,900
Less: bursaries, scholarships and allowances	(368,710)	(368,710)
Other charges to pupils	103,715	103,715
Registration fees	2,949	2,949
	3,211,854	3,211,854

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £
Lettings	18,424	18,424

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Lettings	5,813	5,813

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £
Bank interest	232	232

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. Investment income (continued)

	<i>Unrestricted funds 2021 £</i>	<i>Total funds 2021 £</i>
Bank interest	642	642

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total 2022 £
Teaching costs	2,076,551	2,076,551
Welfare costs	434,500	434,500
Premises	577,587	577,587
Support for schooling	499,514	499,514
Bank interest and charges	21,767	21,767
	<u>3,609,919</u>	<u>3,609,919</u>

	<i>Unrestricted funds 2021 £</i>	<i>Total 2021 £</i>
Teaching costs	2,204,441	2,204,441
Welfare costs	407,859	407,859
Premises	528,583	528,583
Support for schooling	558,959	558,959
Bank interest and charges	27,747	27,747
	<u>3,727,589</u>	<u>3,727,589</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	14,245	12,950
Fees payable to the Company's auditor in respect of: All non-audit services not included above	3,400	2,000
	17,645	14,950

10. Staff costs

	2022 £	2021 £
Wages and salaries	2,191,452	2,285,081
Social security costs	193,431	205,378
Contribution to defined contribution pension schemes	234,290	294,956
	2,619,173	2,785,415

The average number of persons employed by the Company during the Year was as follows:

	2022 No.	2021 No.
Teaching	59	60
Domestic	22	22
Administration	9	11
	90	93

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	1	-
In the band £90,001 - £100,000	1	1

The total remuneration and benefits received by key management personnel during the year was £367,335 (2021: £ 373,157).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

11. Governors' remuneration and expenses

During the Year, no Governors received any remuneration or other benefits (2021 - £NIL).

During the Year ended 31st August 2022, expenses totalling £NIL were reimbursed or paid directly to Governors - £NIL).

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2021	6,814,260	96,358	1,015,843	682,883	8,609,344
Additions	584,655	-	10,872	5,160	600,687
At 31st August 2022	<u>7,398,915</u>	<u>96,358</u>	<u>1,026,715</u>	<u>688,043</u>	<u>9,210,031</u>
Depreciation					
At 1 September 2021	1,893,783	93,778	813,005	663,677	3,464,243
Charge for the Year	140,405	2,364	31,199	12,817	186,785
At 31 August 2022	<u>2,034,188</u>	<u>96,142</u>	<u>844,204</u>	<u>676,494</u>	<u>3,651,028</u>
Net book value					
At 31st August 2022	<u><u>5,364,727</u></u>	<u><u>216</u></u>	<u><u>182,511</u></u>	<u><u>11,549</u></u>	<u><u>5,559,003</u></u>
At 31 August 2021	<u><u>4,920,477</u></u>	<u><u>2,580</u></u>	<u><u>202,838</u></u>	<u><u>19,206</u></u>	<u><u>5,145,101</u></u>

13. Investment property

	Freehold investment property £
At 1 September 2021	557,000
Disposals	(557,000)
At 31st August 2022	<u><u>-</u></u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

13. Investment property (continued)

Previously, Governors assessed the value of the land and buildings based on independent valuations carried out in 2018 and updated for current market prices.

During the year, the final investment property was sold.

14. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	60,204	55,262
Prepayments and accrued income	33,654	29,548
	93,858	84,810

15. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	100,000	100,000
Trade creditors	46,294	36,707
Other taxation and social security	-	50,046
Fees in advance and deposits	453,544	413,909
Other creditors	11,207	40,661
Accruals and deferred income	22,243	16,198
Advance payment scheme	63,280	99,580
	696,568	757,101

A CBILS bank loan of £500,000 was taken out in 2020.

Interest is being charged on the loan at 2.34% p.a over base rate.

The CBILS loan is repayable in installments over 6 years.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	<u>291,667</u>	<u>682,929</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

17. Statement of funds	Balance at 1 September 2021 £	Income £	Expenditure £	Balance at 31st August 2022 £
Statement of funds - current Year				
Unrestricted funds				
General Funds - all funds	5,264,001	3,175,841	(3,609,919)	4,829,923
Restricted funds				
Restricted Funds	2,313	-	-	2,313
Total of funds	5,266,314	3,175,841	(3,609,919)	4,832,236

Restricted funds consist of:
A music fund to be used in awarding prizes to pupils and in purchasing new musical instruments for the school's music department. At the balance sheet date, the balance on the fund was £2,313 (2021: £2,313).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 September 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31st August 2021 £</i>
Unrestricted funds					
Unrestricted funds	<u>5,669,426</u>	<u>3,284,562</u>	<u>(3,727,587)</u>	<u>37,600</u>	<u>5,264,001</u>
Restricted funds					
Restricted Funds	<u>2,313</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,313</u>
Total of funds	<u><u>5,671,739</u></u>	<u><u>3,284,562</u></u>	<u><u>(3,727,587)</u></u>	<u><u>37,600</u></u>	<u><u>5,266,314</u></u>

18. Pension commitments

The School previously participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff but exited the scheme on 1 May 2021. The pension charge for the year includes contributions payable to the TPS of £nil (2021: £195,550) and at the year-end £nil (2021 - £nil) was accrued in respect of contributions to this scheme.

The charity also makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £234,290 (2021 -£99,407) were made to the pension scheme with contributions of £1,599 (2021 -£900) outstanding at the balance sheet date.

19. Operating lease commitments

At 31st August 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	<u><u>-</u></u>	<u><u>17,064</u></u>

MARLBOROUGH HOUSE SCHOOL

England & Wales - Charity number 307793

Accounts

Registered number: 00587487
Charity number: 307793

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1
Governors' report	2 - 9
Independent auditor's report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15 - 16
Statement of cash flows	17
Notes to the financial statements	18 - 33

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Governors

Mrs J M Webb
Mr S F Cloke
Dr R Ratnavel
Mr T M N Lawson
Mr S J Hodson, Chairman
Mrs S R Reeves
Mrs A H Petch
Mr P W Smallwood
Mr O A Reynolds
Mr H R F Somerset

Company registered number

00587487

Charity registered number

307793

Registered office

Marlborough House School Trust Limited, Hawkhurst

Head

Mr E Newton

Company Secretary

Mr E Newton

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the audited financial statements for 1st September 2020 to 31st August 2021. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

Marlborough House School ('the School') is registered with DCSF as School Number 886/6005. It is registered as Charity Number 307793, and holds the Company Registration number 587487, with the liability of its members limited to £1 each by guarantee. Within the insurance policies that the School holds is an extension that indemnifies the Trustees against any acts that result in action against them. None of the Directors has any beneficial interest in the Company. The Registered Office and principal address of the Company is at Marlborough House School, High Street, Hawkhurst, Kent TN18 4PY.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status of the company

Marlborough House School was founded in 1874 and was incorporated on 18th July 1957 under the Companies Acts 1948 as Marlborough House School Trust Limited, a Charitable Company limited by guarantee.

Governing body

The School is governed by its Memorandum and Articles of Association. The Directors of the School, who are also the Charity Trustees and the School Governors, who served during the year are shown below:

Mrs G duCharme (resigned 3 December 2021)
Mr S F Cloke
Mr S J Hodson (Chairman)
Mr T N M Lawson
Mrs A Petch
Dr R Ratnavel
Mrs S R Reeves
Mr O A Reynolds
Mr P W Smallwood
Mr H R F Somerset
Mr N Taylor (resigned 3 December 2021)
Mrs J M Webb

Board of Governors

The Directors, who are also the Charity Trustees, are required under the Articles to serve as Governors of the School. They are elected at a full Governors' Meeting on the basis of nominations received from existing Governors and the Head taking independent advice as appropriate in order to ensure a suitable cross section of expertise, personal competence, specialist skills and local availability. Governors serve for an initial term of five years and are eligible to stand for re-election for further five year terms.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Governor training

New Governors are inducted into the workings of the School, and also of the Company as a Registered Charity including Board Policy and Procedures, through a program arranged by the Head and Clerk to the Governors. Training Days and Extraordinary Meetings are scheduled periodically to provide updates for the Directors and to consider strategic planning and governance issues. New Governors have the opportunity to attend the Association of Governing Bodies in Independent Schools (AGBIS) New Governors Course and all Governors have the opportunity to attend AGBIS briefings and specialist courses run by external organisations.

Organisational management

The Governors as Directors determine the general policies of the School and review its overall management and control. The day-to-day management of the School is delegated to the key management personnel, comprising the Head, the Bursar and the other members of the School's Senior Leadership Team. The Governors meet as a Board at least three times a year. The work of implementing most of the Board's policies is carried out by the Finance and Property Committee (specifically to review the budgets, annual accounts and reports), the Marketing Committee, the Education Committee and the Health and Safety Committee, each of which meets at least three times a year prior to the Main Board meetings. In addition, the Board has a Finance & Property Committee, which has been considering ways to develop the School's premises and facilities. Each Committee operates under specific terms of reference agreed by the Board of Governors and has its decisions ratified by the full Board. The Head and the Bursar attend all meetings of the full Board, and the Head and/or the Bursar attend all meetings of the Board Committees.

Group structure and relationships

The School is an active member of the Independent Association of Prep Schools ('IAPS') and the Boarding School Association ('BSA') for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. The School actively seeks to engage with local Charities, community and voluntary groups in continuing endeavors to widen public access to its facilities, to optimise the educational use of its cultural and sporting facilities and to awaken in the pupils an awareness of the wider social context of the education they receive at the School.

OBJECTIVES AND ACTIVITIES

The principal object of the Company, in accordance with its Memorandum and Articles of Association, is the education of children at the Independent Preparatory School of Marlborough House, Hawkhurst, Kent. In the furtherance of this object, the Directors, as the Charity Trustees, have complied with the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under that Act.

Principal Activity

Marlborough House School Trust's principal activity is the provision of a Preparatory School in Hawkhurst for girls and boys aged from rising 3 to 13. In conducting its business, the School is one of the biggest local employers with many members of its staff resident within the immediate area. The School uses the services of local businesses and suppliers where possible. Total pupil numbers stood at 215 with an additional 32 in Nursery giving a total school role of 247 (2020 - 260) in the Summer term 2021.

Strategic Aim and Effect

The Board's overall strategic aim is to satisfy the requirements of Public Benefit by operating Marlborough House School as a charitable Independent Preparatory School. While the families of most of the School's pupils pay full fees, the Board aims to set these fees at a level which enables the School to provide bursaries to the families of a number of pupils who otherwise would not be able to attend the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Board's strategic aim for the School is for it to offer an outward looking, secure and inclusive environment for the whole School community, using high quality resources and a high standard of facilities and providing an excellent all-round education for the School's pupils. To help achieve its objectives, the Board aims to ensure that the School is as close to capacity as possible, maintains a high "teacher-to-pupil" ratio and tailors its teaching and pastoral care services to suit pupils' individual needs.

Objectives for the Year

The Board's main objectives for the School during the year under review were:

1. having appointed the new Head, to support his drive and passion and to instill in the whole School community greater confidence following the excellent temporary role as acting Head carried out by Vanessa Coatz the new Head, (Mr. Edwin Newton, was appointed in late 2019, beginning his full time role in the late Summer of 2020);
2. following the appointment of Mr Newton, to establish and begin to implement his 2-year strategy, which was presented to and signed off by the Board shortly after his appointment, with their full support; this 2-year strategy covers both short and medium term financial and organisational plans;
3. to work with the new Head, the Bursar and other members of the Senior Leadership Team to continue to implement the School's long term Strategic Plan, which is complimentary to the new Head's 2-year strategy;
4. to continue to educate pupils at the School to a very high standard, ensuring all pupils reach their full potential in all aspects of school life and are well prepared for their move into senior school;
5. to support and embed the recently introduced Pre-School Baccalaureate with Year 7 pupils;
6. to continue to provide bursaries to the families of pupils who would otherwise not be able to attend the School;
7. to continue to work collaboratively with local charities, community and voluntary organisations and educational bodies to provide access to the School's facilities;
8. to start the planning process and subsequent building of a new Art & DT Centre of excellence.

Grant making policies

During the financial year under review, the School has maintained its means-tested bursary support for 5 pupils (2020: 9 pupils) at a cost of £65,415 (2020: £58,562) through its own Bursary Scheme. This support is available on a needs basis as determined by the members of the Finance and Property Committee following discussions with the Head and Bursar. The School's policy on awarding bursaries is kept under regular review by the Board.

STAFF

Volunteers

The Friends of Marlborough House continue to help with the School's charitable fundraising and cultural activities, with members devoting considerable time and resources on a voluntary basis. The Board is very appreciative of their work on behalf of the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Remuneration of Employees

The remuneration of the Head and the Bursar is set by the Board. The remuneration of other members of the Senior Leadership Team and all other staff is determined by the Head and the Bursar in accordance with the whole School remuneration policy and budget, which is set annually by the Board following a recommendation by the Finance and Property Committee. In setting this policy and budget, reference is made to comparisons with other schools to ensure that the School is sensitive to the broader issues of pay and employment conditions elsewhere. Staff costs are, by a long way, the largest single element of the School's regular charitable expenditure, and the Board believes that successful delivery of the School's charitable vision and purpose is very significantly dependent on the skills, expertise and performance of the key management personnel and all other members of the School's staff.

REVIEW OF ACTIVITIES

Achievements and Performance

During the academic year 2020-2021, the School made significant achievements in a variety of areas, particularly in relation to the challenging circumstances that they faced in light of the Covid-19 pandemic related restrictions placed on schools by central Government. At the start of the pandemic, the Government mandated the closure of schools which meant that Marlborough House moved to remote teaching while its buildings were shut. In the academic year 2020-2021 the School started to emerge from the restrictions imposed upon it due to the Covid-19 pandemic and made a positive and enthusiastic return to as near-normal an educational establishment as it was able to. By the time speech day arrived, towards the end of the Summer term, certain restrictions were still in place but events were managed to be as near to "business as usual" as far as possible.

The School continued to embed the new Senior Curriculum (Pre-Senior Bacculaureate) which was launched in Year 7 in 2019 with allocated staff all trained appropriately. This was shared with parents in all year groups in face-to-face meetings, while the senior children also received school Chrome books to assist with their independent learning.

Academic results were strong with 12 scholarships being awarded to pupils, 7 in Year 8 and 5 in Year 6. 10 Year 6 pupils gained places at Grammar Schools, whilst at 13+, there was 100% success rate to the senior school of first choice.

A new staff Academic Committee was established to monitor teaching and learning and look at various topics, such as ICT provision and assessment and reporting.

This year the School made a conscious decision to support a number of local charities as well as some national ones. Donations were made as follows: Brain Tumour Society: £41.03, Comic Relief: £1,020.59; Children in Need: £600.60; Hands of Hope: £1,260.00; and Local Food Bank & Local Families (impacted by Covid): £4,865.46.

The development of facilities continued, with the extension to the Sports Hall being completed and opened for use in the Autumn term 2020.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

FUTURE DEVELOPMENTS

The arrival of a new, experienced Head has enabled the School to look forward with confidence and optimism. Eddy Newton's initial actions have given certainty and reassurance to the staff and parents, and the implementation of his 2-year strategy for the School is already seeing positive results.

Physical developments have included improving the appearance of certain buildings and the refurbished and newly located second hand uniform shop has been well-received within the School community. Painting the outside the Old Gym has lifted the whole appearance of the building. Securing full planning permission for the refurbishment of the staff room and complete replacement and expansion of the Art and DT buildings, with works planned to commence in the second half of the calendar year, was secured in August 2021. A thorough review of site usage and a timetable for the improvement of outdoor sports' facilities is being considered.

With the Covid-19 pandemic still a factor, the on-going challenge of providing a high standard of teaching without disruptions remains a key priority, as does the installation of satisfactory safety measures for the day-to-day use of the School. During the academic year 2020-2021 the School successfully addressed these challenges.

Finally, alongside Marketing and Admissions, there is a planned drive to increase pupil numbers while simultaneously looking at the staff costs of the School. The 2-year strategy for the School anticipates a 10% increase in pupil numbers, with a managed reduction of costs over the period.

In the first quarter of 2021, following consultation, the school made the decision to leave the Teachers' Pension Scheme and transfer the eligible employees to a new defined contribution scheme. This has successfully been implemented and the new APTIS scheme is in place and fully operational.

FINANCIAL REVIEW

The Directors report a deficit before depreciation, amortisation and property revaluations for the year ended 31st August 2021 of £241,302 (2020 deficit : £133,862). Total income of £3,284,562 (2020 : £3,496,317), which included revenue that was received as a result of the School claiming under the Government's Covid related support measures (particularly the Coronavirus Job Retention Scheme), was 6% lower than that achieved in the previous year, while total expenditure (before depreciation and amortisation) of £3,526,388 (2020 : £3,630,179) was 3% lower than the previous year. Total income was lower than had been expected during the year, largely because the Board decided to reduce significantly the fees payable in the Summer Term to reflect the fact that the School property was closed as a result of the Covid-19 pandemic. Total expenditure was carefully controlled but could not be reduced by an amount equivalent to the income reduction, largely because of the fixed nature of some costs and because additional costs were incurred in delivering educational provision via remote platforms.

Capital expenditure during the year totalled £87,685 (2020 : £239,259). £62,592 was spent on the Buildings Development Plan with an additional £5,081 spent on fixtures and fittings and £19,192 on IT equipment.

Funds are raised from fee income and a proportion of net fee income is used directly to support children through means tested bursaries. In this way families of children who would otherwise not be able to attend the School are given financial support; this includes some cases of hardship in the families of existing pupils.

Investment powers are set out in the Memorandum and Articles of Association. These permit the Directors to invest the monies of the Trust not immediately required for its purposes in, or upon such investments, securities or property as may be thought fit, but so that monies subject to, or representing property subject to the jurisdiction of the Charity Commissioners for England and Wales or the Secretary of State for Children, Schools and Families, shall only be invested in such securities and with such sanction, if any, as may for the time being be prescribed by law.

During the year investment income totalled £642 (2020 : £1,238).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

RESERVES POLICY

At 31st August 2021, unrestricted funds (after excluding those funds which have been designated for specific purposes) stood at £5,264,001 (31st August 2020 : £5,669,426). The School aims to increase its unrestricted funds each year by budgeting for a modest post depreciation surplus to be achieved and through careful financial management. This objective was not achieved during the year under review in terms of underlying financial performance.

At 31st August 2021, free reserves (after deducting the carrying value of fixed assets which are all held for the School's use), as defined by the Charity Commission, stood at £121,213 (31st August 2020 : £410,811).

At 31st August 2021, the School had total net cash of £919,433 (2020: £1,265,601). After deducting fees paid in advance, deposits and amounts received under the advance fee payment scheme, underlying net cash stood at £394,302 (2020 : £873,892). Maintaining cash balances in addition to the committed debt and overdraft bank facilities that the School has in place, provides the School with financial security, as, in the event of a sudden significant drop in fee income, which could be caused by a substantial reduction in pupil numbers, it would enable the School's current activities to be continued, while consideration was given to ways in which operating costs could be reduced or additional funds raised to ensure that the School's finances were sustainable.

During the 2020/2021 financial year, the School has not taken part in or led an active program of fundraising.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, through its Committees and with assistance from the School's Senior Leadership Team, keeps the School's activities under regular review, with particular regard to any risks which may arise. The Board discusses such risks and takes steps which aim to minimise the probability of occurrence and the extent of the impact that any of them may have on the continued success of the School.

The Board considers that the principal risks which could impact the School include the following:

- (i) a substantial reduction in pupil numbers. This could be caused, inter alia, by:
 - a decline in the affordability of school fees generally across the independent schools sector, meaning that fewer pupils attend independent preparatory schools, due, for instance, to a difficult economic environment, or changes in legislation or charity regulations; and
 - specific factors which could affect the School, such as a failure to recruit high quality staff, increased competition from nearby schools, the decision taken by a nearby Grammar School to reduce its intake age from 13 years old to 11 years old, and the unlikely event of severe reputational damage to the School being caused by actions or events involving the School's staff and/or pupils;
- (ii) catastrophic events, which could cause significant damage to the School's premises, including, for instance, flood or fire;
- (iii) personal health and safety risks, including a major accident involving the School's pupils and/or staff, either on the School's premises or when away from the School on trips organised by the School; and
- (iv) significant financial fraud.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The School maintains a Risk Management Register, which identifies the major risks to which the School is subject and describes the Control Procedures, including internal controls and other viable means, such as insurance cover, used to reduce the likelihood of each event occurring and/or to mitigate its effect. The School's Senior Leadership Team is responsible for ensuring that the risks identified are managed appropriately, with reference to the Control Procedures. The Risk Management Register is considered in detail by the Head, the Bursar and two Governors on at least an annual basis, and then reviewed by the Board as a whole.

In addition, the Board oversees compliance with current legislation and the Regulatory Requirements of the Independent Schools Inspectorate, as well as regularly reviewing and considering the effectiveness of the School's Policies, which cover a wide range of matters which are important for the successful management of the School.

Inevitably, as a consequence of the Covid-19 pandemic, the School, was required to review with the utmost care and diligence its procedures in relation to managing the risk of infection when the School fully reopened in the Autumn of 2020 and on an ongoing basis as the Covid-19 pandemic evolved. These procedures are kept under constant review and the School continues to pay close attention to this evolving situation. The School is confident that it can take and maintain whatever steps are needed to ensure a safe environment for pupils, staff and visitors to the School. At any time, the School will always aim to be ready to adapt its premises in order to provide the best educational experience whilst being mindful of complying with Government rules and guidance at the relevant time.

GOING CONCERN

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have prepared cashflow forecasts for the next 12 months based on current expectations of pupil numbers and expenditure. These cashflow forecasts also include the repayment of certain loan facilities upon the sale of the last of the three properties to be sold, as noted in note 16 of the financial statements.

Taking into consideration all of the above factors, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School therefore continues to adopt the going concern basis in preparing its financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Marlborough House School Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

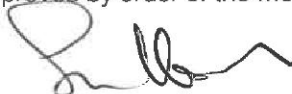
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the School's auditor is aware of that information.

Approved by order of the members of the board of Governors on *19th March 2022* and signed on their behalf by:



Mr S J Hodson
(Chair of Trustees)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Marlborough House School Trust Limited (the 'charitable company') for the Year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

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 Governors are responsible for the other information contained within the Annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial Year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and SORP 2015.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 5th May 2022

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	66,255	-	66,255	103,949
Charitable activities	5	3,211,852	-	3,211,852	3,378,968
Other trading activities	6	5,813	-	5,813	12,162
Investments	7	642	-	642	1,238
Total income		3,284,562	-	3,284,562	3,496,317
Expenditure on:					
Charitable activities	8	3,727,587	-	3,727,587	3,870,655
Total expenditure		3,727,587	-	3,727,587	3,870,655
Net movement in funds before other recognised gains		(443,025)	-	(443,025)	(374,338)
Other recognised gains:					
Gains on revaluation of fixed assets		37,600	-	37,600	737,520
Net movement in funds		(405,425)	-	(405,425)	363,182
Reconciliation of funds:					
Total funds brought forward		5,669,426	2,313	5,671,739	5,308,557
Net movement in funds		(405,425)	-	(405,425)	363,182
Total funds carried forward		5,264,001	2,313	5,266,314	5,671,739

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 18 to 33 form part of these financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00587487

BALANCE SHEET
AS AT 31 AUGUST 2021

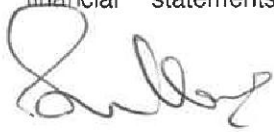
	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	5,145,101	5,258,615
Investment property	13	557,000	1,189,400
		<u>5,702,101</u>	<u>6,448,015</u>
Current assets			
Debtors	14	84,812	65,238
Cash at bank and in hand		919,433	1,265,601
		<u>1,004,245</u>	<u>1,330,839</u>
Creditors: amounts falling due within one year	15	(757,103)	(671,264)
		<u>247,142</u>	<u>659,575</u>
Net current assets		<u>247,142</u>	<u>659,575</u>
Total assets less current liabilities		<u>5,949,243</u>	<u>7,107,590</u>
Creditors: amounts falling due after more than one year	16	(682,929)	(1,435,851)
Total net assets		<u>5,266,314</u>	<u>5,671,739</u>
Charity funds			
Restricted funds:			
Restricted funds	17	2,313	2,313
Total restricted funds	17	2,313	2,313
Unrestricted funds	17	5,264,001	5,669,426
Total funds		<u>5,266,314</u>	<u>5,671,739</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 00587487

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 18th March 2022 and signed on their behalf by:



Mr S J Hodson
(Chair of Trustees)

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Cash flows from operating activities		
Net cash used in operating activities	(240,124)	(543,160)
Cash flows from investing activities		
Dividends, interests and rents from investments	642	1,238
Purchase of tangible fixed assets	(87,685)	(239,259)
Proceeds from sale of investment properties	670,000	-
Interest paid	(27,746)	(24,998)
Net cash provided by/(used in) investing activities	555,211	(263,019)
Cash flows from financing activities		
Cash inflows from new borrowing	-	500,000
Repayments of borrowing	(661,255)	-
Net cash (used in)/provided by financing activities	(661,255)	500,000
Change in cash and cash equivalents in the Year	(346,168)	(306,179)
Cash and cash equivalents at the beginning of the Year	1,265,601	1,571,780
Cash and cash equivalents at the end of the Year	919,433	1,265,601

The notes on pages 18 to 33 form part of these financial statements

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

Marlborough House School is a company limited by guarantee incorporated in England and Wales (company registration number 00587487 and charity number 307793). The principal activity is that of an independent school.

Its registered address is at:-

High Street
Hawkhurst
Cranbrook
TN18 4PY

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Accounting standards require the Governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have prepared cashflow forecasts for the next 12 months based on current expectations of pupil numbers and expenditure. These cashflow forecasts also include the repayment of the current loan facilities upon the sale of three properties as noted in note 18 of the financial statements.

Taking into consideration all of the above factors, the Governors have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The school therefore continues to adopt the going concern basis in preparing its financial statements.

Marlborough House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees receivable, less any bursaries or scholarships are billed termly in advance and the income is recognised on the first day of the new term to which they relate. Where fees are received in advance of the relevant period, they are recognised as deferred income.

Income receivable for extras to the core school fees is billed in arrears on the following term's bill when the amount of income receivable can be measured reliably. Amounts are recognised in the period to which they relate and held in trade debtors until payment is received.

Donations, legacies, grants and other voluntary income are accounted for when the following criteria are satisfied; entitlement has arisen, the amount can be reliably measured and the economic benefit is considered probable.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- over 10 - 50 years
Motor vehicles	- Straight line over 5 years
Fixtures and fittings	- Reducing balance at 15%
Computer equipment	- Straight line over 3 years

2.7 Investment properties

The Trustees' policy is to revalue the company's investment properties at each reporting date.

Governors have assessed the value of the land and buildings based on independent valuations carried out in 2018 and updated for current market prices.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

2.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.11 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the Year.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 50 years, based on experience.

ii) Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

iii) Property valuations: investment properties are assessed on an annual basis by the Governors. The value of the properties is estimated to be the open market value at the balance sheet date.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	15,339	15,339
Government grants	50,916	50,916
	<hr/> 66,255 <hr/>	<hr/> 66,255 <hr/>

Included in government grants is income relating to the corona virus job retention scheme as well as the income in relation to the first year interest on the CBILS loan.

The first year of interest on the CBILS loan is interest free for the School as it is paid for by the UK government. The applicable interest in the first year has been included as a government grant and corresponding interest charge in the financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Income from donations and legacies (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	1,437	1,437
Government grants	102,512	102,512
	103,949	103,949

5. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Gross fee income	3,473,900	3,473,900
Less: bursaries, scholarships and allowances	(368,710)	(368,710)
Other charges to pupils	103,713	103,713
Registration fees	2,949	2,949
	3,211,852	3,211,852

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Gross fee income	3,881,593	3,881,593
Less: bursaries, scholarships and allowances	(600,244)	(600,244)
Other charges to pupils	96,419	96,419
Registration fees	1,200	1,200
	3,378,968	3,378,968

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Lettings	5,813	5,813

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings	12,162	12,162

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	642	642

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	1,238	1,238

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Total funds 2021 £
Teaching costs	2,204,441	2,204,441
Welfare costs	407,859	407,859
Premises	528,582	528,582
Support for schooling	558,959	558,959
Bank interest and charges	27,746	27,746
	<u>3,727,587</u>	<u>3,727,587</u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Teaching costs	2,317,243	2,317,243
Welfare costs	411,420	411,420
Premises	520,049	520,049
Support for schooling	596,944	596,944
Bank interest and charges	24,999	24,999
	<u>3,870,655</u>	<u>3,870,655</u>

9. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,950	12,350
Fees payable to the Company's auditor in respect of: All non-audit services not included above	2,000	2,850
	<u>2,000</u>	<u>2,850</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff costs

	2021 £	2020 £
Wages and salaries	2,285,081	2,321,093
Social security costs	205,377	208,465
Contribution to defined contribution pension schemes	294,957	343,850
	2,785,415	2,873,408

The average number of persons employed by the Company during the Year was as follows:

	2021 No.	2020 No.
Teaching	60	65
Domestic	22	22
Administration	11	11
	93	98

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021 No.	2020 No.
In the band £60,001 - £70,000	-	1
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	-

The total remuneration and benefits received by key management personnel during the year was £373,157 (2020: £ 467,647).

11. Governors' remuneration and expenses

During the Year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the Year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Governors (2020 - £815).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2020	6,751,667	96,358	1,009,942	663,691	8,521,658
Additions	62,592	-	5,901	19,192	87,685
At 31 August 2021	<u>6,814,259</u>	<u>96,358</u>	<u>1,015,843</u>	<u>682,883</u>	<u>8,609,343</u>
Depreciation					
At 1 September 2020	1,757,434	93,109	777,635	634,865	3,263,043
Charge for the Year	136,349	669	35,370	28,811	201,199
At 31 August 2021	<u>1,893,783</u>	<u>93,778</u>	<u>813,005</u>	<u>663,676</u>	<u>3,464,242</u>
Net book value					
At 31 August 2021	<u>4,920,476</u>	<u>2,580</u>	<u>202,838</u>	<u>19,207</u>	<u>5,145,101</u>
At 31 August 2020	<u>4,994,233</u>	<u>3,249</u>	<u>232,307</u>	<u>28,826</u>	<u>5,258,615</u>

13. Investment property

	Freehold investment property £
Valuation	
At 1 September 2020	1,189,400
Disposals	(670,000)
Revaluation	37,600
At 31 August 2021	<u>557,000</u>

Governors have assessed the value of the land and buildings based on independent valuations carried out in 2018 and updated for current market prices.

Post year end, contracts were exchanged on the sale of the investment property included in the financial statements and the valuation reflects the sales price less costs to sell.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	55,262	29,902
Prepayments and accrued income	29,550	16,190
Grants receivable	-	19,146
	84,812	65,238

15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	100,000	8,333
Trade creditors	36,707	136,710
Other taxation and social security	50,047	49,044
Fees in advance and deposits	413,909	290,799
Other creditors	40,662	36,192
Accruals and deferred income	16,198	49,276
Advance payment scheme	99,580	100,910
	757,103	671,264

A bank loan was taken out during the prior year in order to assist with the development of a sports hall extension and a further £500,000 CBILS loan was taken out in 2020.

Interest is being charged on the loans at 1.5-2.34% p.a over base rate.

The repayment date of the original loan is the earlier of: A) the date which falls 30 months after the date of the loan or first part of it is drawn, or B) the sale completion date of the final Unit to be sold.

The 'Units' refer to three residential properties owned by the school of which two were sold in the year and part of the loan repaid with the proceeds. Post year end, contracts were exchanged on the sale of the third property and the proceeds, once received, will be used to repay the remaining amount outstanding on the loan.

The CBILS loan is repayable in installments over 6 years.

The first year of interest on the CBILS loan is interest free for the School as it is paid for by the UK government. The applicable interest in the first year has been included as a government grant and corresponding interest charge in the financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Creditors: Amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	<u>682,929</u>	<u>1,435,851</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Statement of funds

Statement of funds - current Year

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds					
General Funds	5,669,426	3,284,562	(3,727,587)	37,600	5,264,001
Restricted funds					
Music fund	2,313	-	-	-	2,313
Total of funds	5,671,739	3,284,562	(3,727,587)	37,600	5,266,314

Restricted funds consist of:

A music fund to be used in awarding prizes to pupils and in purchasing new musical instruments for the school's music department. At the balance sheet date, the balance on the fund was £2,313 (2020: £2,313).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds					
General Funds	5,306,244	3,496,317	(3,870,655)	737,520	5,669,426
Restricted funds					
Music fund	2,313	-	-	-	2,313
Total of funds	<u>5,308,557</u>	<u>3,496,317</u>	<u>(3,870,655)</u>	<u>737,520</u>	<u>5,671,739</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	5,145,101	-	5,145,101
Investment property	557,000	-	557,000
Current assets	1,001,931	2,313	1,004,244
Creditors due within one year	(757,102)	-	(757,102)
Creditors due in more than one year	(682,929)	-	(682,929)
Total	<u>5,264,001</u>	<u>2,313</u>	<u>5,266,314</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	5,258,615	-	5,258,615
Investment property	1,189,400	-	1,189,400
Current assets	1,328,526	2,313	1,330,839
Creditors due within one year	(671,264)	-	(671,264)
Creditors due in more than one year	(1,435,851)	-	(1,435,851)
Total	<u>5,669,426</u>	<u>2,313</u>	<u>5,671,739</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(443,025)</u>	<u>(374,338)</u>
Adjustments for:		
Depreciation charges	201,199	240,475
Interest paid	27,746	24,998
Dividends, interests and rents from investments	(642)	(1,238)
Decrease/(increase) in debtors	(19,574)	31,761
Decrease in creditors	(5,828)	(464,818)
Net cash used in operating activities	<u>(240,124)</u>	<u>(543,160)</u>

20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	919,433	1,265,601
Total cash and cash equivalents	<u>919,433</u>	<u>1,265,601</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	1,265,601	(346,168)	-	919,433
Debt due within 1 year	(8,333)	-	(91,667)	(100,000)
Debt due after 1 year	(1,435,851)	661,255	91,667	(682,929)
	<u>(178,583)</u>	<u>315,087</u>	<u>-</u>	<u>136,504</u>

22. Pension commitments

The School previously participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff but exited the scheme on 1 May 2021. The pension charge for the year includes contributions payable to the TPS of £195,550 (2020: £306,413) and at the year-end £nil (2020 - £33,245) was accrued in respect of contributions to this scheme.

The charity also makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £99,407 (2020 - £37,437) were made to the pension scheme with contributions of £900 (2020 - £239) outstanding at the balance sheet date.

23. Operating lease commitments

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	17,064	17,064
Later than 1 year and not later than 5 years	11,376	28,440
	<u>28,440</u>	<u>45,504</u>

MARLBOROUGH HOUSE SCHOOL

England & Wales - Charity number 307793

Accounts

Registered number: 00587487
Charity number: 307793

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1
Governors' report	2 - 9
Independent auditor's report on the financial statements	10 - 13
Statement of financial activities	14
Balance sheet	15
Statement of cash flows	16
Notes to the financial statements	17 - 36

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Governors

Mrs G D duCharme
Mrs J M Webb
Mr S F Cloke
Dr R Ratnavel
Mr T M N Lawson
Mr N G Taylor
Mr S J Hodson, Chairman
Mrs S R Reeves
Mrs A H Petch
Mr P W Smallwood
Mr O A Reynolds
Mr H R F Somerset

Company registered number

00587487

Charity registered number

307793

Registered office

Marlborough House School Trust Limited, Hawkhurst

Head

Mr E Newton

Company Secretary & Bursar

Mr D St John Parker

Independent auditor

Crowe U.K. LLP, Riverside House, 40 - 46 High Street, Maidstone, Kent, ME14 1JH

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements for 1st September 2019 to 31st August 2020. The Governors confirm that the Annual Report and financial statements of the School comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2015).

Marlborough House School ('the School') is registered with DCSF as School Number 886/6005. It is registered as Charity Number 307793, and holds the Company Registration number 587487, with the liability of its members limited to £1 each by guarantee. Within the insurance policies that the School holds is an extension that indemnifies the Trustees against any acts that result in action against them. None of the Directors has any beneficial interest in the Company. The Registered Office and principal address of the Company is at Marlborough House School, High Street, Hawkhurst, Kent, TN18 4PY.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status of the company

Marlborough House School was founded in 1874 and was incorporated on 18th July 1957 under the Companies Acts 1948 as Marlborough House School Trust Limited, a Charitable Company limited by guarantee.

Governing body

The School is governed by its Memorandum and Articles of Association. The Directors of the School, who are also the Charity Trustees and the School Governors, who served during the year are shown below:

Mrs G duCharme Mr S F Cloke
Mr S J Hodson (Chairman) Mr T N M Lawson
Mrs A Petch Dr R Ratnavel
Mrs S R Reeves Mr O A Reynolds Mr P W Smallwood Mr H R F Somerset Mr N Taylor
Mrs J M Webb

Board of Governors

The Directors, who are also the Charity Trustees, are required under the Articles to serve as Governors of the School. They are elected at a full Governors' Meeting on the basis of nominations received from existing Governors and the Head taking independent advice as appropriate in order to ensure a suitable cross section of expertise, personal competence, specialist skills and local availability. Governors serve for an initial term of five years and are eligible to stand for re-election for further five year terms.

Governor training

New Governors are inducted into the workings of the School, and also of the Company as a Registered Charity including Board Policy and Procedures, through a programme arranged by the Head and Clerk to the Governors. Training Days and Extraordinary Meetings are scheduled periodically to provide updates for the Directors and to consider strategic planning and governance issues. New Governors have the opportunity to attend the Association of Governing Bodies in Independent Schools (AGBIS) New Governors Course and all Governors have the opportunity to attend AGBIS briefings and specialist courses run by external organisations.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Organisational management

The Governors as Directors determine the general policy of the School and review its overall management and control. The day to day management of the School is delegated to the key management personnel, comprising the Head, the Bursar and the other members of the School's Senior Leadership Team. The Governors meet as a Board at least three times a year. The work of implementing most of the Board's policies is carried out by the Finance and Property Committee (specifically to review the budgets, annual accounts and reports), the Marketing Committee, the Education Committee and the Health and Safety Committee, each of which meets at least three times a year prior to the Main Board meetings. In addition, the Board has a Buildings Committee, which has been considering ways to develop the School's premises and facilities. Each Committee operates under specific terms of reference agreed by the Board of Governors and has its decisions ratified by the full Board. The Head and the Bursar attend all meetings of the full Board, and the Head and/or the Bursar attend all meetings of the Board Committees.

Group structure and relationships

The School is an active member of the Independent Association of Prep Schools ('IAPS') and the Boarding School Association ('BSA') for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. The School actively seeks to engage with local Charities, community and voluntary groups in continuing endeavours to widen public access to its facilities, to optimise the educational use of its cultural and sporting facilities and to awaken in the pupils an awareness of the wider social context of the education they receive at the School.

OBJECTIVES AND ACTIVITIES

The principal object of the Company, in accordance with its Memorandum and Articles of Association, is the education of children at the Independent Preparatory School of Marlborough House, Hawkhurst, Kent. In the furtherance of this object, the Directors, as the Charity Trustees, have complied with the duty in s.4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under that Act.

Principal Activity

Marlborough House School Trust's principal activity is the provision of a Preparatory School in Hawkhurst for girls and boys aged from rising 3 to 13. In conducting its business, the School is one of the biggest local employers with very many members of its staff resident within the immediate area. The School uses the services of local businesses and suppliers where possible. Total pupil numbers stood at 260 in the Summer term 2020.

Strategic Aim and Effect

The Board's overall strategic aim is to satisfy the requirements of Public Benefit by operating Marlborough House School as a charitable Independent Preparatory School. While the families of most of the School's pupils pay full fees, the Board aims to set these fees at a level which enables the School to provide bursaries to the families of a number of pupils who otherwise would not be able to attend the School.

The Board's strategic aim for the School is for it to offer an outward looking, secure and inclusive environment for the whole School community, using high quality resources and a high standard of facilities, and providing an excellent all round education for the School's pupils. To help achieve its objectives, the Board aims to ensure that the School is as close to capacity as possible, maintains a high teacher to pupil ratio and tailors its teaching and pastoral care services to suit pupils' individual needs.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives for the Year

The Board's main objectives for the School during the year under review were:

1. to ensure the smooth transition of the Acting Head into this new leadership role and to liaise with the Senior Leadership Team on their strategic aims and intents for the year ahead;
2. to help provide a stable environment for the School community after a period of change;
3. to recruit a new Chair of Governors and support this transition;
4. to appoint a new Head, with a proven track record of successfully leading a School, who shares the same vision for the successful development of the School as the Board
5. to work with the new Head, the Bursar and other members of the Senior Leadership Team to continue to implement the School's long term Strategic Plan;
6. to continue to educate pupils at the School to a very high standard, ensuring all pupils reach their full potential in all aspects of school life and are well prepared for their move into senior school;
7. to support the launch of the Pre-Senior Baccalaureate with Year 7 pupils;
8. to continue to provide bursaries to the families of pupils who would otherwise not be able to attend the School;
9. to continue to work collaboratively with local charities, community and voluntary organisations and educational bodies to provide access to the School's facilities;
10. to undertake and complete the proposed works to extend the Sports Hall and to add improved changing facilities;
11. to support the development of a new School website and prospectus;
12. to liaise with the Acting Head and Senior Leadership Team on a proposal to decrease costs for the coming year.

Grant making policies

During the financial year under review, the School has maintained its means tested bursary support for 9 pupils (2019: 7 pupils) at a cost of £58,562 (2019: £42,657) through its own Bursary Scheme. This support is available on a needs basis as determined by the members of the Finance and Property Committee following discussions with the Head and Bursar. The School's policy on awarding bursaries is kept under regular review by the Board.

STAFF

Volunteers

The Friends of Marlborough House continue to help with the School's charitable fundraising and cultural activities, with members devoting considerable time and resources on a voluntary basis. The Board is very appreciative of their work on behalf of the School.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Remuneration of Employees

The remuneration of the Head and the Bursar is set by the Board. The remuneration of other members of the Senior Leadership Team and all other staff is determined by the Head and the Bursar in accordance with the whole School remuneration policy and budget, which is set annually by the Board following a recommendation by the Finance and Property Committee. In setting this policy and budget, reference is made to comparisons with other schools to ensure that the School is sensitive to the broader issues of pay and employment conditions elsewhere. Staff costs are, by a long way, the largest single element of the School's regular charitable expenditure, and the Board believes that successful delivery of the School's charitable vision and purpose is very significantly dependent on the skills, expertise and performance of the key management personnel and all other members of the School's staff.

REVIEW OF ACTIVITIES

Achievements and Performance

During this academic year, the School made significant achievements in a variety of areas, particularly in relation to the challenging circumstances that they faced in light of the Covid restrictions placed on schools by central Government. At the start of the pandemic, the Government mandated the closure of schools which meant that Marlborough House moved to remote teaching while its buildings were shut.

All teachers undertook training in the delivery of remote teaching and were able to deliver live lessons across the School from the beginning of the Summer Term.

A Key Worker Provision was established on-site for all families that were in need that extended across all year groups.

A gradual but full return of all pupils was successful by the end of the academic year, with a good range of summer events being available online.

A new Senior curriculum (Pre-Senior Baccalaureate) was launched in Year 7 with staff trained appropriately. This was shared with parents in all year groups in face to face meetings.

Academic results were high with 12 scholarships being awarded to pupils, 7 in Year 8 and 5 in Year 6. 10 Year 6 pupils gained places at Grammar Schools, whilst at 13+, there was 100% success rate.

The School made a conscious decision to support one local charity this year and worked in close collaboration with them, including sending pupils to physically help with activities on site.

The development of facilities continued, with the extension to the Sports Hall being completed and opened for use in the Autumn Term.

FUTURE DEVELOPMENTS

The arrival of a new, experienced Head allows the School to look forward with confidence and optimism. Eddy Newton's initial tasks are to give certainty and reassurance to the staff and parents, while preparing a new Strategic Plan for the School.

Physical developments include sharpening up the appearance of certain buildings (painting of the Old Gym and Sport Hall) and preparing for the extension and refurbishment of the Art and DT buildings in the summer of 2021. A thorough review of site usage and a timetable for the improvement of outdoor sports' facilities are also on the agenda.

With COVID-19 still a major factor, the preparation for high standard delivery of remote teaching remains a

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

priority, as does the installation of satisfactory safety measures for the day to day use of the School.

Finally, alongside Marketing and Admissions, there is a planned drive to increase pupil numbers while simultaneously looking at the staff costs of the School. The Strategic Plan anticipates a 10% increase in pupil numbers over 2 years, with a 7% reduction of costs in the period to January 2022.

In the first quarter of 2021, following consultation, the school made the decision to leave the Teachers' Pension Scheme and transfer the eligible employees to a new defined contribution scheme.

FINANCIAL REVIEW

The Directors report a deficit before depreciation, amortisation and property revaluations for the year ended 31st August 2020 of £133,862 (2019 surplus : £125,786). Total income of £3,496,317 (2019 : £4,202,953), which included revenue that was received as a result of the School claiming under the Government's Covid related support measures - particularly the Coronavirus Job Retention Scheme, was 17% lower than that achieved in the previous year, while total expenditure (before depreciation and amortisation) of £3,630,179 (2019 : £4,077,167) was 11% lower than the previous year. Total income was lower than had been expected during the year, largely because the Board decided to reduce significantly the fees payable in the Summer Term to reflect the fact that the School property was closed as a result of the Covid-19 pandemic. Total expenditure was carefully controlled but could not be reduced by an amount equivalent to the income reduction, largely because of the fixed nature of some costs and because additional costs were incurred in delivering educational provision via remote platforms.

Capital expenditure during the year totalled £239,259 (2019 : £1,259,131). £52,041 was expended on the Buildings Development Plan (including finalising the works to extend the Sports Hall), £166,634 was spent to replace the collapsed retaining wall around the swimming pool, with £15,523 also spent on fixtures and fittings, and £5,061 on IT equipment.

Funds are raised from fee income and a proportion of net fee income is used directly to support children through means tested bursaries and grants for fees. In this way families of children who would otherwise not be able to attend the School are given financial support; this includes some cases of hardship in the families of existing pupils.

Investment powers are set out in the Memorandum and Articles of Association. These permit the Directors to invest the monies of the Trust not immediately required for its purposes in, or upon such investments, securities or property as may be thought fit, but so that monies subject to, or representing property subject to the jurisdiction of the Charity Commissioners for England and Wales or the Secretary of State for Children, Schools and Families, shall only be invested in such securities and with such sanction, if any, as may for the time being be prescribed by law.

During the year investment income totalled £1,238 (2019 : £1,893).

RESERVES POLICY

At 31st August 2020, unrestricted funds (after excluding those funds which have been designated for specific purposes) stood at £5,669,426 (31st August 2019 : £5,306,244). The School aims to increase its unrestricted funds each year by budgeting for a modest post depreciation surplus to be achieved and through careful financial management. This objective was not achieved during the year under review in terms of underlying financial performance. The reason for the increase in reserves in the year is due to a revaluation gain on investment properties of £737,520.

At 31st August 2020, free reserves (after deducting the carrying value of fixed assets which are all held for the School's use), as defined by the Charity Commission, stood at £410,811 (31st August 2019 : £538,716).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

At 31st August 2020, the School had total cash of £1,265,601 (2019 : £1,571,780). After deducting fees paid in advance, deposits and amounts received under the advance fee payment scheme, underlying cash stood at £873,892 (2019 : £984,263). This cash provides the School with financial security, as, in the event of a sudden significant drop in fee income, which could be caused by a substantial reduction in pupil numbers, it would enable the School's current activities to be continued while consideration was given to ways in which operating costs could be reduced or additional funds raised to ensure that the School's finances were sustainable.

Partly as a result of the reduction in income that the School received in the year to 31st August 2020 and partly to reflect continued uncertainties caused by the continuation of the Covid-19 pandemic, the Board took steps to ensure that the School increased its access to bank borrowing during the year. In this context, it received proceeds of £500,000 on excellent terms by taking out a loan through the Government backed Coronavirus Business Interruption Loan Scheme. While there is no immediate use for the proceeds of this loan, the Board considered it prudent to secure this facility, to provide additional liquidity should it be required.

During the 2019/20 financial year, the School has not taken part in or led an active programme of fundraising.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board, through its Committees and with assistance from the School's Senior Leadership Team, keeps the School's activities under regular review, with particular regard to any risks which may arise. The Board discusses such risks and takes steps which aim to minimise the probability of occurrence and the extent of the impact that any of them may have on the continued success of the School.

The Board considers that the principal risks which could impact the School include the following:

- (i) a substantial reduction in pupil numbers. This could be caused, inter alia, by:
 - a decline in the affordability of school fees generally across the independent schools sector, meaning that fewer pupils attend independent preparatory schools, due, for instance, to a difficult economic environment, or changes in legislation or charity regulations; and
 - specific factors which could affect the School, such as a failure to recruit high quality staff, increased competition from nearby schools, the decision taken by a nearby Grammar School to reduce its intake age from 13 years old to 11 years old, and the unlikely event of severe reputational damage to the School being caused by actions or events involving the School's staff and/or pupils;
- (ii) catastrophic events, which could cause significant damage to the School's premises, including, for instance, flood or fire;
- (iii) personal health and safety risks, including a major accident involving the School's pupils and/or staff, either on the School's premises or when away from the School on trips organised by the School; and
- (iv) significant financial fraud.

The School maintains a Risk Management Register, which identifies the major risks to which the School is subject and describes the Control Procedures, including internal controls and other viable means, such as insurance cover, used to reduce the likelihood of each event occurring and/or to mitigate its effect. The School's Senior Leadership Team is responsible for ensuring that the risks identified are managed appropriately, with reference to the Control Procedures. The Risk Management Register is considered in detail by the Head, the Bursar and two Governors on at least an annual basis, and then reviewed by the Board as a whole.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

In addition, the Board oversees compliance with current legislation and the Regulatory Requirements of the Independent Schools Inspectorate, as well as regularly reviewing and considering the effectiveness of the School's Policies, which cover a wide range of matters which are important for the successful management of the School.

Inevitably, as a consequence of the Covid-19 pandemic, the School, was required to review with the utmost care and diligence its procedures in relation to managing the risk of infection before the School's premises fully reopened in the Autumn of 2020. These procedures are kept under constant review and the School continues to pay close attention to this dynamic situation. The School is confident that it can take whatever steps are needed to ensure a safe environment for pupils, staff and visitors to the School is maintained. At any time, the School will always aim to be ready fully to reopen its premises when Government guidance permits.

GOING CONCERN

Accounting standards require the governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have prepared cashflow forecasts for the next 12 months based on current expectations of pupil numbers and expenditure. These cashflow forecasts also include the repayment of the current loan facilities upon the sale of three properties as noted in note 18 of the financial statements.

Taking into consideration all of the above factors, the governors have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The school therefore continues to adopt the going concern basis in preparing its financial statements.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Marlborough House School Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the School's auditor is aware of that information.

This report was approved by the Governors, on *25th March 2021* and signed on their behalf by:



Mr S J Hodson, Chairman
Chairman

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED

Opinion

We have audited the financial statements of Marlborough House School Trust Limited (the 'charitable company') for the Year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure 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 Companies Act 2006.

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 the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARLBOROUGH HOUSE SCHOOL TRUST
LIMITED (CONTINUED)



Ian Weekes (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date: 28th April 2021

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	103,949	-	103,949	-
Charitable activities	5	3,378,968	-	3,378,968	4,183,005
Other trading activities	6	12,162	-	12,162	18,055
Investments	7	1,238	-	1,238	1,893
Total income		3,496,317	-	3,496,317	4,202,953
Expenditure on:					
Raising funds	8	24,998	-	24,998	14,613
Charitable activities	9	3,845,656	-	3,845,656	4,275,501
Total expenditure		3,870,654	-	3,870,654	4,290,114
Net movement in funds before other recognised gains		(374,337)	-	(374,337)	(87,161)
Other recognised gains:					
Gains on revaluation of fixed assets		737,520	-	737,520	-
Net movement in funds		363,183	-	363,183	(87,161)
Reconciliation of funds:					
Total funds brought forward		5,306,244	2,313	5,308,557	5,395,718
Net movement in funds		363,183	-	363,183	(87,161)
Total funds carried forward		5,669,427	2,313	5,671,740	5,308,557

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 17 to 36 form part of these financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
 (A company limited by guarantee)
 REGISTERED NUMBER: 00587487

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	13	-	2,733
Tangible assets	14	5,258,615	5,708,978
Investment property	15	1,189,400	-
		6,448,015	5,711,711
Current assets			
Debtors	16	65,238	77,852
Cash at bank and in hand		1,265,601	1,571,780
		1,330,839	1,649,632
Creditors: amounts falling due within one year	17	(671,264)	(1,108,602)
Net current assets		659,575	541,030
Total assets less current liabilities		7,107,590	6,252,741
Creditors: amounts falling due after more than one year	18	(1,435,851)	(944,184)
Total net assets		5,671,739	5,308,557
Charity funds			
Restricted funds	19	2,313	2,313
Unrestricted funds	19	5,669,426	5,306,244
Total funds		5,671,739	5,308,557

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors on 25th March 2021 and signed on their behalf by:

Mr S J Hodson
 (Chair of Trustees)



MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(543,160)	350,207
Cash flows from investing activities		
Dividends, interests and rents from investments	1,238	1,893
Purchase of tangible fixed assets	(239,259)	(1,259,131)
Interest paid	(24,998)	(14,613)
Net cash used in investing activities	(263,019)	(1,271,851)
Cash flows from financing activities		
Cash inflows from new borrowing	500,000	944,184
Net cash provided by financing activities	500,000	944,184
Change in cash and cash equivalents in the Year	(306,179)	22,540
Cash and cash equivalents at the beginning of the Year	1,571,780	1,549,240
Cash and cash equivalents at the end of the Year	1,265,601	1,571,780

The notes on pages 17 to 36 form part of these financial statements

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

Marlborough House School is a company limited by guarantee incorporated in England and Wales (company registration number 00587487 and charity number 307793). The principal activity is that of an independent school.

Its registered address is at:-

High Street
Hawkhurst
Cranbrook
TN18 4PY

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Accounting standards require the governors to consider the appropriateness of the going concern basis when preparing the financial statements.

The Governors have prepared cashflow forecasts for the next 12 months based on current expectations of pupil numbers and expenditure. These cashflow forecasts also include the repayment of the current loan facilities upon the sale of three properties as noted in note 18 of the financial statements.

Taking into consideration all of the above factors, the governors have a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. The school therefore continues to adopt the going concern basis in preparing its financial statements.

Marlborough House School Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

School fees receivable, less any bursaries or scholarships are billed termly in advance and the income is recognised on the first day of the new term to which they relate. Where fees are received in advance of the relevant period, they are recognised as deferred income.

Income receivable for extras to the core school fees is billed in arrears on the following term's bill when the amount of income receivable can be measured reliably. Amounts are recognised in the period to which they relate and held in trade debtors until payment is received.

Donations, legacies, grants and other voluntary income are accounted for when the following criteria are satisfied; entitlement has arisen, the amount can be reliably measured and the economic benefit is considered probable.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

2.3 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of raising funds represent interest and other activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charity's educational operations, including support costs and costs relating to the governance of the Charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

2.4 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Company; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:ku

Amortisation is provided on the following basis:

Software	-	% Straight line over 3 years
----------	---	------------------------------

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Freehold property	- over 10 - 50 years
Motor vehicles	- Straight line over 5 years
Fixtures and fittings	- Reducing balance at 15%
Computer equipment	- Straight line over 3 years

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.8 Investment properties

The Trustees' policy is to revalue the company's investment properties at each reporting date.

Governors have assessed the value of the land and buildings based on independent valuations carried out in 2018 and updated for current market prices.

No depreciation is provided in respect of investment properties in accordance with section 16 of FRS 102 "Investment Property".

2.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.13 Pensions

Retirement benefits to employees of the Charity are provided by the Teachers' Pension Scheme ("TPS") which is a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charity in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The Charity also operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Charity to the fund in respect of the year.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets which is currently judged to be up to 50 years, based on experience.

ii) Recoverability of trade debtors: the directors annually assess whether a bad debt provision is required for any bad or doubtful debtor balances.

iii) Property valuations: investment properties are assessed on an annual basis by the Governors. The value of the properties is estimated to be the open market value at the balance sheet date.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	1,437	1,437	-
Government grants	102,512	102,512	-
	103,949	103,949	-
	103,949	103,949	-

Included in government grants is income relating to the corona virus job retention scheme as well as the income in relation to the first year interest on the CBILS loan.

The first year of interest on the CBILS loan is interest free for the School as it is paid for by the UK government. The applicable interest in the first year has been included as a government grant and corresponding interest charge in the financial statements.

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £
Gross fee income	3,881,593	3,881,593
Less: bursaries, scholarships and allowances	(600,244)	(600,244)
Other charges to pupils	96,419	96,419
Registration fees	1,200	1,200
	3,378,968	3,378,968
	3,378,968	3,378,968

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Income from charitable activities (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Gross fee income	4,448,941	4,448,941
Less: bursaries, scholarships and allowances	(398,886)	(398,886)
Other charges to pupils	130,900	130,900
Registration fees	2,050	2,050
	4,183,005	4,183,005

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2020 £	Total funds 2020 £
Rent & Lettings	12,162	12,162
	12,162	12,162

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rent & Lettings	18,055	18,055
	18,055	18,055

7. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	1,238	1,238
	1,238	1,238

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Investment income (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	1,893	1,893

8. Expenditure on raising funds

Costs of raising funds

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest and charges	24,998	24,998

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Expenditure on raising funds (continued)

Costs of raising funds (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest and charges	14,613	14,613

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Total funds 2020 £
Teaching costs	2,317,243	2,317,243
Welfare costs	411,420	411,420
Premises	520,049	520,049
Support for schooling	596,944	596,944
	<u>3,845,656</u>	<u>3,845,656</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure on charitable activities (continued)

Summary by fund type (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Teaching costs	2,638,074	798	2,638,872
Welfare costs	470,363	-	470,363
Premises	551,327	-	551,327
Support for schooling	614,939	-	614,939
	<u>4,274,703</u>	<u>798</u>	<u>4,275,501</u>

10. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12,350	12,000
Fees payable to the Company's auditor in respect of: All non-audit services not included above	2,850	2,850
	<u>2,850</u>	<u>2,850</u>

11. Staff costs

	2020 £	2019 £
Wages and salaries	2,321,093	2,658,765
Social security costs	208,465	217,780
Contribution to defined contribution pension schemes	343,850	291,526
	<u>2,873,408</u>	<u>3,168,071</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff costs (continued)

The average number of persons employed by the Company during the Year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
Teaching	65	<i>67</i>
Domestic	22	<i>24</i>
Administration	11	<i>13</i>
	98	<i>104</i>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £70,001 - £80,000	1	<i>-</i>
In the band £80,001 - £90,000	-	<i>1</i>

The total remuneration and benefits received by key management personnel during the year was £467,647 (2019: £530,674).

12. Governors' remuneration and expenses

During the Year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the Year ended 31 August 2020, expenses totalling £815 were reimbursed or paid directly to Governors (2019 - £1,207).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Intangible assets

	Computer software £
Cost	
At 1 September 2019	8,204
At 31 August 2020	<u>8,204</u>
Amortisation	
At 1 September 2019	5,471
Charge for the year	2,733
At 31 August 2020	<u>8,204</u>
Net book value	
At 31 August 2020	<u>-</u>
<i>At 31 August 2019</i>	<u><u>2,733</u></u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	7,171,639	96,358	994,419	658,630	8,921,046
Additions	218,675	-	15,523	5,061	239,259
Transfers between classes	(638,647)	-	-	-	(638,647)
At 31 August 2020	<u>6,751,667</u>	<u>96,358</u>	<u>1,009,942</u>	<u>663,691</u>	<u>8,521,658</u>
Depreciation					
At 1 September 2019	1,798,668	88,643	737,246	587,511	3,212,068
Charge for the Year	145,533	4,465	40,389	47,355	237,742
Transfers between classes	(186,767)	-	-	-	(186,767)
At 31 August 2020	<u>1,757,434</u>	<u>93,108</u>	<u>777,635</u>	<u>634,866</u>	<u>3,263,043</u>
Net book value					
At 31 August 2020	<u>4,994,233</u>	<u>3,250</u>	<u>232,307</u>	<u>28,825</u>	<u>5,258,615</u>
At 31 August 2019	<u>5,372,971</u>	<u>7,715</u>	<u>257,173</u>	<u>71,119</u>	<u>5,708,978</u>

15. Investment property

	Freehold investment property £
Valuation	
Transfers between classes	1,189,400
At 31 August 2020	<u>1,189,400</u>

Governors have assessed the value of the land and buildings based on independent valuations carried out in 2018 and updated for current market prices.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

16. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	29,902	60,813
Prepayments and accrued income	16,190	17,039
Grants receivable	19,146	-
	65,238	77,852

17. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Bank loans	8,333	-
Trade creditors	136,710	119,369
Other taxation and social security	49,044	52,017
Fees in advance and deposits	290,799	451,534
Other creditors	36,192	59,102
Accruals and deferred income	49,276	290,597
Advance payment scheme	100,910	135,983
	671,264	1,108,602

18. Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Bank loans	1,435,851	944,184

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

18. Creditors: Amounts falling due after more than one year (continued)

2020	<i>2019</i>
£	£

A bank loan was taken out during the prior year in order to assist with the development of a sports hall extension. During the current year a further £500,000 CBILS loan was taken out.

Interest is being charged on the loans at 1.5-2.34% p.a over base rate.

The repayment date of the original loan is the earlier of: A) the date which falls 30 months after the date of the loan or first part of it is drawn, or B) the sale completion date of the final Unit to be sold.

The 'Units' refer to three residential properties owned by the school.

The CBILS loan is repayable in installments over 6 years.

The first year of interest on the CBILS loan is interest free for the School as it is paid for by the UK government. The applicable interest in the first year has been included as a government grant and corresponding interest charge in the financial statements.

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

19. Statement of funds

Statement of funds - current Year

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds					
General Funds	5,306,244	3,496,317	(3,870,655)	737,520	5,669,426
Restricted funds					
Restricted Funds - all funds	2,313	-	-	-	2,313
Total of funds	5,308,557	3,496,317	(3,870,655)	737,520	5,671,739

Restricted funds consist of:

A music fund to be used in awarding prizes to pupils and in purchasing new musical instruments for the school's music department. At the balance sheet date, the balance on the fund was £2,313 (2019: £2,313).

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Statement of funds - prior Year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds				
Designated funds				
Designated Funds - all funds	50,000	-	(50,000)	-
General funds				
Unrestricted funds	5,342,606	4,202,953	(4,239,315)	5,306,244
Total Unrestricted funds	5,392,606	4,202,953	(4,289,315)	5,306,244
Restricted funds				
Restricted Funds	3,111	-	(798)	2,313
Total of funds	5,395,717	4,202,953	(4,290,113)	5,308,557

20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	5,258,615	-	5,258,615
Investment property	1,189,400	-	1,189,400
Current assets	1,328,526	2,313	1,330,839
Creditors due within one year	(671,264)	-	(671,264)
Creditors due in more than one year	(1,435,851)	-	(1,435,851)
Total	5,669,426	2,313	5,671,739

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Tangible fixed assets	5,708,978	-	5,708,978
Intangible fixed assets	2,733	-	2,733
Current assets	1,647,318	2,313	1,649,631
Creditors due within one year	(1,108,602)	-	(1,108,602)
Creditors due in more than one year	(944,184)	-	(944,184)
Total	<u>5,306,243</u>	<u>2,313</u>	<u>5,308,556</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(374,337)	(87,161)
Adjustments for:		
Depreciation charges	240,475	212,947
Interest paid	24,998	14,613
Dividends, interests and rents from investments	(1,238)	(1,893)
Decrease in debtors	31,760	27,801
Increase/(decrease) in creditors	(464,818)	183,900
Net cash provided by/(used in) operating activities	<u>(543,160)</u>	<u>350,207</u>

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,265,601	1,571,780
Total cash and cash equivalents	<u>1,265,601</u>	<u>1,571,780</u>

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

23. Analysis of changes in net debt

	At 1 September 2019	Cash flows	At 31 August 2020
	£	£	£
Cash at bank and in hand	1,571,780	(306,179)	1,265,601
Debt due within 1 year	-	(8,333)	(8,333)
Debt due after 1 year	(944,184)	(491,667)	(1,435,851)
	<u>627,596</u>	<u>(806,179)</u>	<u>(178,583)</u>

24. Pension commitments

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £306,413 (2019: £252,745) and at the year-end £33,245 (2019 - £29,508) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July

MARLBOROUGH HOUSE SCHOOL TRUST LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

24. Pension commitments (continued)

2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

25. Operating lease commitments

At 31 August 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Not later than 1 year	17,064	18,179
Later than 1 year and not later than 5 years	28,440	45,504
	<u>45,504</u>	<u>63,683</u>