MARLBOROUGH COLLEGE

England & Wales · Charity number 309486

Details

Status	Registered
Legal form	Other
Registered	1963-10-08
Register	View on the Charity Commission register

Contact

Address	Marlborough College Marlborough SN8 1PA
Phone	01672892390
Email	sslamb@marlboroughcollege.org
Website	www.marlboroughcollege.org

Activities

Objects: TO PROVIDE EDUCATION IN THE UNITED KINGDOM OR ELSEWHERE FOR STUDENTS, IRRESPECTIVE OF FAITH, THAT DEVELOPSINDEPENDENCE OF MIND, INDIVIDUAL SPIRITUALITY BASED ON AN UNDERSTANDING OF ANGLICAN TEACHING AND RESPECT FOR OTHER FAITHS, ANDAN APPRECIATION OF THE IMPORTANCE OF SERVICE TO THE COMMUNITY. IN PURSUING THESE OBJECTIVES, THE COLLEGE SHALL HAVE REGARD TO THE SOCIAL, RELIGIOUS AND EDUCATIONAL ENVIRONMENT OBTAINING FROM TIME TO TIME.

Activities: Marlborough College is incorporated by Royal Charter and registered as an education charity. The College provides education for boys and girls for the ages 13-18. The number of pupils in the College averaged 924 of whom 888 were boarders and 36 were day pupils. Under its grant making policy the total number of pupils receiving fee assistance in the academic year 2014/15 was 119.

Classification

- **How:** Provides Services, Other Charitable Activities
- **What:** Education/training
- **Who:** Children/young People, The General Public/mankind

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Geography

- Malaysia

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£73,314,000	£69,172,000	£124,973,000	765
2023-08-31	£74,451,000	£61,550,000	£118,279,000	733
2022-08-31	£55,465,000	£52,340,000	£105,946,000	716
2021-08-31	£52,053,000	£50,885,000	£105,861,000	732
2020-08-31	£56,417,000	£57,931,000	£101,748,000	757

Trustees

Name	Role	Appointed
Heidi Venamore	Chair	2024-02-20
Anthea Harries		2026-03-16
Colin Weir		2025-10-03
Joe Chambers		2023-10-09
Kasase Kabwe		2023-06-17
Maria Strauss		2025-10-14
Peter Denton		2021-06-12
Professor Simon Mordant AO		2021-06-12
Reverend Canon Roger Powell		2025-10-03
Ros King		2022-03-19
Sabina Reeves		2022-03-19
Sarah Joan Thomas		2024-10-07
Tania Freeman		2021-05-01

Linked charities

- THE KEITH RAE EXHIBITION (309486-1)
- THE MASTERS FUND (309486-2)

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MARLBOROUGH COLLEGE

England & Wales - Charity number 309486

Accounts

MARLBOROUGH COLLEGE

(Incorporated by Royal Charter and registered as an Educational Charity No: 309486)

REPORT OF COUNCIL

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2024

Crowe U.K. LLP
Chartered Accountants
Registered Auditors

MARLBOROUGH COLLEGE
(Incorporated by Royal Charter and
registered as an Educational Charity No: 309486)

FOR THE YEAR ENDED 31 AUGUST 2024

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MARLBOROUGH COLLEGE

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

The Trustees of Marlborough College constitute the Council.

The Lord Bishop of Salisbury (President – ex officio)

The Council members during the year and up to the date the financial statements were signed were:

Heidi Venamore PSM (Chair of Council) appointed on 20 February 2024
Penny Cameron Watt (Chair of Health and Wellbeing Committee) (acting Chair of Council from 1 September 2023 to 27 January 2024) (Resigned 27 January 2024)
Michael Birkin
Joe Chambers (appointed 9 October 2023)
Piers Coleman (retired 2 December 2023)
Peter Denton (Chairman of the Finance Committee and Chairman of Remuneration Committee)
Tania Freeman
Revd Stephen Gray (resigned 17 March 2024)
Kasase Kabwe
Tim Martin-Jenkins (Chairman of Foundation, Chairman of Development from 1 September 2023)
Prof Cav Simon Mordant (Chair of Nominations Committee)
Rob Perrins (Chairman of Buildings Committee) (resigned 1 May 2024)
Ros King (appointed Chair of Health and Wellbeing Committee 29 January 2024)
Sabina Reeves (Chair of Academic Committee)

International Members of Council:

YAM Tunku Ali Redhauddin ibni Tuanku Muhriz
Dasho Sangay Wangchuk (appointed 9 October 2023)

OFFICERS

KEY MANAGEMENT PERSONNEL

The Master	L J Moelwyn-Hughes
Bursar	A G Hart (resigned 31 December 2024) A Flanagan (interim from 1 January 2025)

Executive Team:

Second Master	S M Wessels
Deputy Head (Academic)	D T Clark
Deputy Head (Pastoral)	E C Nightingale
Deputy Head (Co-Curricular)	J R B Scragg

Senior Management Team:

Deputy Head (Boarding)	J A Hodgson
Director of Admissions	J Lyon Taylor
Director of Safeguarding	C Kane
Director of Development	S Lerwill
Director of Marketing & Communications	J Jordan
Assistant Head (Teaching and Learning)	B Nightingale
Assistant Head (Inspection)	T Lauze

Bursarial Team

Estates Bursar	A Barnes
Director of Enterprises	R Urquhart (resigned 8 July 2024) M Naworynsky (acting from 9 July 2024)
Director of Finance	H Mack
Director of Human Resources	H Hewlett (resigned 31 December 2024) A Hart (acting 1 January 2024 to 9 June 2024) C Beaty-Pownall (appointed 10 June 2024)
Director of Operations	M Naworynsky
Head of ICT	M Garland (resigned 27 January 2024) A Hart (acting 1 January 2024 to 29 September 2024) T Elgar (appointed 30 September 2024)

Principal Address:	Marlborough College Wiltshire SN8 1PA

Marlborough College Malaysia

The Master	S Burbury (from 1 September 2023)
Bursar	M Wai-Tsz Cherry
Address:	Marlborough College Malaysia Jalan Marlborough 79200 Iskandar Puteri Johor Malaysia

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

ADVISERS

Bankers:	Lloyds Bank Crest Way Barnwood Gloucester Gloucestershire GL4 3RL
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Crowe U.K LLP Statutory Auditors St James House Cheltenham GL50 3PR
Investment Advisers:	Rathbones 8 Finsbury Circus London EC2M 7AZ
Insurance Brokers:	PIB Insurance Brokers Poppleton Lane Low Poppleton Lane York North Yorkshire YO26 6GZ

The Council presents its report for the year ended 31 August 2024 under the Charities Act 2011, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Charter and Bye-Laws and the Charities SORP (FRS 102 – second edition).

OBJECTS, AIMS AND OBJECTIVES

Objects

Founded in 1843, Marlborough College (the College) is an educational charity governed by its trustees known as the Council. The College's mission is to deliver the best independent, co-educational, full boarding education in the UK or elsewhere, namely Marlborough College Malaysia (MCM), and to be recognised for this globally.

The College was founded to provide an exceptional education for children from all walks of life and it remains deeply committed to increasing accessibility. There is a strong sense of community at the College, built upon outstanding pastoral care and a diverse co-curricular programme. There is also a focus on local community work, particularly with local primary schools, on local volunteering and on fundraising for charity.

Aims and Objectives

The College and MCM seek to produce well-rounded individuals: academically ambitious, open-minded, adaptable and socially minded with a strong sense of perspective for their community and the wider world. It looks to foster excellence through teaching and learning, thus promoting the strongest possible educational values, in order that pupils develop into responsible and committed young adults with the skills to make a difference in whatever they choose to do. It strives to encourage pupils to have a strong sense of community and of service, to value diversity of all kinds and to welcome interaction with others, to have the confidence and ambition to fulfil their potential and to have the initiative to embrace possibilities with an open mind, to take action and to lead.

Our Aims are:

To provide a safe, inclusive and nurturing community

- Marlborough is a diverse community with wellbeing and mutual respect at its heart; pupils, teachers and parents collaborate to ensure everyone thrives because they feel happy, secure and valued

To instil a commitment to service

- Marlborough fosters a culture of service and responsibility which equips pupils to make a positive difference and have a beneficial impact upon the wider world

To foster ambition

- Marlborough provides inspirational learning opportunities, motivating pupils to fulfil their potential, develop intellectual curiosity and become life-long learners

To develop initiative

- Marlborough encourages pupils to be curious and open-minded, and supports them in pursuing new initiatives and developing leadership

Strategies to achieve the Year's Objectives

The Colleges' strategies for achieving their objectives during the year are ongoing and are broadly in line with the prior year to:

- develop all pupils' academic ambition – particularly by utilising the Marlborough Mindset which has been established to assist in developing learning and study skills;
- continue to review the academic curriculum to ensure that it is both broad and challenging;
- continue to benchmark pupils' academic performance in external public examinations and through the use of independent value-added criteria (although this is not possible to the same extent for MCM);
- encourage pupils' spiritual and moral growth, their cultural awareness and physical development, as well as ensuring their wellbeing by promoting participation in a wide range of activities and through the curriculum;
- continue to improve the tracking of pupils' progress and aligning this with their individual pastoral needs to ensure the best outcome possible for each pupil;
- continue to improve the Colleges' facilities and to protect the (historic) environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout the Colleges;
- continue to improve the sustainability of the Colleges' estates through an ongoing programme of capital investment, particularly at the College where the campus is much older with a number of listed buildings;
- continue to explore and develop partnerships with state schools and academies as well as with the local community – this is really only possible and relevant for the College at present; and
- to set and achieve appropriate targets for pupil numbers and financials including operating surpluses and cash generation.

REVIEW OF THE YEAR

Operational Performance

Pupils

Marlborough College ("the College") is a co-educational full boarding school providing education for boys and girls from the ages of 13 to 18, while Marlborough College Malaysia ("MCM") provides education from the ages of 3 to 18 for both day and boarding pupils. The College has had another year of strong pupil numbers, whereas for MCM, following the impact of closed borders for more than two years, pupil numbers are continuing to bounce back and are predicted to exceed pre-pandemic numbers during the next academic year:

School	Year	Girls	Boys	Boarders	Day	Av Total
MCUK	**2023/24**	446	567	971	41	**1,013**
	2022/23	442	568	971	39	**1,010**
MCM	**2023/24**	445	449	168	726	**894**
	2022/23	371	389	152	608	**760**

The overall capacity of the College is currently 1,020 pupils spread across 16 boarding houses with the gender balance in a ratio of 56% boys and 44% girls. The College's waiting lists remain strong which gives confidence that the College can operate at (near) capacity for the foreseeable future. However, the Council is mindful that there is still the potential for a lasting impact from the pandemic, coupled with the on-going high cost of living and the imposition of 20% VAT on school fees from 1 January 2025, to affect pupil numbers in the years to come as private education generally sees a delayed impact following economic downturns. The Council is looking to mitigate this impact as much as is possible and is also mindful of the impending increased employment costs as a result of the increases to the national living wage and employer's national insurance contributions.

The pupil enrolment at MCM has increased by 18%, as shown in the numbers above. The Admissions team capitalised on the opportunity to travel abroad again by conducting visits to boost awareness in locations such as Japan, Korea, China, Singapore, as well as activities within Kuala Lumpur and Johor. MCM is on track to return to its pre-Covid pupil roll during the 2024/25 academic year.

Facilities and Infrastructure Development

The College has moved on to the last phase of its ambitious Innovation and Science project, which is being funded through generous fundraising and private placement money. Following the completion of the Innovation Centre in early 2021, the second of three renovation phases of the listed Science building was completed in the spring, despite many challenges including cost inflation. The final renovation phase is now well under way but is the most complicated phase of the listed building and is not anticipated to be finished until the end of 2025. The boarding house refurbishment programme continues with one boarding house nearing the completion of the second of two phases of a full refurbishment. There were also a number of smaller capital projects undertaken in the year. This resulted in UK capital spend in the year of just under £8.8 million, down slight from the prior year's spend of £9.4 million.

All of the UK works formed part of the Master Development Plan that was established in 2011. It represents a total expenditure to date in excess of £84 million for the College, and £8.1 million (RM91.4 million) for MCM since its inception in September 2012.

The pupil numbers at MCM have increased by nearly 18% in 2023/24 and were almost back to the numbers before the pandemic, thus generating additional funds for capital investments. Apart from essential estates maintenance and the planned IT equipment refresh programme, there were also a significant number of improvement projects positively affecting both academic and boarding experience of its pupils.

Two boarding houses mothballed during the pandemic have been completely refurbished; the Prep School have had two new playgrounds installed for its Pre-Prep and Upper-Prep pupils; all of the Senior School classrooms have been refurbished and equipped with new furniture; and the Senior Art rooms remodelled to provide more suitable teaching and storage spaces along with an extension to its main kitchen to better support the increased pupil roll. There have also been health and safety related projects such as the expansion of the College's lightning alert system to cover the whole campus, upgrading of the access control system for the boarding houses, and improvement to its health centre provision. The total Malaysian capital expenditure for the year was £1.5 million (RM8.8 million), spent on building improvements and IT equipment.

Educational Performance

The College continues to offer an extensive Sixth Form curriculum with pupils able to participate in A level and other level three qualifications, including the Extended Project Qualification (EPQ), while MCM offers the internationally recognised International Baccalaureate (IB).

	MCUK	
A Level	**2023/24**	**2022/23**
A* grade	22%	24%
A*-B grades	87%	88%
A*-C grades	96%	96%

	MCUK	
(I)GCSE	**2023/24**	**2022/23**
9-8/A* grade	44%	48%
9-5/A*-B grades	96%	97%
9-4/A*-C grades	99%	99%

The results from A level examinations taken in the summer of 2024 were the College's second strongest ever under normal exam conditions. This follows as a consequence of a highly dedicated, expert group of teachers, who worked within new structures to support pupils to these incredible outcomes. 10 pupils scored 3 A*s or more, 39 pupils scored 2 A*s and 100 pupils scored at least 1 A*. Value Added scores indicate that the College is for the second year in the top decile of independent schools. The average Marlburian left the College with the equivalent of AAA. The (I)GCSE results were a similarly outstanding reward for the efforts of pupils and beaks (teachers) alike: 44% of grades awarded at 9 and 8 standard (A* equivalent) and 96% of all grades at 9 - 5 standard (A*-B).

	MCM		
International Baccalaureate	**2023/24**	**2022/23**	**2021/22**
40+ IB Points	17%	10%	20%
Average Points score (/45)	33	33	35
IB Diploma Pass	88%	95%	98%

	MCM		
(I)GCSE	**2023/24**	**2022/23**	**2021/22**
9-8/A* grade	48%	47%	50%
9-5/A*-B grades	85%	88%	89%
9-4/A*-C grades	95%	97%	95%

Academically, pupils at MCM continued to produce excellent results in (I)GCSE and IBDP, and for the fourth consecutive year MCM has been listed in the Spears Index of the world's 100 leading independent schools, along with the College. In addition MCM was listed in The Schools Index by Carfax Education as one of the World's top 125 schools and was awarded International School of the Year by the TES. Following an ISI inspection in June, MCM was also awarded British Schools Overseas (BSO) status and has become a member of the Association of British Schools Overseas.

At (I)GCSE level 59% of all grades awarded were A* or A (NB. UK Independent Schools A*/A rate is 38%). Given that MCM is not academically selective, this is a solid performance. At IB the average points score was 33 (equivalent to AAA at A level in terms of UCAS tariffs) and one in six pupils gained 40 points or better. That is almost twice the global average. MCM's top scorer achieved 44 points. It should be noted that at both (I)GCSE and IB level, the 'value-added' score was the highest in the school's history.

Public Benefit and Community Engagement

The Council is advised of the Charity Commission's general and supplementary guidance on public benefit and fee charging and the advancement of education. The Council recognises its responsibilities under the Charities Act 2011 and has regard to the guidance issued by the Charity Commission. The Council has taken steps to satisfy the requirements set out therein.

Grant Making Policy

The College offers means-tested bursary awards at 13+ and at 16+. These bursaries are re-assessed annually and may alter during a pupil's time at the College depending on changes to their financial situation and can be awarded up to 110% of the fees (i.e. full fees and all essential extras). The College also offers scholarships and awards and these are based on ability only. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need. The maximum scholarship value is up to 20% of the fees; these are offered in very limited numbers and only in the areas of music and sport at present.

The Scholarship Prospectus and Bursary Policy can be viewed on the College's website. They are also available from the Admissions Office and are extensively advertised in appropriate national and specialist directories.

The Children of Clergy Fund, supplemented by the College, enables substantial support to be given to the sons or daughters of Clergy. Applications for entry under the Children of Clergy scheme are means-tested in the same way as the rest of the bursary awards are assessed.

During the year the value of bursaries and other awards made to 216 College pupils (2023: 219) amounted to £5,127,000 (2023: £4,424,000), or 10.86% (2023: 10.26%) of gross fee income.

MCM awards scholarships for those who excel in academic, sports, drama and music. In the prior year MCM also offered bursaries to two Upper Sixth pupils whose families experienced significant financial difficulties in order for them to complete their IB Diploma in June 2023 (£36,500 or RM 214,000).

Bursaries
The Council is committed to providing fee assistance to children unable to afford full fees and encourages a culture from those who have received a Marlborough education to do everything possible, within their means, to enable others from all backgrounds to enjoy the same educational opportunity.

A separate Bursary and Scholarship Fund generates income to fund the awards which are augmented with fee income. Council's policy is to continue to increase the value of that fund whenever possible. The Council is examining ways to increase substantially the amount provided for means-tested bursaries via non-fee income streams, such as through more endowed-style funds, fundraising (largely through Marlborough College Foundation), and trading both at home and in Malaysia.

The majority of bursaries are made available on entry to the College, either at 13 or 16, although some funding is available for those with in-year financial hardship. The College is a member of the Springboard Partnership in support of transformational bursaries.

Under its grant making policy (see above), the total number of pupils receiving means-tested fee assistance in the academic year 2023/24 was 118 (2022/23: 118), although the value of these grants increased from £3,297,000 in the prior year to £3,873,000 in line with the College's continued aim to provide more full, life-transforming bursaries and is more than offset by the cost of these bursaries.

Working with Educational Providers & Community Access
Since its foundation in 1843 the College has been committed to playing a full part in the life of the local community and it will continue to do so. The College continues to provide indirect public benefit through its engagement with the local community and working with other educational providers, of which the following are examples:

Swindon Academy

The College has an agreement with Swindon Academy (SA) to provide opportunities for staff and pupils of the Academy and the College, including the sharing of experience, expertise and, where appropriate, facilities and resources. The Academy is part of the United Learning Trust (ULT). The current link has been in existence since 2009 and this continues to thrive, particularly with the launch of the Swindon Academy Grammar Stream (SA GS) in September 2016. In a typical academic year, more than 5,000 hours of Swindon Academy pupil time is spent on site at the College. Below is a list of activities which occurred during the reporting period and are ongoing.

(i) Sixty Year 7 & 8 SA GS pupils visit the College once per fortnight on a Wednesday afternoon. SA pupils participate in a carousel of the following activities: creative writing, Computer Science, research skills in the library, Economics, Classical Civilisation, and local history.

(ii) The Chair of Governors at Swindon Academy is a member of the College's SMT.

(iii) The College's Futures Department is available to provide specialist support with university applications from SA pupils, including to the most competitive destinations.

(iv) The College hosts an annual research project competition for Year 10 SA pupils, with generous prizes supplied by the College.

(v) Three pupils from SA joined the College in September 2024 on full bursaries as part of an ongoing bursary programme with the Academy (there are now 10 former SA pupils who are in, or have been through, the College's Sixth Form).

(vi) Marlborough College staff continue to be involved in the Fitzwilliam Project, an access and mentoring project organised by Fitzwilliam College Cambridge for SA pupils. This includes summer residentials in Cambridge and 'meet-up' days, one hosted by the College. SA had its first successful Oxbridge applicant last year.

(vii) The two schools operate a Year 10 exchange, with a group of 12 pupils from each school visiting the other school for a full school day, on a reciprocal basis, once or twice per year.

(viii) Since the start of the SA GS, the College has hosted a free week-long academic Year 7 summer school for GS pupils. This resumed in June 2022 for both Year 7 and Year 8 pupils. SA pupils attend in small groups, staying at the College and engaging in a wide range of activities (run by College staff) over a two-day period. The purpose of these activities is to extend pupils' experiences well beyond usual syllabus-led material.

(ix) An Open Morning for Year 6 pupils thinking about applying to the SA GS is hosted at the College each year in November.

(x) As part of the College Outreach programme, Marlborough College pupils visit the Swindon Academy primary schools each week to help pupils with their reading. This is supported by two College teachers and typically involves around 20 College pupils.

(xi) The College provides on site visits for Year 9 SA GS pupils with a focus on scientific experiment and investigation. In addition, SA pupils (and others from nearby primary schools) are invited to scientific talks and demonstrations at the College.

(xii) Pupils who are involved in Swindon Academy's scholarship programme are able to attend academic societies/ talks which are hosted at the College.

(xiii) SA pupils attend a number of College events, such as drama productions, and these visits invariably involve an introductory talk on the production in question.

(xiv) Residential visits (other than the summer school for Year 7) resumed in the academic year 2023-24. These provide an invaluable opportunity for SA staff to support pupils with the likes of coursework and exam revision, in an intensive and efficient way which would be difficult to achieve outside of a boarding environment.

(xv) With the retirement of the previous post holder, the College has reaffirmed its commitment to academic outreach by appointing a successor as Head of Academic Outreach, a role which attracts a significant allowance. The majority of this role relates to the relationship with Swindon Academy.

In terms of the impact of the above, both partners feel that these activities make a significant contribution to the outcomes of GS students, who outperformed other pupils at SA by a Progress 8 measure of 0.8 last year (not an atypical figure). Put another way, GS students achieve almost one grade better than expected in all their subjects at GCSE, even taking into account an above average start point.

Links to Pewsey Vale School

The College has a long standing link with Pewsey Vale School (PVS). Recent developments in this partnership are the involvement of Sixth Form pupils from the College mentoring younger pupils at PVS in Mathematics. Pupils chosen are around the threshold of a pass at GCSE, and the aim of the project is to maximise the number of PVS pupils who achieve the pass grade.

Darussafaka School

The College has a partnership with Darussafaka School in Istanbul, Turkey. This is a fullboarding school which recruits talented pupils from across Turkey, all of whom have lost one, or both, of their parents. All fees are met by fundraising. Under the terms of a memorandum of understanding the College undertakes to provide the following:

(i) An online 'cultural exchange' programme for pupils in (UK) Year 10. Darussafaka teaches Maths and Science lessons at KS4 in English, so the opportunity for pupils to develop their linguistic skills is greatly valued.

(ii) A Sixth Form bursary place has been made available for a suitable candidate who plans to move on to further education in an English speaking environment.

(iii) A placement for a STEM teacher has been agreed during the next Summer Term, so that they can develop their skills when teaching their subject in English.

Governance

Members of College staff (both teaching and non-teaching) currently hold 16 governorships of other schools. The majority of these (12) are in state schools. One teacher is Chair of Governors at two Secondary Schools in Slough, another is Chair of Governors at a local primary school.

Outreach (Community Service)

Every Monday or Wednesday afternoon during the Michaelmas and Lent Terms almost 300 pupils take part in a range of Outreach activities which provide a direct service to many aspects of the local community.

(i) Work in support of eighteen Primary Schools (Preshute, Kennet Valley, Burbage, St Mary's Marlborough, St Nicholas' Baydon, St Michael's Aldbourne, St Katherine's Savernake, Ramsbury, Great Bedwyn, Chilton Folliat, Oare, Ogbourne St George, Easton Royal, Broad Hinton, Beech Avenue – Swindon, Alton Close – Swindon, Nythe – Swindon, Nylands specialist school for pupils with SEMH needs - Swindon).

This includes: literacy work, help with PE lessons, Maths mentoring and mentoring of pupils who find school difficult or who benefit from further stretch and challenge.

(ii) Primary Club – in the Summer Term, when the College timetable prevents visits during the school day, pupils run an on-site after school club for up to 100 children from local primary schools.

(iii) Provision of after school Mandarin clubs in two local primary schools

(iv) Provision of after school Japanese club in a local primary school

(v) TWIN Science project – work to engage local primary school children in STEM, including on-site visits to the College's laboratories

(vi) Riding for the Disabled, based in Lambourn

(vii) River conservation – working with a local group, ARK (Action for the River Kennet)

(viii) Savernake Community Farm – pupils work in support of a project which envisages a community orchard and farm being created at Savernake Court Farm. Early work has involved tending to over 4000 young fruit trees to ensure that they establish well.

(ix) Beekeeping – pupils help to tend a number of hives around the College and their environs (mostly orchards)

(x) Wiltshire Search & Rescue – pupils support the dog handlers who work with this organisation by helping to provide live training scenarios for the animals being trained

(xi) Brimble Hill – Engaging with children with severe learning difficulties

(xii) Sports Leaders – pupils become accredited Sports Leaders and then help in primary schools

(xiii) Working with the elderly – pupils have visited care homes to provide concerts and Christmas carols. Additionally, we now partner with a local volunteer group (Marlborough LINK) and pupils visit elderly members of the local community who are on their own at home or resident in care homes.

(xiv) Marlborough Youth Club – pupils volunteer in support of this during the Summer Term and the College has also raised funds to support the club

(xv) Marlborough White Horse – restoration of the iconic chalk horse which sits above the town

Panathlon links

Since 2011, Marlborough College has hosted an annual regional Panathlon event. Panathlon is a national charity that provides sporting opportunities to over 17,000 young disabled people every year. It promotes inclusion in sport. Working in collaboration with both Panathlon and Wiltshire and Swindon Sport (WASP), the College has hosted over 300 young physically and mentally disabled children and trained over 50 of the College's pupils as Panathlon leaders. This resumed in November 2022 and is again an annual fixture.

Observatory

The Blackett Observatory continues to be known as the number one centre for delivering astronomical outreach in the South of England. The Observatory had well over a thousand visitors through the year 2023-24. The Observatory hosts groups from local schools, the Scouts, Cubs and Beavers, as well as the U3A and the W.I. There were three public open events held across the year at the Observatory. 552 Cubs, Scouts and school pupils enjoyed sessions at the Dome, including open days for members of the public and Observatory tours for attendees at the Marlborough College Summer School.

Since 2005, the Director of the Observatory has run the Outreach group 'Friends of the Marlborough Telescope', which has its own dedicated Observatory website (www.blackettobservatory.org) and offers events, lectures and monthly Q&A sessions as well as an annual social event.
Over the course of the year the Friends were incredibly active, with 243 attendees to observing events and over 100 attendees at two lectures. This year 17 Friends made the expedition to Kilpisjarvi in northern Finland for a highly successful three-day adventure in search of the Aurora Borealis.

The Blackett Observatory's relationship with the Marlborough Town Council and the North Wessex Downs (NWD) National Landscape blossomed through the year. Talks and an 'Astronomy Question Time' panel were given by Observatory staff in the Town Hall with over 200 attendees. Regular meetings are held with the Town Council and the NWD. The sky quality light monitoring project is well under way now, with volunteers from the Friends of the Marlborough Telescope gathering data each month to monitor light pollution across the NWD area.

Higher Education and Careers Department

Swindon Academy and Pewsey Vale School have online access to the bi-weekly Higher Education and Careers 'Insight' publication and, from November 2023, its accompanying 'Futures Directory'.

Both Swindon Academy and St John's, Marlborough are invited to attend the briefing we receive from an invited Oxbridge don every March and pupils applying to Oxbridge can have mock interviews from Marlborough College staff.

We are an 'open' ACT Test Centre offering the facility for US applicants to take pre-College standardised tests. It is a facility often used by local students applying for sports scholarships, soccer being the most common.

St John's and Swindon Academy pupils are invited to our Higher Education and Gap Fair in the summer, with the uptake being 20-30 pupils attending.

Music Department

The Music Department continues to offer a variety of different events for public benefit.

All major performances by College pupils are open to the public and members of the local community attend in good numbers. These concerts are offered free of charge. Additionally, leading music pupils gave a public performance at the Calne Music Festival, performed evensong at Salisbury Cathedral and Oxford Colleges and also supported various events in the town and local villages, such as Remembrance Services.

This year the Choral Society concert (which offers a collaboration between the town and the College), saw some 250 local singers perform in Chapel to an audience of approximately 300 residents of the town who were offered free tickets to the concert. A post-concert collection allows the Choral Society to fund the annual subscription for up to 20 talented young singers.

The Music Department continues to offer the opportunity for local state school pupils to join various ensembles at the College during the academic year - opportunities they may not otherwise enjoy. The College also allows use of its teaching facilities for members of the public who wish to take instrumental music lessons and coaching with any of our distinguished music teachers.

The renowned Marlborough College Concert Series, which promotes five concerts per season, also benefits from free use of the College's Memorial Hall, Steinway piano and the offer of covering some printing costs for the programme, which ensures the invitation of world class musicians to Marlborough can continue for the benefit of our local public.

Sporting Facilities

(i) The College's sports and other facilities are extensively used by local sports clubs and regularly by other organisations. Some of the sports include cricket, hockey, rugby, football, squash, tennis, fives, triathlon and athletics, and our facilities are used by various organisations such as Wiltshire Cricket, Wiltshire Hockey, Wiltshire Netball, South West Lacrosse, Hockey Wales, WASP (Wiltshire and Swindon sport), RFU, Bath Rugby, Fortitude Hockey and GoCrea8 Hockey and Swindon Town Football Club for their holiday coaching camps and courses. Wiltshire Army Cadet Force also make use of the College rifle range.

(ii) St John's Marlborough use the College's sports facilities on a regular basis at mutually convenient times. At present, the squash option in their Enrichment and After School activities programme is booked on the squash courts each week. They also use the athletics track for GCSE moderations whenever required.

(iii) The College hosts a number of Avon Primary Schools' sports festivals at various times of the year - these include netball, hockey, football, orienteering, athletics and multi-skills - and a number of local Primary Schools use the athletics track for their sports' days.

(iv) A number of local clubs (both competitive swimming clubs and local health clubs) make use of the College's swimming pool throughout the week.

(v) All charities, educational establishments and club junior sections pay a discounted rate for the use of College facilities and in some cases are offered their use free of charge.

(vi) One member of the College staff regularly coaches a junior team at Marlborough Hockey Club and another member is the Head Coach of the Men's and Women's senior teams. The hockey department also run a Wednesday Outreach programme for local Primary School pupils, which comprises coaching and tournament play. A further member of the College staff assists junior squash at Marlborough Squash Club.

Fundraising for Chosen Charities

Members of the College community raised approximately £170,000 during 2023/24 (2022/23: £75,000) for chosen charities through various whole school events and numerous boarding house, pupil and staff initiatives. £131k was raised for the Marlborough Difference Campaign for life-changing bursaries from a Whole School walk and £60k was raised by pupil-led initiatives for a further 18 charities.

In addition to the above, the College again hosted one of the Restless Development Schools triathlon events (the organisation raised £130,000 from the Marlborough College event alone). More than a hundred pupils and staff volunteer at the event.

Fundraising in aid of the College is done through the Marlborough College Foundation (the Foundation) charity and typically the College does not do any fundraising in its own right. Both the College and the Foundation are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice. In the current and prior year, the charities did not work with any third parties in delivering its fundraising. No complaints about fundraising were received in the year.

The pupil-led charities committee at MCM was able to raise £13,500 during 2023/24 through a wide range of projects and activities undertaken over the course of the year. These included drinks and bake sales, frugal lunches, "inside-out" day, Deepavali celebrations, zombie run, and teddy sales. The proceeds have yet to be allocated.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year ended 31 August 2024 include those of both Marlborough College and Marlborough College Malaysia (MCM) for the academic year 2023/24 as well as the subsidiaries, Marlborough College Enterprises Ltd and Marlborough College (Overseas) Ltd (dormant).

Consolidated net fee income increased by almost £6 million to £60.67 million, up from £55.4 million. The increase was due to a combination of factors:-

- an increase in pupil numbers: while there were static pupil numbers at the College from a billing perspective, there was another significant increase in pupil numbers (113 pupils) at MCM as the school continues to recover from the prolonged border closures during the pandemic and is now back up to pre-pandemic numbers; and
- annual fee increases in both schools.

This increase was in addition to an increase in bursary and scholarship funding at the College of more than £720,000 and a further £320,000 at MCM, with the emphasis on providing more accessibility to the Colleges. The increased funding for the College's bursaries is as a result of the generous donations to the Marlborough Difference Campaign for life-changing bursaries.

However, the consolidated net fee income is still not relatively back to pre-pandemic levels, when taking account of inflation, due to the significant decrease in pupil numbers at MCM as a direct result of the pandemic in early 2020 and the long lasting travel restrictions that were in place. Pupil numbers decreased from 953 in 2018/19 to 717 in 21/22, and were back up to an average of 894 for 23/24. The new 24/25 academic year has seen 962 pupils starting and future projections show MCM being at capacity (1,250) by 2030, if not before.

There were also positive movements on the total surplus as a result of the following factors:-

- substantial net investment gains of more than £2.4 million related to restricted funds for bursaries, which is in contrast to almost £700,000 of net losses in the prior year plus an increase of investment income of almost £600,000 due to a full year of investment activity from the new Curgenven fund;
- £2.5 million of donations during the year by the College; largely towards bursary awards but £1 million of which was received from the Marlborough College Foundation towards the ongoing Science & Innovation project; and
- increased profitability from the Summer School courses run at the College.

There was also increased expenditure for both Colleges due to the high levels of cost inflation, plus the costs associated with increased pupil numbers in MCM and a continued catch up on maintenance expenditure following COVID at the UK campus. The creditors balance also increased during the year due to the increased number of parents paying into the long-established fees in advance scheme, which still does not offer a discount.

The overall surplus has reduced compared to the prior year but this is only as a result of a couple of one-off very generous donations to the College in the prior year:-

- £10 million received as a restricted legacy donation towards Cornish bursaries (the Curgenven Fund) following the sale of an estate that the College had a beneficial interest in;
- £3.7 million received from Marlborough College Foundation in relation to donations received towards the ambitious Science and Innovation project, which is now in its final phase.

A total of £10.2 million was committed to capital expenditure during the year, £8.8 million of which took place in the UK. This was in line with the budgeted £10.3 million total across both campuses.

This on-going significant level of investment in the UK estate resulted in a cash deficit for the College for the year of £628,000 (PY: a cash deficit of £624,000).

Significant Events

While there were no significant events during the year, in the prior year the College received a one-off £13.7 million of donations mentioned above. Following the change of UK Government in the summer resulting in the imminent implementation of VAT on school fees coupled with the increase in the National Living Wage and the unexpected increases to employer's national insurance contributions from next April the College has reforecast its financial outturn for the coming year looking at ways to increase other revenue sources coupled with redoubling efforts to find further cost efficiencies to reduce the net impact to the College.

INVESTMENT POLICY AND PERFORMANCE

The College's investments are managed by Rathbones Investment Management Ltd and overseen by the Investment Committee. The investment managers have discretion in the management of the portfolio. The investment policy is total return accounting, with the overall objective to increase the fund's value in line with fee inflation and provide up to CPI+3-4% for draw down in support of bursaries.

The investments consistently either meet or exceed the benchmark set over the longer term, with unprecedented investment gains (realised and unrealised) in 2020/21. Following the prior year's underperformance against benchmark (2.2% vs 7.9% respectively) due to the investments being impacted by the ongoing war in Ukraine, the consequential 'cost of living crisis' with spiralling inflation and supply concerns, the performance was much nearer to the benchmark again for the year ending 31 August 2024. The composite benchmark was a positive 10.7% total return (net of fees) whereas the College's consolidated portfolio was a positive 9.1% total return. There were investment gains of £2.4 million (2023: losses of £0.68 million), which positively impacted the Group's overall surplus during the year.

RESERVES POLICY

At 31 August 2024, the Group held increased total funds of £124.9 million (2023: £118.3 million). Of the total funds, £23.8 million (2023: £21.4 million) related to restricted and endowed funds and the purpose of these funds is explained in Notes 17 and 18 to the accounts. The Council implements total return accounting for the endowed funds, which permits more of the endowed funds to be granted if required and this adoption is shown in more detail in Note 15. The principles of the policy were also applied to all of the invested College Fund and new Curgenven Fund, which combined totalled £25.2 million at year end.

The College also holds designated funds of £1.52 million (2023: £1.37 million), which were originally set up to allocate donations of a general purpose towards designated purposes as approved by Council. The purpose of each fund is described in Note 16. In addition to this, activities in relation to Malaysia are shown separately as a fund within the accounts.

The Group holds unrestricted general reserves of £99.2 million (2023: £94.9 million). The value of these reserves is more than exceeded by the value of tangible fixed assets at £152.4 million (2023: £147.0 million), which means that the Group has no free reserves (2023: nil). This is due to the long-term investment in buildings as part of the College's development plan which envisages significant further capital expenditure. The Council continues to be satisfied that external financial facilities, including a £5 million revolving credit facility, provide an acceptable level of support and the asset base includes property which can be realised to support the College's capital programme should it be required.

The management of funding and working capital is monitored by the Colleges' Finance Committees on a regular basis and a number of funding streams are being identified to support the capital requirements for the short and medium term.

The Councils of both Colleges ('the Councils') are satisfied that the Colleges have sufficient working capital. They have reviewed the long term plans for working capital to ensure there will be sufficient funds should they be required in the future for unforeseen situations such as the Covid pandemic as well as the imminent impact in the UK of the implementation of VAT on fees, the loss of business rates relief and the additional costs as a result of the new budget. This policy is monitored by the Colleges' Finance Committees and reviewed at least termly.

These factors have been considered with regards to updating forecasts and the Council considers that the going concern basis remains appropriate having taken account of the above factors for the preparation of the College's accounts. MCM's Council has reviewed the school's operating and financial position and following the restructure to their Initial Lease Term with the Lessors consider that the going concern basis remains appropriate.

RISK MANAGEMENT

The major risks to which the Colleges are exposed, as identified by the Councils, have been reviewed and systems have been established to mitigate those risks, wherever possible. This is an on-going process and the Councils review and update the risk management process at least annually.

The principal risks and uncertainties identified by the Colleges include the following:-

- affordability of fees by parents across the independent school sector particularly in light of the impending VAT being chargeable on fees and all relevant extras in the UK;
- future demand for independent education and particularly boarding education, largely driven by the above changes;
- (future) governments change the law to remove further (charitable) tax breaks (in the UK);
- failure to safeguard the wellbeing and security of pupils and staff;

- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside of the Colleges' control, such as changes in legislation and pension contributions; the financial and social impacts of another (global) pandemic;
- environmental issues create an increased financial burden, particularly when there are limited changes that can be made in some areas due to the age and listing status of some of the (UK) estate; and
- one risk specific to MCM is the reduction of expatriate professionals in the ASEAN region as a result of the pandemic. This has led MCM to cast its pupil recruitment net wider to attract local pupils in a number of countries who are interested in a holistic British education.

The risk of the independent schools in the UK losing their educational exemption from having to charge VAT has become a reality and following continuous scenario planning, the College continues to look for ways to mitigate this financial impact whilst trying to limit the impact to parents as well. This includes continued review of the College's running costs as well as ways to grow non-fee income.

Although the College is still very near capacity, the recent pandemic impacted MCM's pupil numbers but the forecasts are looking very positive and pupil numbers are almost back up and on track to surpass pre-pandemic numbers in the next year.

The Councils for both schools continue to carefully monitor fee increases in the future to enable accessibility but at the same time to ensure that the highest standards are maintained in both Colleges. The College is also looking at contingency planning should further tax changes be introduced.

There is also the ongoing risk to remove independent schools' charitable status in the UK, amongst other risks. The College is committed to improving support to other schools and improving accessibility to the education provided at the College, with ambitious targets being set to try and achieve increased bursary awards via the Development Office. Should the charitable status be removed it could impact the amount the College is able to do in these areas.

The safeguarding of children is an extremely important area for risk management. Organisations which work with children have a critical role to play in preventing, identifying and reporting cases of safeguarding concern. Both Colleges aim to mitigate these risks by paying particular attention to the training of staff and other individuals associated with the organisation about how to identify signs of safeguarding concern, educating the pupils appropriately, implementing robust safer recruitment policies, adopting clear procedures for reporting and recording concerns, and implementing a strong culture of pastoral care within the Colleges. Health and Safety is a significant area for risk management. The risks range from fire and infrastructure to personal risks. The level and breadth of activity at the Colleges is notable and the risks associated with all activities are managed by thorough planning and risk assessment.

The risk management process identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The key controls used by the Colleges to minimise risk include:-

- policies and vetting procedures, including Safer Recruitment, as required by law for the protection of children;
- formal agendas for the Councils and all Committee meetings, including an annual review of risk management;
- detailed terms of reference for all Committees;
- strategic development planning reviewed annually by the Councils;
- comprehensive budgeting and management accounting;
- external auditors' review including of controls, policies and procedures;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels; and
- expert advice and support from the various professional support teams including Finance, HR, Operations, Health and Safety, and Admissions as well as from qualified and experienced academic staff with dedicated responsibility for safeguarding and pastoral care.

The Councils regularly review the effectiveness of current plans and strategies for managing all identified major risks for both the Colleges and their subsidiaries.

Through their risk management processes, the Councils are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

FUTURE PLANS

The College

The College's mission continues to be to deliver the best independent, co-educational, full boarding education in the UK and to be recognised for this globally. The Marlborough we envisage will be a leading, outward looking and inclusive school where children with potential are given the opportunity to make a difference. Key programmes of future work include:

- A pioneering academic strategy to build on the College's continuing academic success of the past five years;
- Continuation of the College's bold and sustainable Campus Master Development Plan, including conservation of the heritage assets and natural landscape;
- Continuing to increase accessibility via the ambitious bursary fundraising campaign, The Marlborough Difference, which was launched in April 2023. The Campaign is aiming to raise £75m in order to reach 100 free places in the College. The Campaign has started positively with £27m raised to date and 47 pupils on full bursaries, an increase from 44 in the prior year;
- Completion of the refurbishment of the Science Buildings, with the final phase due for completion in December 2025;
- Continuation of the College's boarding house refurbishment programme;
- Investigating new opportunities to continue to develop the College's brand;
- Continuing to grow non-fee income through the College's subsidiaries and associated charities to increase funding for bursaries, renovation works combined with conservational improvements and to further public benefit; and
- Continuing to look for ways to mitigate the impending impact of VAT on school fees along with the unexpected increase in the employer's national insurance contributions especially given that two thirds of the College's expenditure is salary costs.

MCM

MCM welcomed its new Master in August 2023 and will continue its mission to be the best independent, co-educational day and boarding school in Malaysia.

At the end of 2023/24 academic year the College invested in a full refurbishment of its Senior School classrooms, refurbishment of two boarding houses, and the construction of two adventure play areas for the Prep School and Pre-Prep School. The College reopened two junior boarding houses (Iskandar and Taylor) in August 2024.

MCM has engaged the services of a firm of architects, following a design competition, to commence with the design of a new purpose-built Sixth-Form centre, a New Marlburian.

STRUCTURE GOVERNANCE AND MANAGEMENT

Status and Administration

The College is an Educational Charity (no. 309486) incorporated by Royal Charter. Its constitution is contained in its Charter and Bye-laws.

The Trustees of the College constitutes the Council. The Council members, key staff and advisors are set out on pages 2 to 4.

The Governing Body

The College's elected members of Council are appointed at the Annual General Meeting of the Council on the recommendation of the Nominations Committee. Members of Council are appointed for three years and are eligible for re-appointment but do not normally serve for more than six years in total.

The Chairman is exempt from the above and is appointed for three years. After the initial term the Chairman is eligible for re-appointment for a further term of three years.

Recruitment, Induction and Training of Members of Council

The Nominations Committee, in making recommendations for the appointment of new members of Council, has particular regard to the personal competence, experience and specialist skills of potential candidates. In filling vacancies on the Council, consideration is also given to the skills required to complement those of existing members.

New members of Council are inducted into the workings of the College and there is a comprehensive programme of induction and ongoing training. This includes a day at the College, the purpose of which is to meet the Master and members of staff. The visit also includes a tour of the College and the opportunity to meet some of the pupils. New members of Council receive a pack of documents and information, including the AGBIS Guidelines for Governors.

Members of Council receive organised training briefings from professional bodies when appropriate, as well as invitations to attend seminars and presentations.

Organisation

The Charter and Bye-Laws require that the rights, powers, duties and functions vested in the Council are to be exercised by the Council Members on its behalf. Accordingly, the Council has the power to decide matters of College policy and to make major decisions affecting the affairs of the College. It is specifically required to determine the tuition fees and to take responsibility for the College's assets.

To enable matters to be considered in detail prior to meetings of the full Council, a Finance Committee, a Nominations Committee, a Buildings Committee, an Academic Committee, a Development Committee, a Health & Wellbeing Committee and an Investment Committee have been established and they each meet at least three times a year. A Remuneration Committee has also been established, which usually meets once a year.

Implementation of the Council's decisions is the responsibility of the Master.

Mindful of the Charity Governance Code, the College continues to review its processes and procedures to ensure the best possible governance. Following an initial review of governance last year there have been various new initiatives and this will be developed further in the future.

Key Management Personnel

The key management personnel are considered to be the Council, the Master, the Senior Management Team and the Bursarial Team from the College along with the International Council members, the Master and the Bursar from Marlborough College Malaysia (MCM).

Council members give of their time freely and no Council member received remuneration in the year. Details of Council members' expenses and related party transactions are disclosed in Note 4 and Note 22 respectively to the accounts.

The pay of the key management personnel and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, benchmarks are made against pay levels in other comparable independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

The remuneration of the most senior members of the key management personnel is set by the Remuneration Committee. The objectives of the remuneration policy is to provide appropriate incentives to encourage enhanced performance and to reward fairly and responsibly individual contributions to the success of both Colleges.

Related Entities

Details of connected charities and subsidiary companies are disclosed in Notes 7 and 21 of the financial statements.

Subsidiary Companies

Marlborough College Overseas Limited
Marlborough College Overseas Limited is a subsidiary of Marlborough College and is currently dormant. It has one subsidiary, M East Sdn Bhd, a company registered in Malaysia. M East operates Marlborough College Malaysia (MCM), a school based in the Iskandar region of Malaysia.

Marlborough College International Limited
Marlborough College International Limited is a subsidiary of Marlborough College and is currently dormant.

Marlborough College Enterprises Limited
Marlborough College Enterprises Limited (MCEL) provides a vehicle for the College's non-educational trading and for additional revenue-generating activities. The Company makes a gift aid donation of its profits to the College under deed of covenant. In 2024, the donation was £221,284 (2023: £214,641).

Connected Charities

The Marlborough College Foundation
The objects of the Marlborough College Foundation ("the Foundation") (registered as an Educational Charity No: 1061798), are set out in a Trust deed dated 4 June 1956. Marlborough College does not control the Foundation, and its accounts are therefore not consolidated into the Group accounts of the College.

The main objectives of the Foundation are to provide long-term support to the College by accumulating an endowment fund for bursaries and to act as custodians for money raised to assist with individual capital projects and annual bursary awards. The Foundation does not fundraise directly as this is undertaken by the College's Development Department.

The Marlburian Club
Founded in 1884, The Marlburian Club represents the interests of its Members with further details set out in the Club's Constitution and Rules. Club members are Old Marlburians, ex-pupils of the College who paid a life subscription to the Club. The College does not control the Club, and its accounts are therefore not consolidated into the Group accounts of the College.

The Marlburian Club Charitable Fund
The objects of the Marlburian Club Charitable Fund ("MCCF") (registered as a Charity No: 1063749), are set out in the 1997 revision to the constitution of the Trust approved by the Charity Commission. Marlborough College does not control MCCF, and its accounts are therefore not consolidated into the Group accounts of the College.

MARLBOROUGH COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Council is responsible for preparing the Council's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Practice). The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the Group and of the net movement in funds, including the income and expenditure, of the Group and the College for that year. In preparing these financial statements, the Council are required to:

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

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College and enable the Council to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other applicable laws. The Council is responsible for safeguarding the assets of the Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Crowe U.K. LLP, will be submitted to the Annual General Meeting.

Marlborough College
Wiltshire
SN8 1PA

By order of the Council

Date: 21 June 2025

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2024 which comprise the consolidated Statement of Financial Activities, the consolidated and charity Balance Sheets, the Group Cashflow Statement and the related notes to the financial statements, including 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 Group's and of the parent charity's affairs as at 31 August 2024 and of the Group's 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's 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 charity'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 Council with respect to going concern are described in the relevant sections of this report.

Other information

Council are responsible for the other information contained within the annual report. 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 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Council's report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Council

As explained more fully in the Council's Responsibilities statement, set out on page 21, Council 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 Council 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, Council are responsible for assessing the Group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risk of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within the charity and Group 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 Charities Act 2011, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statement but compliance with might be fundamental to the charitable company's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management, and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within bursaries, scholarships and other discounts, and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, designing audit procedures over fee concessions, discounts, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

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 out audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP.

Crowe U.K. LLP

Statutory Auditor
4th Floor
St James House
St James Square
Cheltenham
GL50 3PR

Date: 24 June 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MARLBOROUGH COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Total 2024 £'000	Restated Total 2023 £'000
Income and endowments from:							
Charitable activities							
School fees	1	43,864	16,808	-	-	60,672	55,450
Summer School		1,621	-	204	-	1,825	1,572
Other activities							
Trading Income		1,124	175	-	-	1,299	1,335
Other Income	2	2,588	2,199	250	-	5,037	4,150
Donations, grants and legacies		13	-	4	2,507	2,524	15,329
Investments		807	419	77	654	1,957	1,314
Total income		50,017	19,601	535	3,161	73,314	79,150
Expenditure on:							
Raising funds							
Trading costs		796	181	-	-	977	910
Financing costs		950	2,957	7	-	3,914	4,154
Marketing and fund raising		1,100	196	-	8	1,304	1,326
Investment management		-	-	6	54	60	61
		2,846	3,334	13	62	6,255	6,451
Charitable activities							
College operating costs:							
Teaching costs		17,681	8,015	-	3	25,699	24,090
Summer School expenses		1,621	-	-	-	1,621	1,473
Welfare costs		7,096	1,414	-	68	8,578	8,057
Premises costs		10,585	2,713	-	39	13,337	12,642
Support costs		3,201	2,606	-	-	5,807	6,097
Grants, awards and prizes		-	-	458	1,652	2,110	1,799
Depreciation		4,056	1,709	-	-	5,765	5,640
		44,240	16,457	458	1,762	62,917	59,798
Total expenditure	3	47,086	19,791	471	1,824	69,172	66,249
Net income/(expenditure) before investment gains		2,931	(190)	64	1,337	4,142	12,901
Net gains/(losses) on investments		-	-	210	2,229	2,439	(686)
Net income/(expenditure)		2,931	(190)	274	3,566	6,581	12,215
Transfers between funds	14	1,296	-	(125)	(1,171)	-	-
Revaluation of other investment assets		35	-	-	-	35	72
Exchange losses		(36)	20	-	-	(16)	(323)
Re-measurement of Pension Deficit		94	-	-	-	94	369
NET MOVEMENT IN FUNDS		4,320	(170)	149	2,395	6,694	12,333
Fund balances at 31 August 2023		94,930	613	1,367	21,369	118,279	105,946
Fund balances at 31 August 2024		**99,250**	**443**	**1,516**	**23,764**	**124,973**	**118,279**

Full comparatives for the Statement of Financial Activities are shown in Note 24 on page 52.

MARLBOROUGH COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2024

	Notes	Group		College	
		2024 £'000	Restated 2023 £'000	2024 £'000	2023 £'000
FIXED ASSETS					
Tangible	6	152,360	147,046	125,952	121,185
Investments	8	28,109	25,869	28,233	25,993
		180,469	172,915	154,185	147,178
DEBTORS DUE IN MORE THAN ONE YEAR					
Deferred Tax Asset	5	957	924	-	-
CURRENT ASSETS					
Listed investments	8	2,208	2,094	2,208	2,094
Stock		443	574	81	79
Debtors	9	5,198	4,055	2,171	3,158
Cash at bank and in hand		43,589	23,766	29,226	11,099
		51,438	30,489	33,686	16,430
Less: Creditors - Amounts falling due within one year	10	(29,994)	(23,412)	(19,363)	(14,700)
Net current assets		21,444	7,077	14,323	1,730
		202,870	180,916	168,508	148,908
Creditors - Amounts falling due after one year	11	(77,897)	(62,637)	(44,038)	(31,328)
NET ASSETS		124,973	118,279	124,470	117,580
REPRESENTED BY:					
Unrestricted Funds	13	101,209	96,910	100,706	96,211
Restricted Funds	17	11,322	10,079	11,322	10,079
Endowed Funds	18	12,442	11,290	12,442	11,290
	12	124,973	118,279	124,470	117,580

These financial statements were approved by the Council.

..... - Chair of Finance Committee

21 June 2025

..... - Date

The accompanying notes are an integral part of these financial statements.

MARLBOROUGH COLLEGE

CASH FLOW STATEMENT (Group)

	2024		2023 - Restated	
	£'000	£'000	£'000	£'000
Reconciliation of net income to net cash flow from operating activities				
Net income per Statement of Financial Activities	6,530		12,215	
Depreciation charges & Impairment	5,797		5,640	
Amortisation cost for refundable deposits	(239)		(538)	
Gain on sale of tangible fixed assets	(59)		(29)	
Bank interest and investment income	(1,956)		(1,314)	
Net gain on investments	(2,439)		686	
Interest payable	1,585		1,472	
(Increase)/Decrease in stock	139		(43)	
(Increase)/Decrease in debtors	(144)		(778)	
Increase/(Decrease) in creditors	18,537		4,246	
Increase/(Decrease) in lease creditors	1,971		2,124	
Operating lease payment	(861)		(765)	
Tax charge for the year (M East)	597		1,096	
Tax paid in the year (M East)	(437)		(80)	
Net cash provided by operating activities		**29,021**		**23,932**
Cash flows from investing activities				
Bank interest and investment income	1,956		1,314	
Purchase of tangible fixed assets	(10,162)		(9,904)	
Proceeds from sale of tangible fixed assets	65		29	
Purchase of investments	(13,781)		(7,786)	
Proceeds from sale of investments	6,792		4,566	
Purchase of government securities and corporate bonds	-		(30)	
Proceeds from sale of government securities and corporate bonds	-		1	
Net cash used in investing activities		**(15,130)**		**(11,812)**
Cash flows from financing activities				
Interest payable	(1,583)		(1,472)	
Capital repayment on lease creditors	(166)		(103)	
Net cash used in financing activities		**(1,749)**		**(1,575)**
Change in cash and cash equivalents in the reporting period		12,142		10,545
Foreign exchange movements		514		(1,403)
Cash and cash equivalents at the beginning of the reporting period		32,356		23,214
Cash and cash equivalents at the end of the reporting period		**45,012**		**32,356**
Analysis of cash and cash equivalents				
Cash at bank and in hand		43,589		23,766
Uninvested cash included in investments		1,423		8,590
Total cash and cash equivalents:		**£45,012**		**£32,356**

An analysis of net debt is included in Note 23.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and the Statement of Recommended Practice (SORP(FRS102)) 'Accounting and Reporting by Charities' effective 1 January 2019 and the Charities Act 2011. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities that prepare their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2015 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Marlborough College meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The presentation currency is pound sterling while the subsidiary of Marlborough College Overseas Limited, M East Sdn Bhd, a company registered in Malaysia and which operates the school Marlborough College Malaysia (MCM), whose functional currency is Malaysian ringgits. The accounts are rounded to the nearest thousand.

b) Going concern

The Council considers there are no material uncertainties about the Group's financial viability and hence its ability to continue as a going concern. The review of the financial position, reserves levels and future plans gives Trustees confidence the Group remains a going concern for the foreseeable future. In particular, conservative cashflow modelling with sensitivity analysis including the implementation of VAT on school fees indicates that the cash reserves of the UK charity are adequate to meet the obligations as they fall due. Accordingly the Council believe that the Colleges' financial resources are sufficient to ensure that both Colleges, and the Group as a whole, will continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and have therefore prepared the financial statements on a going concern basis.

c) Critical accounting judgements and estimates

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the College's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements 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.

Certain long term liabilities, including overseas deposits and entrance deposits, have not been discounted on the grounds that the impact of discounting is considered to be immaterial to the financial statements. Where the impact is material, specifically in relation to MCM entrance deposits, the liabilities have been discounted.

Deferred tax assets

Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Impairment of Property and Equipment

The Colleges' assess whether there is any indication that property and equipment are impaired at the end of each reporting period. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units).

d) Fees and similar income

Fees receivable and charges for services are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College, and include contributions received from Associated Funds for Scholarships, Bursaries and other grants.

e) Summer School and the School of English and Culture

The courses take place in the months of July and August each year. Income and expenditure relating to the Summer School and the School of English and Culture is reflected in the year the courses take place and is referred to as "Summer School".

f) Donations, gifts and legacies

Donations are recognised as income on receipt of funds. If received for the general purposes of the College they are credited to College funds. Where the Council designates donations for special purposes they are credited to designated funds, to distinguish them from direct school income. Donations subject to specific wishes of the donors are credited to relevant restricted funds, or to endowed funds, where the capital is permanent.

Legacies are recognised as income on receipt of funds or when entitlement of receipt by the Foundation is measurable and considered probable. Entitlement is taken to be the earlier date of the College being notified of an impending distribution following settlement of the estate or the legacy being received.

g) Expenditure

Expenditure is accounted for on an accruals basis when there is a legal and constructive obligation to make a payment to a third party and the amount can be measured reliably.

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. Support costs include expenses which enable charitable activities and fund generating to be undertaken. Governance costs include expenditure on management and compliance with constitutional and statutory requirements.

h) Leases

The Colleges' rentals paid under operating leases, in which substantially all the risks and rewards of ownership are retained by the lessor, are charged to income on a straight line basis over the lease term.

MCM's leases of assets where they assume substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as land and buildings and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the Statement of Financial Activities on a basis that reflects a constant periodic rate of interest on the finance lease liability.

i) Financial instruments

Both Colleges have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

MCM also has debt instruments that are classified as current assets or current liabilities and are measured at the undiscounted amount of cash or other consideration expected to be paid or received. Other debt instruments are measured at amortised cost using the effective interest method.

j) Tangible fixed assets

The College land and buildings in existence at 1 July 1999 were valued by the Council on the following basis:

- Specialised buildings were valued using depreciated replacement cost. Specialised buildings are buildings such as schools, "where there is no competing market demand from other organisations using these types of property in the locality" and are therefore rarely sold on the open market for single occupation for a continuation of their existing use, except as part of a sale of the business in occupation. Acquisitions of specialised buildings subsequent to 1 July 1999 are capitalised and subsequently depreciated in accordance with the College's normal accounting policies, as set out below (page 29).

- Non-specialised buildings were valued at existing use value. Non-specialised buildings include residential buildings outside the College campus and shops.

- Land related to specialised buildings were valued on an agricultural value basis.

- Land relating to non-specialised buildings were valued at open market value.

The College does not intend to adopt a policy of revaluation. Thus the buildings valuations at 1 July 1999 are frozen subject to any adjustments necessary resulting from an impairment review.

j) Tangible fixed assets (continued)

Vehicles and other items of equipment with an individual purchase price of £1,000 or above and a useful economic life of two years or more are capitalised, whereas all IT equipment is capitalised.

Depreciation for the Group is provided to write off the cost or valuation, less estimated residual value, of all fixed assets, except freehold land, over their expected useful lives.

The rates of depreciation are as follows:

Buildings:	
Buildings	10 to 50 years
Building services and fixtures	10 years
Building renovations	15 to 25 years
Leasehold buildings	based on remaining lease term of 30 years up to 2042
Computers	3-4 years
Equipment	5 years
Fixtures and Furniture	5 to 10 years
Motor Vehicles	4 years

k) Fixed asset and current asset investments

Listed investments held as fixed or current assets are included in the financial statements at market value.

The fixed asset listed investments are known as "The College Funds" and include monies invested by Designated, Restricted and Endowed funds. These funds are allocated with units which establish their proportion of the overall investment pool. The transactions relating to the consolidated investment pool are then shared out between the funds on a unit basis.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Investment properties consist of agricultural land and commercial and retail properties. They are included in the financial statements at their open market value as estimated by professional valuers annually.

l) Stock

Stock is valued at the lower of cost and net realisable value.

m) Debtors

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

n) Cash at bank and in hand

Cash at bank and cash 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.

o) Creditors and provisions

Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Long term liabilities are discounted where the impact is material.

p) Funds

The Statement of Financial Activities is analysed between Unrestricted College Funds, Unrestricted Designated Funds, Restricted Funds and Endowed Funds. The purpose and accounting treatment of these funds are explained further in Notes 13 to 18.

q) Consolidation

The Group financial statements represent the activities of the College consolidated with:-

- Marlborough College Enterprises Ltd (MCEL); and
- Marlborough College Overseas Limited, which incorporates its subsidiaries:-
  - M East Sdn Bhd (which runs Marlborough College Malaysia school (MCM)); and
  - Taska M East Sdn Bhd (which runs the nursery element of MCM).

Consolidated financial statements have been prepared for the College and its wholly owned subsidiaries. The turnover and expenditure of the subsidiaries are included within the consolidated statement of financial activities. The assets and liabilities of the subsidiaries are included on a line-by-line basis in the consolidated balance sheet in accordance with FRS102 section 9 – consolidated and separate financial statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising from intra-group transactions are eliminated in the consolidated Statement of Financial Activities. Where any differences arise between United Kingdom Generally Accepted Accounting Principles (UK GAAP) and Malaysian Generally Accepted Accounting Principles, on consolidation UK GAAP has been followed. The College has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement within the consolidated financial statements.

r) Employee benefits

Pension costs

The College contributes to the Teachers' Pension Scheme at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. For the purposes of complying with relevant accounting standards, the Teachers' Pension Scheme is accounted for as a defined contribution scheme as the charity is not responsible for, or entitled to receive benefit for any surplus or deficit of the scheme. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

The College participated in two of The Pensions Trust (TPT) schemes that were multi-employer defined benefit schemes: the Independent Schools' Pension Scheme and the Growth Plan, with both being closed in October 2022. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Schemes are multi-employer schemes where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets. However, the College has been advised by the Pensions Trust as to the deficit repayments due in relation to the schemes. Therefore, in line with the requirements of FRS 102, the College recognises a creditor for the discounted present value of the deficit contributions due to the scheme, which will continue for the next few years even though the schemes have been closed.

The College also contributed to The Pensions Trust Flexible Retirement Plan, which was closed to existing members in October 2022. The College now contributes to the Marlborough College Pension Scheme, also a defined contribution scheme and the Independent Schools' Pension Scheme – Defined Contribution Scheme, both with rates set by the College. Salary sacrifice for pensions was introduced with the new defined contribution schemes to members.

The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

MCM's pension benefit schemes comprise a defined contribution plan: a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the year in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

s) Foreign currency translation

The College's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

t) Legal status

The College is incorporated by Royal Charter and registered as an Educational Charity (No. 309486). Its constitution is contained in its Charter and Bye-laws. Its principal address is shown on Page 3.

1. FEES RECEIVABLE

	2024		2023 - Restated	
	£'000	£'000	£'000	£'000
Full fees for pupils at the Schools	65,571			59,631
		65,571		59,631
Less: Deductions				
Scholarships	300		357	
Bursaries and other deductions	6,401		5,362	
		(6,701)		(5,719)
		58,870		53,912
Add back: scholarships, grants etc paid by restricted funds		1,344		994
Add back: scholarships, grants etc paid by designated funds		458		544
Receivable by the Schools		60,672		55,450

The 2023 figures have been restated to show the bursaries and scholarships funded by the designated and restricted funds.

2. OTHER INCOME

	2024 £'000	Restated 2023 £'000
Registration and acceptance fees	846	544
Rental income	102	101
Miscellaneous	603	315
Charges for extras including school trips	3,427	3,161
Gain on disposal of tangible fixed assets	59	29
	5,037	4,150

The 2023 figures have been restated to show the breakdown of income for school trips and extras that had previously been netted back within expenditure.

3. ANALYSIS OF TOTAL EXPENDITURE

2024	Staff costs £'000	Other direct costs £'000	2024 Total £'000
Costs of raising funds			
Trading costs	371	606	977
Finance costs	-	3,914	3,914
Marketing and fundraising	463	841	1,304
Investment management	-	60	60
Charitable activities			
College operating costs:			
Teaching costs	19,449	6,250	25,699
Summer School expenses	616	1,005	1,621
Welfare costs	5,454	3,124	8,578
Premises costs	2,776	10,561	13,337
Support costs	2,895	2,912	5,807
Grants, awards and prizes	-	2,110	2,110
Depreciation and impairment	-	5,765	5,765
	32,024	37,148	69,172

All costs included above are direct costs of each activity. The full comparatives and the support costs of running the Group are shown on pages 32 and 33.

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2023	Staff Costs £'000	Other direct Costs £'000	Restated 2023 Total £'000
Costs of raising funds			
Trading costs	370	540	910
Finance costs	-	4,154	4,154
Marketing and fundraising	464	862	1,326
Investment management	-	61	61
Charitable activities			
College operating costs:			
Teaching costs	18,768	5,322	24,090
Summer School expenses	555	918	1,473
Welfare costs	4,906	3,151	8,057
Premises costs	2,806	9,836	12,642
Support costs	2,856	3,241	6,097
Grants, awards and prizes	-	1,799	1,799
Depreciation and impairment	-	5,640	5,640
	30,725	35,524	66,249

The figure for Grants, awards and prizes has been restated to account for the reclassification of negative funds to expenditure as a result of charitable activities. In addition, the Teaching costs have been restated to include the actual costs of school trips and extras that had previously been netted off with income against the expenditure.

	2024 £'000	2023 £'000
Support Costs		
Administrative salaries	2,895	2,856
Office costs	1,282	1,163
Professional fees	1,130	749
Other administrative costs	347	1,169
Governance costs	153	160
	5,807	6,097

4. EXPENDITURE

	2024 £'000	Restated 2023 £'000
Expenditure includes:		
Equipment rental	309	280
Depreciation	5,765	5,640
Auditors' remuneration	53	46
Non-audit service fees	7	6
Fees paid to subsidiary auditors	17	17
Council members' expenses reimbursed	35	41
Council members' liability insurance	27	15
Staff Costs		
Wages and salaries	26,110	25,387
Social security costs	2,195	2,026
Other pension costs	3,512	3,165
Redundancy costs	207	147
	32,024	30,725

Employees numbers during the year were:	2024 Ave. Nos	2023 Ave Nos	2024 FTE Nos	2023 FTE Nos
Teaching staff	272	269	285	263
Teaching Support staff	168	144	107	98
Non-teaching staff	466	453	367	365
Trading activities	9	11	6	7
	915	877	765	733

The number of higher paid employees was:	2024 Nos	2023 Nos
Taxable emoluments band:		
£60,000 - £70,000	56	49
£70,001 - £80,000	35	41
£80,001 - £90,000	13	14
£90,001 - £100,000	8	4
£100,001 - £110,000	2	1
£110,001 - £120,000	1	1
£120,001 - £130,000	2	2
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1
£180,001 - £190,000	1	-
£190,001 - £200,000	-	1
£260,001 - £270,000	-	1
£300,001 - £310,000	1	-

The total employee benefits received by key management personnel in the year ended 31 August 2024 were £3,179,781 (2023: £3,322,131).

4. EXPENDITURE (continued)

Pension Schemes

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff on a Phased Withdrawal basis. It was closed to new teachers from 31 August 2022. From 1 January 2023 existing teachers were given the option to move to the Marlborough College Pension scheme, a defined contribution scheme, or remain in the TPS with a variation to their salary and future contributions. The pension charge for the year includes contributions payable to the TPS of £1,448,854 (2023: £1,642,980) and at the year-end £163,012 (2023 - £165,407) 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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Independent Schools' Pension Scheme – Defined Benefit Scheme

This scheme closed to all existing active members in October 2022 due to the increased costs of running such a scheme.

There is still a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in an Independent Schools' Pension Scheme or the Scheme winding up. Marlborough College has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2023. As of this date the estimated employer debt was £8.94m (2023: £11.24m). This amount is not provided for in the accounts.

This pension scheme is a collective defined benefit scheme under section 28 of FRS 102. Accordingly contributions have been accounted for as they fall due as if it was a defined contribution scheme, except for the recognition of a creditor for deficit contributions which has been notified to the College, which will continue despite the scheme being closed to existing members. As required by FRS 102, the discounted present value of deficit contributions notified to the College has been included in creditors. As shown in Notes 10 and 11, a total of £2,435,000 was included in creditors at 31 August 2024 (2023: £2,529,000).

The commitment to make contributions to the scheme in the year was £332,884 (2023: £436,416).

Contributions totalling £29,235 (2023: £29,468) were payable to pension schemes at the year end.

The Growth Plan – Defined Benefit Scheme

The Growth Plan, also operated by The Pensions Trust, which allowed AVC payments, was also closed to all existing active members in October 2022. As with the ISPS, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt on withdrawal was valued at £51,619 as at 31 October 2022 and this was paid by the College at which point the College ceased to participate in the plan and the College has no further liabilities in relation to this pension scheme.

ISPS Deficit	2024 £'000	2023 £'000
Provision at start of period	2,529	2,884
Unwinding of the discount factor (interest expense)	137	117
Deficit contribution paid	(325)	(316)
Remeasurements – impact of any change in assumptions	94	(156)
Remeasurements – amendments to the contribution schedule	-	-
Provision at end of period	2,435	2,529

Marlborough College Pension Scheme

A defined contribution scheme operated by Legal & General has been opened to all new staff from September 2022, including teachers. Existing Support Staff and Teachers were given the opportunity to move to this scheme with varying contributions to mirror those of the respective current pension schemes. Employee and employer contributions can vary, but the overarching aim of these pension changes is to address the risk associated with defined benefit pensions.

The commitment to make contributions to the scheme during the year was £2,053,637 (2023: £1,442,665).

Contributions totalling £188,968 (2023: £132,151) were payable to the scheme at the year end.

Independent Schools' Pension Scheme – Defined Contribution Scheme

A defined contribution scheme operated by The Pensions Trust was opened in October 2022 as a result of the ISPS DB being closed to current members. This means that the current employer debt for the DB scheme is not triggered as the ISPS scheme is essentially still open.

The commitment to make contributions to the scheme during the year was £4,937 (2023: £3,918).

Contributions totalling £658 (2023: £392) were payable to the scheme at the year end.

MCM – Defined Contribution Scheme

Defined contribution schemes operated by Employee' Pension Fund (EPF) and SOCSO (Social Security Organisation) are statutory boards for employees' retirement schemes. The employee contributes are 11% and 0.5% for EPF and SOCSO respectively and the employer contributes 12% for EPF and 1.75% for SOCSO.

The commitment to make contributions to the scheme during the year was £152,898 (2023: £147,743).

Contributions totalling £nil (2023: nil) were payable to the scheme at the year end.

5. TAXATION

As a charity the College is exempt from United Kingdom income tax and corporation tax.

MCM is normally subject to tax (24%) but was granted a tax exemption on 100% of statutory income for a period of 10 years under Section 127(3A) of the Income Tax Act, 1967 commencing year of assessment 2011 which expired in December 2021.

The deferred tax asset now recognised in the balance sheet has been used to offset taxable profits until fully offset when tax will then become payable.

The deferred tax asset is made up as follows:

	2024 £'000	Restated 2023 £'000
Deferred tax assets:		
- deferred income	1,650	1,363
- provisions	76	129
	1,726	1,492
Deferred tax liability:		
- accelerated of capital allowances over depreciation	(769)	(568)
	957	924

6. TANGIBLE FIXED ASSETS

	COLLEGE			SUBSIDARY COMPANIES			GROUP
2024	Land & Buildings £'000	Equipment £'000	Total £'000	Land & Buildings £'000	Equipment £'000	Total £'000	Total £'000
COST							
1 September 2023	149,120	13,560	162,680	33,639	4,946	38,585	201,265
Additions	8,259	538	8,797	615	806	1,421	10,218
Disposals	-	(53)	(53)	-	(32)	(32)	(85)
Exchange effects	-	-	-	1,219	167	1,386	1,386
31 August 2024	157,379	14,045	171,424	35,473	5,887	41,360	212,784
DEPRECIATION							
1 September 2023	30,903	10,592	41,495	9,512	3,212	12,724	54,219
Charge for the year	3,194	831	4,025	1,368	372	1,740	5,765
Disposal	-	(48)	(48)	-	(32)	(32)	(80)
Exchange effects	-	-	-	401	119	520	520
31 August 2024	34,097	11,375	45,472	11,281	3,671	14,952	60,424
NET BOOK VALUES							
31 August 2024	123,282	2,670	125,952	24,192	2,216	26,408	152,360
31 August 2023	118,217	2,968	121,185	24,127	1,734	25,861	147,046

No depreciation was charged on freehold property additions of the Group amounting to £6,284,435 (2023: £6,435,703) as the projects were incomplete at 31 August 2024.

The tangible fixed assets are wholly used for the Group activities.

Capital commitments:	2024 £'000	2023 £'000
Contracted for but not provided in these accounts	2,284	3,050
Authorised but not contracted for	7,225	6,532

7. INVESTMENT IN SUBSIDIARIES	2024 £	2023 £
Interest in subsidiary undertakings	360	360

The College owns 100% of the following companies' share capital both of which are registered in England and Wales:

Marlborough College Enterprises Limited - 02967713
The issued share capital of the company is £150.

Marlborough College International Limited - 12054930
The issued share capital of the company is £100.

Marlborough College (Overseas) Limited - 6407923
The issued share capital of the company is £110. The company did not trade in the year.

The College via Marlborough College Overseas Limited owns 100% of the share capital of M East Sdn Bhd, which is registered in Malaysia and runs Marlborough College Malaysia ("MCM"). M East in turn owns 100% of the share capital of Taska M East Sdn. Bhd, a nursery run by MCM on the same site.

7. INVESTMENT IN SUBSIDIARIES (continued)

The results of the College's trading subsidiary companies are summarised below:

	Enterprises		M East	
	2024	2023	2024	Restated 2023
	£'000	£'000	£'000	£'000
Turnover	1,340	1,337	19,601	16,111
Cost of sales	(932)	(921)	-	-
Gross profit	408	416	19,601	16,111
Teaching	-	-	(8,015)	(6,350)
Welfare	-	-	(1,414)	(1,348)
Facilities	-	-	(2,713)	(2,532)
Administration	(216)	(229)	(4,692)	(4,762)
Operating profit	192	187	2,767	1,119
Gift Aid donation to the College	(221)	(243)	-	-
Actuarial Movement	3	11	-	-
Finance Costs		-	(2,340)	(2,405)
Tax charge for the year			(597)	(1,096)
	(26)	(45)	(170)	(2,382)

Marlborough College Enterprises Limited have transferred a sum of gift aid to Marlborough College in the year of £221,000 (2023: £243,000).

The net assets of Marlborough College Enterprises Ltd at 31 August 2024 amounted to £59,701 (2023: £85,305), and for M East £565,601 (2023: £736,767)

Turnover represents both external customer sales and those to Marlborough College. Below details those transactions with the College for both departmental and pupil shop purchases, and salary cross charges.

MCEL	2024 £'000	2023 £'000
Payment from the College to MCEL:	(681)	(655)
Payment from MCEL to the College:		
Rent	18	18

	2024	2023
Owing at the year end MCEL to the College	£'000	£'000
	173	312

During the year a total of £1.34 million (RM 7.469 million) (2023; £765,301/RM 4.207 million) was transferred from MCM to Marlborough College for royalties. This transfer included the balance of royalties for year ending 31 August 2023 of £832,644 (RM 4,895 million) along with £75,869 (RM 507,842) of withholding tax.

	2024	2023
Owing at year end MCM to the College	£'000	£,000
	590	1,450

8. FIXED AND CURRENT ASSET INVESTMENTS (Group) 2024	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2023	15,326	1,366
Additions	13,780	-
Disposal at opening market value	(6,474)	(279)
Revaluation	2,401	60
	25,033	1,147
Endowment property	7	-
Cash at bank for re-investment	362	1,061
Rare books	847	-
Investment properties (revalued 31 August 2024)	1,860	-
Market value at 31 August 2024	28,109	2,208
Historical costs of listed securities	21,647	1,249
Listed securities are represented by:		
UK Government fixed interest	596	353
UK fixed interest and index linked	751	478
Foreign Fixed Interest	-	316
UK equities	7,660	-
Foreign Equities	15,876	-
Property	150	-
	25,033	1,147

The revaluation of the listed securities stated above is in relation to unrealised gains and losses. In addition to the unrealised gains of £2,461,000 there were £22,000 of realised losses which are included in the Statement of Financial Activities.

The College's investment properties are valued annually at the end of August by Woolley & Wallis. There was a £5,000 increase in the valuation compared with the valuation at 31 August 2023.

The College's Rare Books are valued annually at the end of August by Dominic Winter Auctioneers. There was a £30,000 increase in the valuation compared with the valuation at 31 August 2023.

The College had a beneficial interest in the Trevalga estate, which was administered by independent trustees, whereby the College received surplus income from the estate but had no entitlement to the capital. Trevalga's Trustees sold the estate in July 2023 and the College received £10 million of the proceeds towards bursaries for pupils with a Cornish connection, which were subsequently invested in listed securities during the financial year.

The College has investments of £124,000 in its oversea subsidiaries.

8. FIXED AND CURRENT ASSET INVESTMENTS (Group) (continued) 2023	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2022	12,714	1,393
Additions	7,663	30
Disposal at opening market value	(5,096)	-
Revaluation	45	(56)
	15,326	1,367
Endowment property	7	-
Cash at bank for re-investment	7,864	727
Rare books	817	-
Investment properties (revalued 31 August 2023)	1,855	-
	25,869	2,094
Market value at 31 August 2023	13,996	1,517
Historical costs of listed securities		
Listed securities are represented by:	-	615
UK Government fixed interest	438	450
UK fixed interest and index linked	-	302
Foreign Fixed Interest	8,296	-
UK equities	6,432	-
Foreign Equities	160	-
Property		
	15,326	1,367

9. DEBTORS – Amounts falling due within one year	Group		College	
	2024 £'000	Restated 2023 £'000	2024 £'000	2023 £'000
Fees in arrears and extras	727	578	727	578
Sundry debtors	66	73	10	73
Prepayments	2,077	1,719	670	744
Trade debtors	2,328	1,685	-	-
Amount due from related companies	-	-	764	1,763
	5,198	4,055	2,171	3,158

10. CREDITORS – Amounts falling due within one year

	Group		College	
	2024	Restated 2023	2024	2023
	£'000	£'000	£'000	£'000
Entrance and overseas deposits	7,284	1,254	604	612
Fees in advance scheme	7,466	215	7,466	215
Trade creditors and accruals	12,889	19,659	9,281	11,822
Lease creditors	268	167	-	-
Other taxation and social security	595	547	533	494
Sundry creditors	1,157	1,244	1,154	1,241
Pension deficit payments	335	326	325	316
	29,994	23,412	19,363	14,700

11. CREDITORS – Amounts falling due after one year

	Group		College	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Lease creditors	23,483	22,920	-	-
Accrued Operating Lease Liabilities	6,144	4,812	-	-
Entrance and overseas deposits				
- Amounts due within two to five years	5,057	4,820	2,796	2,753
- Amounts due after five years	3,498	2,454	1,591	1,010
Fees in advance scheme				
- Amounts due within two to five years	12,615	428	12,615	428
Loan note	25,000	25,000	25,000	25,000
Pension deficit payments	2,100	2,203	2,036	2,137
	77,897	62,637	44,038	31,328

The loan note of £25 million is repayable in stages: £10 million in 2037, £5 million in 2042 and the remaining £10 million in 2047. The loan is unsecured and incurs interest of 3.24% pa which is payable every six months.

12. ALLOCATION OF NET ASSETS BETWEEN FUNDS (Group)

The net assets are held for the various funds as follows:

2024	Fixed assets	Investments	Net current Assets/ (Liabilities)	Long term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Unrestricted & Designated	153,317	4,120	21,669	(77,897)	101,209
Restricted Funds	-	11,297	25	-	11,322
Endowed Funds	-	12,692	(250)	-	12,442
	153,317	28,109	21,444	(77,897)	124,973

2023	Fixed assets	Investments	Net current Assets/ (Liabilities)	Long term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Unrestricted & Designated	147,970	3,984	7,593	(62,637)	96,910
Restricted Funds	-	10,054	25	-	10,079
Endowed Funds	-	11,831	(541)	-	11,290
	147,970	25,869	7,077	(62,637)	118,279

13. UNRESTRICTED FUNDS (Group)

2024	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2024 £'000
College general funds	94,930	50,017	(47,086)	1,389	99,250
Malaysia designated fund	613	19,601	(19,791)	20	443
College designated funds (Note 16)	1,367	535	(471)	85	1,516
	96,910	70,153	(67,348)	1,494	101,209

2023 Restated	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2023 £'000
College general funds	89,527	45,970	(44,814)	4,247	94,930
Malaysia designated fund	2,995	17,217	(19,382)	(217)	613
College designated funds (Note 16)	1,478	672	(613)	(170)	1,367
	94,000	63,859	(64,809)	3,860	96,910

Restated for the transfer of funds in the Statement of Financial Activities

14. TRANSFER OF FUNDS

The transfers between funds are listed below.

	2024 £'000	2023 £'000
Unrestricted College		
Revenue Fund	1,296	3,912
Designated College		
Children of Clergy Fund	(48)	(50)
FALS	(77)	-
	(125)	(50)
Restricted College		
Master's Fund revenue	237	262
Capital Projects & Bursaries	(1,009)	(3,700)
	(772)	(3,438)
Endowed Funds		
Master's Fund capital	(231)	(245)
Cannon Diggle Scholarship Fund	(18)	(19)
Elstob Scholarship Fund	(70)	(74)
Gabriel Scholarship Fund	(9)	(9)
Sir George Abell Scholarship Fund	(10)	(11)
Barton Scholarship Fund	(47)	(51)
Bullock & Church Memorial Scholarship	(14)	(15)
	(399)	(424)

Transfers between the Designated, Restricted and Endowed Funds and the Revenue Fund represent contributions to scholarships and bursaries as well as capital project funding.

15. TOTAL RETURN INVESTMENTS

The Endowed Funds investments and movements in the unapplied total return are set out below.

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 September 2023	11,513	(223)	11,290
Movements in the reporting period			
Investment return: dividends and interest	-	398	398
Investment return: realised and unrealised gains/(losses)	-	1,207	1,207
Investment management costs	-	(54)	(54)
Total			
Extraction of income from total return	-	(399)	(399)
Net movement for the reporting period		1,152	1,152
As at 31 August 2024	11,513	929	12,442

The Council adopted total applied return in December 2020 and in the absence of reliable records of the original donation balances, the market value of the investments as recorded at 1 September 2020 was taken as the value of the original gifts. This figure represents the baseline below which disposals may not be made, therefore taking a higher value than the actual donations was considered to be prudent.

The amount of return applied as income is calculated as 3.5% of the average of the last three years' year-end valuations of the College Fund. The total unapplied return represents the amount available to be applied, at the Council's discretion, over and above the 3.5% applied income.

15. TOTAL RETURN INVESTMENTS (continued)

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 September 2022	11,513	390	11,903
Movements in the reporting period			
Investment return: dividends and interest	-	424	424
Investment return: realised and unrealised gains/(losses)	-	(558)	(558)
Investment management costs	-	(55)	(55)
Total	-	(189)	(189)
Extraction of income from total return	-	(424)	(424)
Net movement for the reporting period	-	(613)	(613)
As at 31 August 2023	11,513	(223)	11,290

16. DESIGNATED FUNDS

2024	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2024 £'000
Children of Clergy Fund capital	1,355	-	(6)	143	1,492
Children of Clergy Fund revenue	23	48	-	(47)	24
FALS Fund	(11)	29	(7)	(11)	-
Designated Bursaries & Projects	-	458	(458)	-	-
	1,367	535	(471)	85	1,516

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2023 £'000
Children of Clergy Fund capital	1,427	-	(6)	(66)	1,355
Children of Clergy Fund revenue	23	50	-	(50)	23
FALS Fund	28	22	(7)	(54)	(11)
Designated Bursaries & Projects	-	600	(600)	-	-
	1,478	672	(613)	(170)	1,367

Designated Funds
These consist of funds, as described below, which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. At the discretion of the Council, the funds can be applied towards other objectives, as has been the case with the designated bursaries and projects during the year.

- **Children of Clergy Fund**
  The Fund is used to assist the children of clergy to attend the College. The fund receives investment income from its share of listed investments in the Consolidated Fund Investment Pool. Surplus income is transferred to the College in order to assist the College in its obligations towards Children of Clergy bursaries.

- **FALS Fund**
  During the year the Council took the decision to review the position of designated funds and transferred the balance of these funds (advance fee payments) back to unrestricted funds.

17. RESTRICTED FUNDS

2024	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2024 £'000
The Master's Fund revenue	-	-	(237)	237	-
Curgenven Fund	10,034	254	(35)	1,023	11,276
Other Trust Funds	45	1	-	-	46
Capital projects and bursaries	-	2,507	(1,498)	(1,009)	-
	10,079	2,762	(1,770)	251	11,322

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2023 £'000
The Master's Fund revenue	-	-	(262)	262	-
Curgenven Fund	-	10,043	-	(9)	10,034
Other Trust Funds	43	2	-	-	45
Capital projects and bursaries	-	4,822	(1,123)	(3,699)	-
	43	14,867	(1,385)	(3,446)	10,079

Restricted Funds

These trust funds are subject to specific trusts declared by the donors or with their authority. These include donations towards specific capital projects (the Innovation and Science project plus the Memorial Hall) as well as bursary awards. The depreciation related to these projects, when completed, will be expended through the unrestricted funds as part of the running costs of the College.

- **The Master's Fund**
  It is represented by capital and accumulated income funds, which are expendable in accordance with the conditions imposed by the donors: solely for the purpose of providing bursaries and scholarships to pupils at the College. Total return accounting has meant the income is now accumulated and has been transferred to endowed funds before being expended.

- **The Gerald Curgenven Fund**
  This new fund has been set up with the proceeds the College received from the Trevalga estate following its sale. It has been set up with the sole purpose of assisting children with a connection to Cornwall to attend the College.

- **Other Trust Funds**
  These comprise trust funds whose assets are applied in accordance with conditions imposed by the donors. They do not own specified numbers of units in the Consolidated Fund Investment Pool and instead own specific listed investments.

18. ENDOWED FUNDS

2024	Balance 1 September 2023 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2024 £'000
The Master's Fund capital	6,538	217	(29)	425	7,151
Canon Diggle Scholarship fund	512	18	(3)	39	566
Elstob Scholarship fund	1,970	70	(9)	143	2,174
Gabriel Scholarship fund	247	9	(1)	17	272
Sir George Abell Scholarship fund	277	10	(1)	19	305
Barton Scholarship fund	1,356	58	(9)	129	1,534
Bullock & Church Memorial Scholarship	390	17	(2)	35	440
	11,290	399	(54)	807	12,442

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2023 £'000
The Master's Fund capital	6,886	230	(30)	(548)	6,538
Canon Diggle Scholarship fund	541	19	(3)	(45)	512
Elstob Scholarship fund	2,078	74	(10)	(172)	1,970
Gabriel Scholarship fund	260	9	(1)	(21)	247
Sir George Abell Scholarship fund	292	11	(1)	(25)	277
Barton Scholarship fund	1,435	62	(8)	(133)	1,356
Bullock & Church Memorial Scholarship	411	19	(2)	(38)	390
	11,903	424	(55)	(982)	11,290

Endowed Funds
These trust funds are subject to specific trusts declared by the donors or with their authority. They are represented by permanent capital funds. Income arising from the investments is applied in accordance with the conditions imposed by the donors.

- **The Master's Fund**
  Individual Consolidated Trust Funds that have been consolidated with approval of the Charity Commission are represented by permanent capital funds, with the funds to be applied to bursary and scholarship support.

- **Scholarship funds**
  The Canon Diggle, Elstob, Gabriel and Sir George Abell Scholarship Funds were all established by specific gifts which were to be invested to generate income to provide scholarships to pupils at the College. As part of the 2021 resolution Barton and Bullock & Church Memorial Scholarships funds are now also shown as separate scholarship funds rather than as part of the Master's Fund.

19. FINANCE LEASE COMMITMENTS

At 31 August 2024 the Group had the following total commitments under non-cancellable finance leases:	Property and Equipment 2024 £'000	Property and Equipment 2023 £'000
Within one year	1,007	798
Two to five years	8,433	6,857
More than five years	30,345	31,536
	39,785	39,191
Less: future finance charges	(16,034)	(16,104)
Present value of finance lease liabilities	23,751	23,087
Representing:		
Within one year	268	167
Two to five years	3,334	2,452
More than five years	20,149	20,468
	23,751	23,087

20. OPERATING LEASE COMMITMENTS

At 31 August 2024 the Group had the following total commitments under non-cancellable operating leases:	Property and Equipment 2024 £'000	Property and Equipment 2023 £'000
Within one year	2,207	2,135
Two to five years	8,379	8,118
More than five years	26,691	27,772
	37,277	38,025

21. CONNECTED CHARITIES

The Marlburian Club Charitable Fund (MCCF) (1063749)
The objects of MCCF are set out in the 1997 revision to the constitution of the Trust approved by the Charity Commission. The College does not control MCCF, and its accounts are therefore not consolidated into the group accounts.

Transactions with the Marlburian Club Charitable Fund include:	2024 £'000	2023 £'000
Donations to the College	197	175

Marlborough College Foundation (registered as a Charity No: 1061798)
The objects of the Foundation are set out in a Trust deed dated 4 June 1956. The College does not control the Foundation, and its accounts are therefore not consolidated into the group accounts of the College.

The main objectives of the Foundation are to provide long-term support to the College by accumulating an endowment fund for bursaries and to act as custodians for money raised to assist with individual capital projects and annual bursary awards. The Foundation does not fundraise directly as this is undertaken by the College's Development department.

The Master, M Birkin, S Bishop, P Coleman (resigned 2 December 2023), and T Martin-Jenkins were trustees.

Transactions with the Marlborough College Foundation included:	2024 £'000	2023 £'000
Donations to the College	2,301	4,715

22. RELATED PARTY TRANSACTIONS

Transactions between the College and its subsidiary undertakings are set out in Note 7.

As shown within Note 4, the College reimbursed travel and other expenses of £34,703 to fifteen Council Members (2023: £41,000 to eleven Council members). No Council members received remuneration in the current or prior year.

23. ANALYSIS OF NET DEBT

	At 1 Sep 2023 £'000	Movements in Cash Flow £'000	Effects of foreign exchange £'000	At 31 Aug 2024 £'000
Cash at bank and in hand	23,766	19,309	514	43,589
Uninvested cash included in investment	8,590	(7,167)		1,423
	32,356	12,142	514	45,012
Loan Note – amount due after 1 year	(25,000)	-	-	(25,000)
	7,356	12,142	514	20,012

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Income and endowments from:	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Restated Total 2023 £'000
Charitable activities					
School fees	40,250	15,200	-	-	55,450
Summer School	1,473	-	99	-	1,572
Other trading activities					
Trading Income	1,170	165	-	-	1,335
Other	2,599	1,550	1	-	4,150
Donations, grants and legacies	-	-	500	14,829	15,329
Investments	478	302	72	462	1,314
Total income	45,970	17,217	672	15,291	79,150
Expenditure on:					
Raising funds					
Trading costs	820	90	-	-	910
Financing costs	862	3,285	7	-	4,154
Marketing and fund raising	1,126	200	-	-	1,326
Investment management	-	-	6	55	61
	2,808	3,575	13	55	6,451
Charitable activities					
College operating costs:					
Teaching costs	16,615	7,456	19	-	24,090
Summer School expenses	1,473	-	-	-	1,473
Welfare costs	6,672	1,348	37	-	8,057
Premises costs	9,998	2,532	-	112	12,642
Support costs	3,508	2,589	-	-	6,097
Grants, awards and prizes	(18)	-	544	1,273	1,799
Depreciation	3,758	1,882	-	-	5,640
	42,006	15,807	600	1,385	59,798
Total expenditure	44,814	19,382	613	1,440	66,249
Net income before investment gains	1,156	(2,165)	59	13,851	12,901
Net (losses)/gains on investments	-	-	(120)	(566)	(686)
Net (expenditure)/income	1,156	(2,165)	(61)	13,285	12,215
Transfers between funds	3,912	-	(50)	(3,862)	-
Revaluation of other investment assets	72	-	-	-	72
Exchange (losses)/gains	(106)	(217)	-	-	(323)
Re-measurement of Pension Deficit	369	-	-	-	369
NET MOVEMENT IN FUNDS	5,403	(2,382)	(111)	9,423	12,333
Fund balances at 31 August 2022	89,527	2,995	1,478	11,946	105,946
Fund balances at 31 August 2023	94,930	613	1,367	21,369	118,279

The figure for Grants, awards and prizes has been restated to account for the reclassification of negative funds to expenditure as a result of charitable activities. In addition, the teaching costs have been restated to include the actual costs of school trips and extras that had previously been netted off with income under expenditure.

MARLBOROUGH COLLEGE

England & Wales - Charity number 309486

Accounts

MARLBOROUGH COLLEGE

(Incorporated by Royal Charter and registered as an Educational Charity No: 309486)

REPORT OF COUNCIL

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

MARLBOROUGH COLLEGE
(Incorporated by Royal Charter and
registered as an Educational Charity No: 309486)

FOR THE YEAR ENDED 31 AUGUST 2023

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MARLBOROUGH COLLEGE

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

The Trustees of Marlborough College constitute the Council.

The Lord Bishop of Salisbury (President – ex officio)

The Council members during the year and up to the date the financial statements were signed were:

Giles I Henderson CBE (Chairman of Council, Chairman of MC (Overseas) Ltd, Chairman of Development, and Nominations Committees until retired 31 August 2023)
Penny Cameron Watt (Chairman of Health and Wellbeing Committee) (acting Chair of Council from 1 September 2023)
Prof Sir John Bell (retired 17 June 2023)
Michael Birkin
Joe Chambers (appointed 9 October 2023)
Piers Coleman
Peter Denton (Chairman of the Finance Committee and Chairman of Remuneration Committee)
Ed Elliott (Chairman of Academic Committee until retirement in December 2022)
Tania Freeman
Revd Stephen Gray
Kasase Kabwe (appointed 17 June 2023)
Tim Martin-Jenkins (Chairman of Foundation, Chairman of Development from 1 September 2023)
Prof Cav Simon Mordant
Rob Perrins (Chairman of Buildings Committee)
Ros King
Sabina Reeves (appointed Chairman of Academic Committee 25 January 2023)

International Member of Council:

YAM Tunku Ali Redhauddin ibni Tuanku Muhriz

OFFICERS

KEY MANAGEMENT PERSONNEL

The Master	L J Moelwyn-Hughes
Bursar	A G Hart

Executive Team:

Second Master	S M Wessels
Deputy Head (Academic)	D T Clark
Deputy Head (Pastoral)	E C Nightingale
Deputy Head (Co-Curricular)	J R B Scragg

Senior Management Team:

Deputy Head (Boarding)	J A Hodgson
Director of Admissions	J Lyon Taylor
Director of Safeguarding	C Kane
Director of Development	S Lerwill
Director of Marketing & Communications	J Jordan
Assistant Head (Teaching and Learning)	B Nightingale
Assistant Head (Inspection)	T Lauze

Bursarial Team

Estates Bursar	A Barnes
Director of Enterprises	R Urquhart
Director of Finance	H Mack
Director of Human Resources	H Hewlett
Director of Operations	M Naworynsky
Head of ICT	acting head – A Hart (1 September 2022 - 22 January 2023) M Garland (from 23 January 2023)

Principal Address:	Marlborough College Wiltshire SN8 1PA

Marlborough College Malaysia

The Master	A Stevens (resigned 31 August 2023) S Burbury (from 1 September 2023)
Bursar	M Wai-Tsz Cherry
Address:	Marlborough College Malaysia Jalan Marlborough 79200 Iskandar Puteri Johor Malaysia

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

ADVISERS

Bankers:	Lloyds Bank Crest Way Barnwood Gloucester Gloucestershire GL4 3RL
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Haysmacintyre LLP Statutory Auditors 10 Queen Street Place London EC4R 1AG
Investment Advisers:	Rathbones 8 Finsbury Circus London EC2M 7AZ
Insurance Brokers:	PIB Insurance Brokers Poppleton Lane Low Poppleton Lane York North Yorkshire YO26 6GZ

The Council presents its report for the year ended 31 August 2023 under the Charities Act 2011, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Charter and Bye-Laws and the Charities SORP (FRS 102 – second edition).

REVIEW OF THE YEAR

Operational Performance

Pupils

Marlborough College ("the College") is a co-educational full boarding school providing education for boys and girls from the ages of 13 to 18, while Marlborough College Malaysia ("MCM") provides education from the ages of 3 to 18 for both day and boarding pupils. The College has had another year of very strong pupil numbers, whereas for MCM, following the impact of closed borders for more than two years on pupil numbers, they are now starting to bounce back and are predicted to exceed pre-pandemic numbers in the next few years:

School	Year	Girls	Boys	Boarders	Day	Av Total
MCUK	**2022/23**	442	568	971	39	**1,010**
	2021/22	447	564	972	39	**1,011**
MCM	**2022/23**	371	389	152	608	**760**
	2021/22	352	365	133	584	**717**

The overall capacity of the College has increased to 1,020 pupils spread across 16 boarding houses with the gender balance to a ratio of 56% boys and 44% girls. The College's waiting lists remain strong which gives confidence that the College can operate at (near) capacity for the foreseeable future. Although, the Council is mindful that there is still the potential for the lasting impact of the pandemic and the current 'cost of living crisis' to affect pupil numbers in the years to come as private education generally sees a delayed impact following economic downturns. There is also the further future threat on affordability with Labour's pledge to put 20% VAT on school fees, although the Council is looking to try to mitigate this impact as much as is possible.

After the easing of Covid restrictions in April 2022, the pupil enrolment at MCM has increased by 6%, as shown in the numbers above. The Admissions team capitalised on the opportunity to travel abroad again by conducting visits to various markets to boost awareness in locations such as Japan, Korea, China, Singapore, as well as activities within Kuala Lumpur and Johor. MCM aims to return to its pre-covid pupil roll within the next 2 to 3 years.

Facilities and Infrastructure Development

The College is in the middle of an ambitious Innovation and Science project, which is being funded through generous fundraising and private placement money. Following the previous completion of the Innovation Centre, the first of three renovation phases of the listed Science building was completed earlier in the year, despite many challenges including cost inflation, supply shortages and the main contractor going into administration. The second renovation phase is now well under way and nearing completion. The boarding house refurbishment programme continues with one boarding house nearing the completion of the first of two phases of a full refurbishment and another house receiving an internal refresh. There were also a number of smaller capital projects undertaken in the year. This resulted in capital spend in the year of just under £10 million, down slight from the prior year's spend of £11.7 million following the postponement of some capital works due to the impacts of the pandemic.

All of the UK works formed part of the Master Development Plan that was established in 2011. It represents a total expenditure to date in excess of £84 million for the College, and £6.6 million (RM82.6 million) for MCM since its inception in September 2012.

As parts of the world are still recovering from Covid, MCM continues to take a cautious approach towards capital spend, focusing on essential maintenance/renovation and improving teaching and learning. The total capital expenditure for the year was a modest £0.6 million (RM7.50 million), spent on building improvements and IT equipment.

Educational Performance

The College continues to offer an extensive Sixth Form curriculum with students able to participate in A Levels and the Extended Project Qualification (EPQ), while MCM offers the internationally recognised International Baccalaureate (IB).

	MCUK	
A Level	**2022/23**	**2021/22**
A* grade	24%	30%
A*-B grades	88%	89%
A*-C grades	96%	97%

	MCUK	
(I)GCSE	**2022/23**	**2021/22**
9-8/A* grade	48%	54%
9-5/A*-B grades	97%	98%
9-4/A*-C grades	99%	100%

The results from A level and Pre U examinations taken in the summer of 2023 were the College's strongest ever under normal exam conditions. This follows as a consequence of a highly dedicated, expert group of teachers, who worked within new structures to support pupils to these incredible outcomes. 4 pupils scored 4 A*s, 18 scored 3A*s, 44 pupils scored 2 A*s and 171 pupils scored at least 1 A*. The average Marlburian left the College with the equivalent of AAA. The (I)GCSE results were a similarly outstanding reward for the efforts of pupils and beaks (teachers) alike: 48% of grades awarded at 9 and 8 standard (A* equivalent) and 97% of all grades at 9 - 5 standard (A*-B). Two-thirds of pupils scored an average grade of 7 or above, and one pupil was part of a group of 15 nationally who scored 12 9s and one other pupil who scored 11 9s, who is also part of a small group nationally.

	MCM		
International Baccalaureate	**2022/23**	**2021/22**	**2020/21**
40+ IB Points	10%	20%	20%
Average Points score (/45)	33	35	35
IB Diploma Pass	95%	98%	100%

	MCM		
(I)GCSE	**2022/23**	**2021/22**	**2020/21**
9-8/A* grade	47%	50%	41%
9-5/A*-B grades	88%	89%	89%
9-4/A*-C grades	97%	95%	96%

Academically, pupils at MCM continued to produce excellent results in IGCSE and IBDP, and for the third consecutive year MCM (as well as MCUK) has been listed in the Spears Index of the world's 100 leading independent schools. MCM is one of only two schools in Malaysia to be listed in this index.

Based on an average grade of 7.02 (A), this cohort's IGCSE results represent the best average iGCSE grade in the school's history. 71.4% of all grades awarded were A* or A (NB. UK Independent Schools A*/A rate is 46.4%). Given that MCM is not academically selective, this is an outstanding performance. Particular highlights include almost 50% of grades in the three Sciences being 9s and a quarter of the cohort gaining 10 A* or equivalent grades. 41% of pupils achieved 9 or more A*/A grades. 87% of pupils received A*/A in maths.

At IB the average points score was 33 (equivalent to AAA at A' Level in terms of UCAS tariffs) and 10% of pupils gained 40 points or better. For context, it should be noted that the global points average in 2023 reduced by 2 points from 32 to 30, and the global pass rate in 2023 has fallen by 7% from 86% to 79% (to return grade distributions to pre-pandemic levels). MCM's results represent a drop, from 21/22 results, in line with the global trend, but still well above world averages. MCM's 5 year average is 35 points.

Public Benefit

The Council was advised of the Charity Commission's general and supplementary guidance on public benefit and fee charging and the advancement of education. The Council has recognised its responsibilities under the Charities Act 2011 and has regard to the guidance issued by the Charity Commission. The Council has taken steps to satisfy the requirements set out therein.

Grant Making Policy

The College offers academic, art, music, sports and all-rounder means-tested bursary awards plus a few scholarships at 13+ and at 16+. These bursaries are re-assessed annually and may alter during a pupil's time at the College depending on changes to their financial situation and can be awarded up to 110% of the fees (i.e. full fees and all essential extras). Scholarships and awards are based on educational ability only. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need. The maximum scholarship value is up to 20% of the fees; these are offered in very limited numbers and only in the areas of music and drama at present.

The Scholarship Prospectus and Bursary Policy can be viewed on the College's website. They are also available from the Admissions Office and are extensively advertised in appropriate national and specialist directories.

The Children of Clergy Fund, supplemented by the College, enables substantial support to be given to the sons or daughters of Clergy. Applications for entry under the Children of Clergy scheme are means tested in the same way as the rest of the bursary awards are assessed.

During the year the value of bursaries and other awards made to 167 College pupils amounted to £4,424,000 (2022: £4,190,000), or 10.26% (2022: 10.44%) of gross fee income.

MCM offered bursaries to two Upper Sixth pupils whose families experienced significant financial difficulties in order for them to complete their IB Diploma in June 2023 (RM214K). MCM also award scholarships for those who excel in academic, sports, drama and music.

Bursaries
The Council is committed to providing fee assistance for children unable to afford full fees and encourages a culture from those who have received a Marlborough education to do everything possible, within their means, to enable others from all backgrounds to enjoy the same educational opportunity.

A separate Bursary and Scholarship Fund generates income to augment the awards made out of fee income. Council's policy is to continue to increase the value of that fund whenever possible. The Council is examining ways to increase substantially the amount provided for means tested bursaries via non-fee income streams, such as through more endowed-style funds, fundraising (largely through Marlborough College Foundation), and trading both at home and in Malaysia.

Bursaries of up to 110% of fees are available for those who cannot afford the fees, subject to the candidate meeting the College's entrance requirements. The majority of bursaries are made available on entry to the College, either at 13 or 16, although some funding is available for those with in-year financial hardship. The College is a member of the Springboard Partnership in support of transformational bursaries.

Under its grant making policy (see above), the total number of pupils receiving means tested fee assistance in the academic year 2022/23 was 118 (2021/22: 119), although the value of these grants increased from £2,996,377 in the prior year to £3,346,356 in line with the College's aim to provide more full, life-transforming bursaries.

Working with Educational Providers & Community Access
Since its foundation in 1843 the College has been committed to playing a full part in the life of the local community and it will continue to do so. The College continues to provide indirect public benefit through its engagement with the local community and working with other educational providers, of which the following are examples:

Swindon Academy

The College has an agreement with Swindon Academy (SA) to provide opportunities for the staff and pupils of the Academy and the College, including the sharing of experience, expertise and, where appropriate, facilities and resources. The Academy is part of the United Learning Trust (ULT). The current link has been in existence since 2009 and this continues to thrive, particularly with the launch of the Swindon Academy Grammar Stream (SA GS) in September 2016. A major component of the partnership includes working with SA's Grammar Stream pupils. In a typical academic year, more than 5,000 hours of Swindon Academy pupil time is spent on site at the College. Below is a list of activities which occurred during the reporting period.

(i) Sixty Year 7 and Year 8 SA GS pupils visit the College once per fortnight on a Wednesday afternoon. SA pupils participate in a carousel of the following activities: creative writing, computer science, research skills in the library, science experiments, classical civilisation, and local history.

(ii) The College supplies two teacher Governors at SA. Each of these Governors spends approximately 200 hours per year on Swindon Academy work. They also provide support with pupil disciplinary hearings, staff complaints and prize givings.

(iii) The College's Futures department is available to provide specialist support with university applications from SA pupils, including to the most competitive destinations.

(iv) The College hosts an annual research project competition for Year 10 SA pupils, with generous prizes supplied by the College.

(v) Two pupils from SA joined the College in September 2023 on full bursaries as part of an ongoing bursary programme with the Academy (there are now seven former SA pupils who are in, or have been through, the College's Sixth Form).

(vi) Marlborough College staff continue to be involved in the Fitzwilliam Project, an access and mentoring project organised by Fitzwilliam College Cambridge for SA pupils. This is now fully re-established after the pandemic, with summer residentials in Cambridge and 'meet-up' days, one hosted by the College.

(vii) The Year 10 exchange for pupils from the two schools has also been reinstated, and a group of 12 pupils from each school visits the other school for a full school day, on a reciprocal basis, once or twice per year.

(viii) Since the start of the SA GS, the College has hosted a free week-long academic Year 7 summer school for GS pupils. This resumed in June 2022 for both Year 7 and Year 8 pupils. SA pupils attend in small groups, staying at the College and engaging in a wide range of activities (run by College staff) over a two-day period. The purpose of these activities is to extend pupils' experiences well beyond usual syllabus-led material.

(ix) An Open Morning for Year 6 pupils thinking about applying to the SA GS is hosted at the College each year in November.

(x) Members of the College's Management Team visited the SA Sixth Form, and hosted a reciprocal visit to the College, with a view to helping SA review their academic strategy for these year groups as their Sixth Form continues to grow and improve.

(xi) As part of the College Outreach programme, Marlborough College pupils visit the Swindon Academy primary schools each week to help pupils with their reading. This is supported by two College teachers and typically involves around 20 College pupils.

(xii) The annual SA Carol Service took place in the College's Chapel in December 2022 and will again be an annual event.

(xiii) The College provided on site visits for Year 9 SA GS pupils with a focus on scientific experiment and investigation. In addition, SA pupils (and others from nearby primary schools) are invited to scientific talks and demonstrations at the College.

(xiv) The College has previously hosted residential weekends for SA pupils, with emphasis on a particular curriculum area each time. It is hoped that these might resume in the year 2023-24.

(xv) Since the retirement of the former member of teaching staff who ran the SA partnership, the College has appointed a full-time Partnerships Manager (a donor funded role). A significant proportion of this role is devoted to managing the partnership with Swindon Academy.

Links to Pewsey Vale School

The College has a well-established partnership with Pewsey Vale School. One member of the College staff is given specific responsibility for the partnership. On site visits have been able to resume, with a recent visit of pupils to an exhibition in the College's Mount House gallery being a recent example. The Partnerships' Manager will be given the responsibility for growing this partnership in the coming period.

Governance

Members of College staff (both teaching and non-teaching) currently hold 15 governorships of other schools. The majority of these (12) are in state schools. One teacher is Chair of Governors at two Secondary Schools in Slough, another is Chair of Governors at a local primary school.

Outreach (Community Service)

Every Monday or Wednesday afternoon during the Michaelmas and Lent terms almost 250 pupils take part in a range of Outreach activities which provide a direct service to many aspects of the local community.

(i) Work in support of sixteen Primary Schools (Preshute, Kennet Valley, Burbage, St Mary's Marlborough, St Nicholas' Baydon, St Michael's Aldbourne, St Katherine's Savernake, Ramsbury, Great Bedwyn, Chilton Folliat, Oare, Ogbourne St George, Easton Royal, Broad Hinton, Beech Avenue – Swindon, Alton Close - Swindon).

This includes: literacy work, help with PE lessons, maths mentoring and mentoring of pupils who find school difficult or who benefit from further stretch and challenge.

(ii) Provision of after school Mandarin clubs in two local primary schools

(iii) Provision of after school Latin clubs in two local primary schools

(iv) Provision of after school Spanish clubs in two local primary schools

(v) Provision of after school Japanese club in a local primary school

(vi) TWIN Science project – work to engage local primary school children in STEM, including on-site visits to the College's laboratories.

(vii) Riding for the Disabled, based in Lambourne

(viii) River conservation – working with a local group, ARK (Action for the River Kennet)

(ix) Brimble Hill - Caring for children with severe learning difficulties

(x) Sports Leaders – pupils becoming accredited Sports Leaders and then helping in primary schools

(xi) Working with the elderly – pupils have visited care homes to provide concerts and Christmas carols. Additionally, we now partner with a local volunteer group (Marlborough LINK) and pupils visit elderly members of the local community who are on their own at home. Pupils also support the work of the Jubilee Centre, a place for the over sixties to meet, eat and relax.

(xii) Marlborough White Horse – restoration of the iconic chalk horse which sits above the town

In the Summer Term, owing to timetabling, many of these activities cannot take place and this enables the College to run a fun after-school club for three Wednesday afternoons catering for approximately 100 local children aged four to seven years old.

EdClub

The EdClub Movement is a pupil-driven programme that seeks to educate children in the Huruma slum in Nairobi, Kenya, through the use of the Internet and Skype, using a computer hub built by an initial fundraising effort by Marlborough pupils. There are now 18 schools involved internationally and numbers continue to grow. Marlburians mentor a group of Kenyan children on a weekly basis, teaching English, Maths and Science and generating positive and fruitful relationships on either side.

Panathlon links

Since 2011, Marlborough College has hosted an annual regional Panathlon event. Panathlon is a national charity that provides sporting opportunities to over 17,000 young disabled people every year. It promotes inclusion in sport. Working in collaboration with both Panathlon and Wiltshire and Swindon Sport (WASP), the College has hosted over 300 young physically and mentally disabled children and trained over 50 of the College's pupils as Panathlon leaders. This resumed in November 2022 and is planned again for the current year.

Observatory

2022 – 2023 was a busy year for the Blackett Observatory with over 1000 members of the public of all ages engaged in astronomy outreach either at or through the Observatory. This demonstrates the level of interest in astronomy across the population and the fabulous position that the Marlborough College Blackett Observatory holds to satisfy that curiosity.

Since 2005, the Director of the Observatory has run the outreach group 'The Friends of the Marlborough Telescope', which has its own dedicated Observatory website (www.blackettobservatory.org) and offers events, lectures and monthly Q&A sessions as well as an annual social event. An annual trip is arranged to a significant establishment in the UK or overseas. The Observatory also hosts groups from local schools, the Scouts, Cubs and Beavers, as well as the U3A and the W.I. There are also three public open events held across the year at the Observatory.

Over the course of the year the Friends were incredibly active, with 177 attendees at observing events at the Observatory, 70 attendees at two lectures and 37 attendees on two trips, one to the Herschel Museum in Bath and the other to the National Space Centre in Leicester. 217 Cubs, Scouts and school pupils enjoyed sessions at the Dome and 233 various other members of the public visited, including a diverse range of students from the Marlborough College Summer School.

The Blackett Observatory's relationship with the Marlborough Town Council and the North Wessex Downs (NWD) Area of Outstanding Natural Beauty continues to strengthen. Two talks were given by the Director of the Observatory in the Town Hall with over 200 attendees, and a stargazing event was held at the NWD annual forum at the Marlborough Golf Club, with over 50 attendees enjoying views of the dark skies on offer in Marlborough. Regular meetings between staff of the Blackett Observatory, the Town Council and the NWD are held; work is in progress to start a project to monitor levels of light pollution in our area.

There is a clear and increasing appetite for astronomy in our community and the Blackett Observatory continues to be known as the number one centre for delivering astronomical outreach in the South of England.

Higher Education and Careers Department

Swindon Academy and Pewsey Vale School have online access to the bi-weekly Higher Education and Careers 'Insight' publication and, from November 2023, its accompanying 'Futures Directory'.

Both Swindon Academy and St John's, Marlborough are invited to attend the briefing we receive from an invited Oxbridge don every March. St John's Academy pupils in particular attend in numbers, with accompanying parents. Swindon Academy pupils applying to Oxbridge have had mock interviews from Marlborough College staff, and St John's Academy, who already have interviews from our medical school expert, are invited to have mock Oxbridge interviews conducted by Marlborough College teachers.

We are an 'open' ACT Test Centre offering the facility for US applicants to take pre-College standardized tests. It is a facility often used by local students applying for sports scholarships, soccer being the most common.

St John's and Swindon Academy pupils are invited to our Higher Education and Gap Fair in the summer, with the uptake being 20-30 pupils attending. We will invite both schools to our Employability Fair during National Careers week in March.

Music Department

The Music Department continues to offer a variety of different events for public benefit.

This year the Choral Society concert (which offers a collaboration between 'town and gown'), saw some 250 local singers perform in Chapel to an audience of approximately 300 residents of the town who, in turn, were offered free tickets to the concert. The sum of £1,500 was raised from a post-concert collection at this event and a recording raised over £4k from sales and the support of a generous donor. For the coming year the Society will fund the subscription of up to 20 talented young singers.

The annual Music Scholars' Gala Concert in London raises a sum of around £300 through a retiring collection.

The Music Department continues to offer the opportunity for local state school pupils to join various ensembles at the College during the academic year - opportunities they may not otherwise enjoy.

Additionally, leading music pupils also gave a public performance at the Calne Music Festival to a sell-out audience, whilst all our major internal orchestral concerts are open to the public free of charge. This proves a very popular initiative.

The College also continues to allow use of its teaching facilities for members of the public who wish to take instrumental music lessons and coaching with any of our distinguished music teachers.

The renowned Marlborough College Concert Series, which promotes five concerts per season, also benefits from free use of the College's Memorial Hall, Steinway piano and the offer of covering some printing costs for the programme, which ensures the invitation of world class musicians to Marlborough can continue for the benefit of our local public.

Sporting Facilities

(i) St John's Marlborough use the College's sports facilities on a regular basis at mutually convenient times. At present, the squash option in their Enrichment and After School activities programme is booked on the squash courts twice a week. They also use the athletics track for GCSE moderations whenever required.

(ii) The College hosts a number of Avon Primary Schools' sports festivals at various times of the year - these include netball, hockey, football, orienteering, athletics and multi-skills - and a number of local Primary Schools use the athletics track for their sports' days.

(iii) The College's sports and other facilities are extensively used by local sports clubs and regularly by other organisations. Some of the sports include cricket, hockey, rugby, football, squash, tennis, fives, triathlon and athletics, and various organisations such as Wiltshire Cricket, Wiltshire Hockey, Wiltshire Netball, South West Lacrosse, Hockey Wales, WASP (Wiltshire and Swindon sport), RFU, Bath Rugby, Fortitude Hockey and GoCrea8 Hockey and Swindon Town Football Club for their holiday coaching camps and courses. Wiltshire Army Cadet Force also make use of the College rifle range. In many cases, hire of facilities is offered at a discounted rate or free of charge.

(iv) A number of local schools and clubs (both competitive swimming clubs and local health clubs) make use of the College's swimming pool throughout the week.

(v) All charities, educational establishments and club junior sections pay a discounted rate for the use of College facilities and in some cases are offered their use free of charge.

(vi) One member of the College staff regularly coaches a junior team at Marlborough Hockey Club and another member is the Head Coach of the Men's and Women's senior teams. The hockey department also run a Wednesday Outreach programme for local Primary School pupils, which comprises coaching and tournament play. A further member of the College staff assists junior squash at Marlborough Squash Club.

Fundraising for Chosen Charities

Members of the College community raised approximately £75,000 during 2022/23 (2021/22: £67,000) for chosen charities through various whole school events and numerous boarding house, pupil and staff initiatives. Examples include:

(i) C3 and Mill Mead Houses' Poppy Run raised almost £3,000 for the Royal British Legion.

(ii) Turner House's Dawn to Dusk Football raised £5000 in aid of UK to Ukraine.

(iii) Barton Hill's House Shout raised £100 in aid of Marie Curie.

(iv) C1 House raised £750 in aid of the Teenage Cancer Trust.

(v) A whole school 'Eliminations' game run by Prefects raised over £1,000 for the Royal British Legion.

(vi) C3 and Mill Mead Houses raised £645 for Community Youth Projects.

(vii) An audience collection at the School Play ('Godspell') raised £300 for Amnesty International.

(viii) Pupil and teacher participation in 'Movember' raised £3,000

(ix) A pupil organised 12 hour cycle for Ukraine in aid of Mail Force Ukraine Appeal raised £4,000.

(x) New Court House raised £2,500 through the sale of branded pyjamas.

(xi) A Christmas Jumper day in aid of the Oscar Foundation raised £300.

(xii) Retiring collections at the four College Carol Services amounted to £10,000.

(xiii) The 'Prefects' Prom' for younger pupils raised £1,000 for the Oscar Foundation.

(xiv) One pupil's 'Brave the Shave' raised over £16,000 for Bowel Cancer UK.

(xv) The Well-being Ambassadors' second-hand clothing sale raised over £1,000 for the Charlie Waller Trust.

(xvi) One pupil raised £2,000 to support the Marlborough College Foundation's bursary campaign via a sponsored walk in Sydney.

(xvii) A 'rock, paper, scissors' competition raised £400 for the Lunchbowl Network.

(xviii) Through 'Brave the Shave' and participation in the Devizes to Westminster kayak race one pupil raised £3,500 for the Teenage Cancer Trust.

(xix) A 'Rock & Pop' concert raised £250 for the Iris project.

(xx) Pupil run stalls on the launch day for 'The Marlborough Difference' campaign raised over £7,000 for bursaries at the College.

(xxi) The School Staff Instructor raised over £5,000 for the same cause by sea-kayaking from Land's End to Bristol and then running an ultra-marathon from there to Marlborough.

(xxii) A Housemistress raised over £7,000 for The Brain Tumour Charity by running the London Marathon.

(xxiii) C3 House raised £2,000 for the same cause with a summer charity day.

(xxiv) A member of the College security team was part of a group who raised over £10,000 for Lambourn Riding for the Disabled by abseiling off Spinnaker Tower in Portsmouth.

Fundraising in aid of the College is done through the Marlborough College Foundation (the Foundation) charity and typically the College does not do any fundraising in its own right. Both the College and the Foundation are registered with the Fundraising Regulator and adhere to the Fundraising Code of Practice. In the current and prior year, the charities did not work with any third parties in delivering its fundraising. No complaints about fundraising were received in the year.

The pupil led charities committee at MCM was able to raise £10,000 during 2022/23 through a wide range of projects and activities undertaken over the course of the year. This included drinks and bake sales, frugal lunches, beach and road clean-ups, a 'camping on cardboard' night to emphasise with the homeless, a thrift/jumble sale, hosting afternoon visits to use MCM facilities, and a very successful Outreach auction at the Friends of MCM Gala Ball, as part of the College's 10th Anniversary celebrations. The proceeds contributed towards:

- school materials and electrical appliances for the local government primary school, Sekolah Kebangsaan Sungai Melayu;
- a local animal welfare initiative at Noah's Ark Natural Animal Sanctuary in Johor Bahru to repair the damages caused by flooding;
- a local initiative run by Kechara to provide essential self-care packs to the homeless community;
- the Rotary Children's orphanage to support the teaching materials and educational visit for the children.
- the student ministry activities and subsistence costs at St Christopher's Church in Johor Bahru.

FUTURE PLANS

The College

The College's mission is to deliver the best independent, co-educational, full boarding education in the UK and to be recognised for this globally. The Marlborough we envisage will be a leading, outward looking and inclusive school where children with potential are given the opportunity to make a difference. Key programmes of work include:

- A pioneering academic strategy to build on the College's continuing academic success of the past four years, 2023 being the strongest ever under normal exam conditions;
- Execution of the College's bold and sustainable Campus Master Development Plan, including conservation of the heritage assets and natural landscape;
- Complete the refurbishment of the Science Buildings, with Phase 2 due for completion in December 2023;
- Continuation of the College's boarding house refurbishment programme; and
- Increasing accessibility via the ambitious new bursary fundraising campaign, The Marlborough Difference, which was launched in April 2023. The Campaign is aiming to raise £75m in order to reach 100 free places in the College. The Campaign has started positively with £27m raised to date and 44 pupils on full bursaries

MCM

MCM welcomed its new Master in August 2023 and will continue its mission to be the best independent, co-educational day and boarding school in Malaysia. In the near and medium term, the main focus will be on developing the campus for growth. It will commence with the preparation of a campus master plan to provide a coherent blueprint for the expansion of its buildings and facilities to support a full school of 1,300 pupils.

STRUCTURE GOVERNANCE AND MANAGEMENT

Status and Administration

The College is an Educational Charity (no. 309486) incorporated by Royal Charter. Its constitution is contained in its Charter and Bye-laws.

The Trustees of the College constitutes the Council. The Council members, key staff and advisors are set out on pages 2 to 4.

The Governing Body

The College's elected members of Council are appointed at the Annual General Meeting of the Council on the recommendation of the Nominations Committee. Members of Council are appointed for three years and are eligible for re-appointment but do not normally serve for more than six years in total.

The Chairman is exempt from the above and is appointed for three years. After the initial term the Chairman is eligible for re-appointment for a further term of three years.

Recruitment, Induction and Training of Members of Council

The Nominations Committee, in making recommendations for the appointment of new members of Council, has particular regard to the personal competence, experience and specialist skills of potential candidates. In filling vacancies on the Council, consideration is also given to the skills required to complement those of existing members.

New members of Council are inducted into the workings of the College and there is a comprehensive programme of induction and ongoing training. This includes a day at the College, the purpose of which is to meet the Master and members of staff. The visit also includes a tour of the College and the opportunity to meet some of the pupils. New members of Council receive a pack of documents and information, including the AGBIS Guidelines for Governors.

Members of Council receive organised training briefings from professional bodies when appropriate, as well as invitations to attend seminars and presentations.

Organisation

The Charter and Bye-Laws require that the rights, powers, duties and functions vested in the Council are to be exercised by the Council Members on its behalf. Accordingly, the Council has the power to decide matters of College policy and to make major decisions affecting the affairs of the College. It is specifically required to determine the tuition fees and to take responsibility for the College's assets.

To enable matters to be considered in detail prior to meetings of the full Council, a Finance Committee, a Nominations Committee, a Buildings Committee, an Academic Committee, a Development Committee, a Health & Wellbeing Committee and an Investment Committee have been established and they each meet at least three times a year. A Remuneration Committee has also been established, which usually meets once a year.

Implementation of the Council's decisions is the responsibility of the Master.

Mindful of the Charity Governance Code, the College continues to review its processes and procedures to ensure the best possible governance. Following an initial review of governance last year there have been various new initiatives and this will be developed further in the future.

Key Management Personnel

The key management personnel are considered to be the Council, the Master, the Management Team and the Bursarial Team from the College along with the International Council members, the Master and the Bursar from Marlborough College Malaysia (MCM).

Council members give of their time freely and no Council member received remuneration in the year. Details of Council members' expenses and related party transactions are disclosed in note 4 and note 22 respectively to the accounts.

The pay of the key management personnel and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Council benchmarks against pay levels in other comparable independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

Related Entities

Details of connected charities and subsidiary companies are disclosed in Notes 7 and 21 of the financial statements.

Subsidiary Companies

Marlborough College Overseas Limited
Marlborough College Overseas Limited is a subsidiary of Marlborough College and is currently dormant. It has one subsidiary, M East Sdn Bhd, a company registered in Malaysia. M East operates Marlborough College Malaysia (MCM), a school based in the Iskandar region of Malaysia.

Marlborough College International Limited
Marlborough College International Limited is a subsidiary of Marlborough College and is currently dormant.

Marlborough College Enterprises Limited
Marlborough College Enterprises Limited (MCEL) provides a vehicle for the College's non-educational trading and for additional revenue-generating activities.

The Company makes a gift aid donation of its profits to the College under deed of covenant. In 2023, the donation was £214,641 (2022: £225,920).

Connected Charities

The Marlborough College Foundation
The objects of the Marlborough College Foundation ("the Foundation") (registered as an Educational Charity No: 1061798), are set out in a Trust deed dated 4 June 1956. Marlborough College does not control the Foundation, and its accounts are therefore not consolidated into the group accounts of the College.

The main objectives of the Foundation are to provide long-term support to the College by accumulating an endowment fund for bursaries and to act as custodians for money raised to assist with individual capital projects and annual bursary awards. The Foundation does not fundraise directly as this is undertaken by the College's Development department.

The Marlburian Club
Founded in 1884, The Marlburian Club represents the interests of its Members with further details set out in the Club's Constitution and Rules. Clubs Members are Old Marlburians, ex-pupils of the College who paid a life subscription to the Club. The College does not control the Club, and its accounts are therefore not consolidated into the group accounts of the College.

The Marlburian Club Charitable Fund
The objects of the Marlburian Club Charitable Fund ("MCCF") (registered as a Charity No: 1063749), are set out in the 1997 revision to the constitution of the Trust approved by the Charity Commission. Marlborough College does not control MCCF, and its accounts are therefore not consolidated into the group accounts of the College.

OBJECTS, AIMS AND OBJECTIVES

Objects

The objects for which the College shall continue to be incorporated are to provide education for students in the United Kingdom or elsewhere, irrespective of faith, that develops independence of mind, individual spirituality based on an understanding of Anglican teaching and respect for other faiths, and an appreciation of the importance of service to the community. The Council members ensure that the charitable purpose of the College is carried out for the public benefit by making education available to students who are sufficiently talented and, where possible, irrespective of financial circumstances.

In pursuing these objectives, the College shall have regard to the social, religious and educational environment pertaining from time to time.

Aims and Objectives

It is the primary aim of the Colleges to be the first choice of parents and children who seek an excellent modern education, boarding or day, in a co-educational environment, based on breadth in curriculum, sound discipline, independence of mind, first class facilities and service to the community.

To support this aim the Colleges seek to:

- sustain and develop an academic curriculum that challenges pupils;
- sustain, develop and promote the unique value of a co-educational full boarding experience;
- promote wellbeing and extend co-curricular opportunity;
- promote a sense of belonging to a legacy for life;
- to enable the Colleges' pupils to gain admission to the best universities and courses that they can; and
- foster an appreciation of and a sense of stewardship for the Colleges' campuses.

Strategies to achieve the Year's Objectives

The Colleges' strategies for achieving their objectives during the year are ongoing and broadly in line with the prior year to:

- develop all pupils academic ambition - with the Marlborough Mindset rolled out in the College to develop learning and study skills;
- continue to review the academic curriculum to ensure that it is both broad and challenging;
- continue to benchmark their academic performance in external public examinations and through the use of independent value-added criteria (although this is not possible to the same extent for MCM);
- encourage the students' spiritual and moral growth, their cultural awareness and physical development and as well as ensuring their wellbeing by promoting participation in a wide range of activities and through the curriculum;
- continue to improve the Colleges' facilities and to protect the (historic) environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout the Colleges;
- continue to improve the sustainability of the Colleges' estates through an ongoing programme of capital investment, particularly at the College where the campus is much older with a number of listed buildings;
- continue to explore and develop partnerships with maintained schools and academies as well as with the local community – this is really only possible and relevant for the College at present; and
- achieve targets for pupil numbers and various financial targets including operating surpluses and cash generation.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year ended 31 August 2023 include those of both Marlborough College and Marlborough College Malaysia (MCM) for the academic year 2022/23.

Consolidated net fee income increased to £53.9 million, up from £49.7 million. The increase was due to a combination of factors:-

- an inflationary fee increase; and
- static pupil numbers at the College from a billing perspective, but a significant increase in pupil numbers at MCM following three years of decreasing numbers due to the border closures, especially with Singapore.

This increase was in addition to an increase in bursary and scholarship funding at the College of more than £600,000 with the emphasis on providing more accessibility to the Colleges.

There were also positive movements on net surplus (before investment losses) as a result of the following factors:-

- substantial donations totalling £15.3 million received during the year by the College, largely towards bursary awards including £10 million received from College's share of proceeds relating to the sale of the Trevalga estate plus there was £3.7 million received from the Marlborough College Foundation towards the ongoing Science & Innovation project.
- increased profitability for the commercial activities at the College with a full year's resumption of a number of events and increased facilities hire following the pandemic restrictions; and
- both unrealised investment losses and exchange rate losses were considerably lower than the prior year. Primarily due to the fluctuations and uncertainty in the worldwide markets: £2.3 million down to £686,000 and £876,000 down to £323,000 respectively.
-

However, the consolidated net fee income is still not relatively back to pre-pandemic levels due to the significant decrease in pupil numbers at MCM as a direct result of the pandemic and the long lasting travel restrictions in place. Pupil numbers decreased from 953 in 2018/19 to 717 in 21/22, and increased to 760 for 22/23 with almost 830 pupils starting the new 23/24 academic year and future projections show MCM being at capacity (1,250) by 2033. There were also a couple of one-off favourable accounting adjustments in the prior year:-

- the reversal of the £2.7 million impairment loss that had been recognised in MCM's 2019/20 accounts following the onset of the pandemic, as the recoverable value of the assets are now deemed to be higher than the carrying amount; and
- the recognition of a deferred tax asset of £2.13 million which has been triggered by the foreseeable future profits that will be available to be set against unused tax losses and deductible temporary differences.

MCM has this year met the requirement to start paying (national jurisdiction) tax with a charge of almost £1 million being paid during the year.

There was also increased expenditure for both Colleges due to high levels of cost inflation and a catch up on maintenance expenditure following COVID at the UK campus.

A total of £9.9 million was committed to capital expenditure during the year, £9.4 million of which took place in the UK. This was more than the budgeted £9.6 million total across both campuses due to the need to catch on the last of the projects impacted by the pandemic induced delays.

INVESTMENT POLICY AND PERFORMANCE

The College's investments are managed by Rathbones Investment Management Ltd. The investment managers have discretion in the management of the portfolio. The investment policy is total return accounting, with the overall objective to increase the funds value in line with fee inflation and provide up to CPI+3-4% for draw down in support of bursaries.

The investments consistently either meet or exceed the benchmark set over the longer term, with unprecedented investment gains (realised and unrealised) in 2020/21. However, the investments have since been impacted by the ongoing war in Ukraine, the consequential 'cost of living crisis' with spiralling inflation and supply concerns, and, as a result did not meet the benchmark in the year ending 31 August 2023. The composite benchmark was a positive 7.9% total return (net of fees) whereas the College Fund was a positive 2.2% total return. As a result there have been investment losses of £0.68 million (2022: losses of £2.3 million), which impacted the Group's overall surplus during the year.

RESERVES POLICY

At 31 August 2023, the Group held increased total funds of £118.3 million (2022: £105.9 million). Of the total funds, £21.4 million (2022: £11.9 million) related to restricted and endowed funds and the purpose of these funds is explained in notes 17 and 18 to the accounts. Council implements total return accounting for the endowed funds, which permits more of the endowed funds to be granted if required and this adoption is shown in more detail in note 15. The principles of the policy were also applied to all of the invested College Fund, which totalled £12.7 million at year end.

The Group also holds designated funds of £1.37 million (2022: £1.48 million), which were originally set up to allocate donations of a general purpose towards designated purposes as approved by Council. The purpose of each fund is described in note 16. In addition to this, activities in relation to Malaysia are shown separately as a fund within the accounts. At 31 August 2023, there was a deficit on these funds of (£2.38 million) (2022: £1.6 million surplus).

The College holds unrestricted reserves of £94.9 million (2022: £89.5 million). The value of these reserves is more than exceeded by the value of tangible fixed assets at £121.3 million (2022: £115.5 million). The College's development plan which envisages significant further capital expenditure, is almost back on track following the financial impact of the pandemic. As have MCM's current development plans, whose £613,000 of reserves are all unrestricted (2022: £3.0 million).

The management of funding and working capital is monitored by the Colleges' Finance Committees on a regular basis and a number of funding streams are being identified to support the capital requirements for the short and medium term.

The Councils are satisfied that the Colleges have sufficient working capital, although the impacts of the pandemic has resulted in the Councils reviewing the long term plans for working capital to ensure there will be sufficient funds should they be required in the future for unforeseen situations such as the recent pandemic. This policy is monitored by the Colleges' Finance Committees and reviewed at least termly.

The Council considers that the going concern basis remains appropriate for the preparation of the College's accounts. MCM's Council have reviewed the school's operating and financial position and following a restructure to their Initial Lease Term with the Lessors consider that the going concern basis remains appropriate.

RISK MANAGEMENT

The major risks to which the Colleges are exposed, as identified by the Councils, have been reviewed and systems have been established to mitigate those risks. This is an on-going process and the Councils review and update the risk management process at least annually.

The principal risks and uncertainties identified by the Colleges include the following:-

- the financial and social impacts of a (global) pandemic;
- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- future governments change the law to remove (charitable) tax breaks (in the UK);
- failure to safeguard the wellbeing and security of pupils and staff;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the Colleges' control, such as changes in legislation and pension contributions; and

- one risk specific to MCM is the reduction of expatriate professionals in the ASEAN region during the pandemic. This has led MCM to cast its pupil recruitment net wider to attract local pupils in a number of countries who are interested in a holistic British education.

Although the College is still very near capacity, the recent pandemic continues to impact MCM's pupil numbers although forecasts are looking positive and pupil numbers on track to surpass those pre-pandemic in the next two years . The Councils for both Schools continue to carefully monitor fee increases in the future to enable accessibility but at the same time to ensure that the highest standards are maintained in both Colleges.

In the UK there is an ongoing risk to changes to independent schools' VAT (and charitable, in the longer term) status, amongst other risks. Hence, it is important that the College continues to show its commitment to improving support to other schools and improving accessibility to the education provided at the College, with ambitious targets being set to try and achieve increased bursary awards via the Development office. The College is also looking at contingency planning should tax changes be introduced.

The safeguarding of children is an extremely important area for risk management. Organisations which work with children have a critical role to play in preventing, identifying and reporting cases of safeguarding concern. Both Colleges aim to mitigate these risks by paying particular attention to the training of staff and other individuals associated with the organisation about how to identify signs of safeguarding concern, educating the pupils appropriately, implementing robust safer recruitment policies, adopting clear procedures for reporting and recording concerns, and implementing a strong culture of pastoral care within the Colleges. Health and Safety is a significant area for risk management. The risks range from fire and infrastructure to personal risks. The level and breadth of activity at the Colleges is notable and the risks associated with all activities are managed by thorough planning and risk assessment.

The risk management process identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The key controls used by the Colleges to minimise risk include:-

- policies and vetting procedures, including Safer Recruitment, as required by law for the protection of children;
- formal agendas for the Councils and all Committee meetings, including an annual review of risk management;
- detailed terms of reference for all Committees;
- strategic development planning reviewed annually by the Councils;
- comprehensive budgeting and management accounting;
- external auditors' review including of controls, policies and procedures;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels; and
- expert advice and support from the various professional support teams including Finance, HR, Operations, Health and Safety, and Admissions as well as from qualified and experienced academic staff with dedicated responsibility for safeguarding and pastoral care.

The Councils regularly review the effectiveness of current plans and strategies for managing all identified major risks for both the College and its subsidiaries.

Through their risk management processes, the Councils are satisfied that the major risks identified have been adequately mitigated where necessary.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Council is responsible for preparing the Council's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Practice). The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the Group and of the net movement in funds, including the income and expenditure, of the Group and the College for that year. In preparing these financial statements, the Council are required to:

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

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College and enable the Council to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other applicable laws. The Council is responsible for safeguarding the assets of the Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Haysmacintyre LLP, will be submitted to the Annual General Meeting.

P. Cameron Watt

By order of the Council

Marlborough College
Wiltshire
SN8 1PA

2 December 2023

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2023 which comprise Group Statement of Financial Activities, the Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charity's affairs as at 31 August 2023 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Council's 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement, set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity 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.

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

15 March 2024

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MARLBOROUGH COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Total 2023 £'000	Total 2022 £'000
Income and endowments from:							
Charitable activities							
School fees	1	40,250	15,200	(543)	(995)	53,912	49,755
Summer School		1,473	-	99	-	1,572	1,470
Other trading activities							
Trading Income		1,170	165	-	-	1,335	1,285
Other	2	544	444	1	-	989	885
Donations, grants and legacies		-	-	500	14,829	15,329	1,191
Investments		478	302	72	462	1,314	879
Total income		43,915	16,111	129	14,296	74,451	55,465
Expenditure on:							
Raising funds							
Trading costs		820	90	-	-	910	963
Financing costs		862	2,361	7	-	3,230	3,737
Marketing and fund raising		1,126	200		-	1,326	1,028
Investment management		-	-	6	55	61	70
		2,808	2,651	13	55	5,527	5,798
Charitable activities							
College operating costs:							
Teaching costs		14,560	6,350	19	-	20,929	21,252
Summer School expenses		1,473	-	-	-	1,473	1,311
Welfare costs		6,672	1,348	37	-	8,057	6,793
Premises costs		9,998	2,532	-	112	12,642	11,191
Support costs		3,508	2,589	-	-	6,097	5,366
Grants, awards and prizes		(18)	-	1	278	261	76
Depreciation		3,758	1,882	-	-	5,640	5,359
Reversal of impairment charge		-	-	-	-	-	(2,703)
Tax charge/(credit) for the year		-	924	-	-	924	(2,103)
		39,951	15,625	57	390	56,023	46,542
Total expenditure	3	42,759	18,276	70	445	61,550	52,340
Net income/(expenditure) before investment gains		1,156	(2,165)	59	13,851	12,901	3,125
Net losses on investments		-	-	(120)	(566)	(686)	(2,302)
Net income/(expenditure)		1,156	(2,165)	(61)	13,285	12,215	823
Transfers between funds	14	3,912	-	(50)	(3,862)	-	-
Revaluation of other investment assets		72	-	-	-	72	(9)
Exchange losses		(106)	(217)	-	-	(323)	(876)
Re-measurement of Pension Deficit		369	-	-	-	369	147
NET MOVEMENT IN FUNDS		5,403	(2,382)	(111)	9,423	12,333	85
Fund balances at 31 August 2022		89,527	2,995	1,478	11,946	105,946	105,861
Fund balances at 31 August 2023		**£94,930**	**£613**	**£1,367**	**£21,369**	**£118,279**	**£105,946**

Full comparatives for the Statement of Financial Activities are shown in Note 24 on page 50.

MARLBOROUGH COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	Group 2023 £'000	Group 2022 £'000	College 2023 £'000	College 2022 £'000
FIXED ASSETS					
Tangible	6	147,046	146,244	121,185	115,546
Investments	8	25,869	16,408	25,993	16,532
		172,915	162,652	147,178	132,078
DEBTORS DUE IN MORE THAN ONE YEAR					
Deferred Tax Asset	5	924	2,130	-	-
CURRENT ASSETS					
Listed investments	8	2,094	2,118	2,094	2,118
Stock		574	553	79	93
Debtors	9	5,504	5,016	3,158	3,077
Cash at bank and in hand		23,766	21,401	11,099	10,408
		31,938	29,088	16,430	15,696
Less: Creditors - Amounts falling due within one year	10	(24,861)	(23,797)	(14,700)	(13,649)
Net current assets		7,077	5,291	1,730	2,047
		180,916	170,073	148,908	134,125
Creditors - Amounts falling due after one year	11	(62,637)	(64,127)	(31,328)	(31,304)
NET ASSETS		£118,279	£105,946	£117,580	£102,821
REPRESENTED BY:					
Unrestricted Funds	13	96,910	94,000	96,211	90,875
Restricted Funds	17	10,079	43	10,079	43
Endowed Funds	18	11,290	11,903	11,290	11,903
	12	£118,279	£105,946	£117,580	£102,821

These financial statements were approved by the Council on 2 December 2023

P. Cameron Watt ..... - Chairman of Council

..... - Chairman of Finance Committee

The accompanying notes are an integral part of these financial statements.

MARLBOROUGH COLLEGE

CASH FLOW STATEMENT (Group)

	2023		2022	
	£'000	£'000	£'000	£'000
Reconciliation of net income to net cash flow from operating activities				
Net income per Statement of Financial Activities	12,215		823	
Depreciation charges & Impairment	5,640		5,359	
Amortisation cost for refundable deposits	(538)		(108)	
Gain on sale of tangible fixed assets	(29)		(41)	
Bank interest and investment income	(1,314)		(879)	
Net gain on investments	686		2,303	
Interest payable	1,472		1,639	
(Increase)/Decrease in stock	(43)		(3)	
(Increase)/Decrease in debtors	(778)		1,374	
Increase/(Decrease) in creditors	2,223		3,483	
Increase/(Decrease) in lease creditors	2,124		1,345	
Reversal of impairment loss	-		(2,703)	
Operating lease payment	(765)			
Tax charge for the year (M East)	1,096		(1,940)	
Tax paid in the year (M East)	(80)		(54)	
Net cash provided by operating activities		**21,909**		**10,598**
Cash flows from investing activities				
Bank interest and investment income	1,314		879	
Purchase of tangible fixed assets	(9,904)		(12,266)	
Proceeds from sale of tangible fixed assets	29		43	
Purchase of investments	(7,786)		(5,202)	
Proceeds from sale of investments	4,566		5,798	
Purchase of government securities and corporate bonds	(30)		(969)	
Proceeds from sale of government securities and corporate bonds	1		1,848	
Net cash used in investing activities		**(11,812)**		**(9,869)**
Cash flows from financing activities				
Interest payable	(1,472)		(1,639)	
New entrance deposits received	3,017		1,627	
New fees in advance received	501		172	
Release of fees in advance	(361)		(349)	
Entrance deposits repaid	(1,134)		(1,442)	
Capital repayments on lease creditors	(103)		(56)	
Net cash used in financing activities		**448**		**(1,687)**
Change in cash and cash equivalents in the reporting period		10,545		(958)
Foreign exchange movements		(1,403)		911
Cash and cash equivalents at the beginning of the reporting period		23,214		23,261
Cash and cash equivalents at the end of the reporting period		**32,356**		**£23,214**
Analysis of cash and cash equivalents				
Cash at bank and in hand		23,766		21,401
Uninvested cash included in investments		8,590		1,813
Total cash and cash equivalents:		**32,356**		**£23,214**

An analysis of net debt is included in Note 23.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) – Second Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

Marlborough College meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The functional currency is pounds sterling and the accounts are rounded to the nearest thousand.

b) Going concern

The Council considers there are no material uncertainties about the Group's financial viability and hence its ability to continue as a going concern. The review of the financial position, reserves levels and future plans gives Trustees confidence the Colleges both remain going concerns for the foreseeable future.

c) Critical accounting judgements and estimates

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the College's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements 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.

Certain long term liabilities, including overseas deposits and entrance deposits, have not been discounted on the grounds that the impact of discounting is considered to be immaterial to the financial statements. Where the impact is material, specifically in relation to MCM entrance deposits, the liabilities have been discounted.

Deferred tax assets

Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Impairment of Property, Plant and Equipment

The Colleges' assess whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units).

The impairment loss was charged to profit or loss in 2019/20 and the subsequent increase in recoverable amount is recognised in the profit or loss during the prior year.

d) Fees and similar income

Fees receivable and charges for services are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College, and include contributions received from Associated Funds for Scholarships, Bursaries and other grants.

e) Donations, gifts and legacies

Donations received for the general purposes of the College are credited to College funds. Where the Council designates donations for specific purposes they are credited to designated funds, to distinguish them from direct school income. Donations subject to specific wishes of the donors are credited to relevant restricted funds, or to endowed funds, where the capital is permanent.

f) Expenditure

Expenditure is accounted for on an accruals basis when there is a legal and constructive obligation to make a payment to a third party and the amount can be measured reliably.

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of value added tax is included with the item of expense to which it relates.

g) Leases

The Schools' rentals paid under operating leases, in which substantially all the risks and rewards of ownership are retained by the lessor, are charged to income on a straight line basis over the lease term.

MCM's leases of assets where they assume substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

h) Financial instruments

Only the College has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

i) Tangible fixed assets

The College land and buildings in existence at 1 July 1999 were valued by the Council on the following basis:

- Specialised buildings were valued using depreciated replacement cost. Specialised buildings are buildings such as schools, "where there is no competing market demand from other organisations using these types of property in the locality" and are therefore rarely sold on the open market for single occupation for a continuation of their existing use, except as part of a sale of the business in occupation. Acquisitions of specialised buildings subsequent to 1 July 1999 are capitalised and subsequently depreciated in accordance with the College's normal accounting policies.

- Non-specialised buildings were valued at existing use value. Non-specialised buildings include residential buildings outside the College campus and shops.

- Land related to specialised buildings were valued on an agricultural value basis.

- Land relating to non-specialised buildings were valued at open market value.

The College does not intend to adopt a policy of revaluation. Thus the buildings valuations at 1 July 1999 are frozen subject to any adjustments necessary resulting from an impairment review.

Depreciation is provided to write off the cost or valuation, less estimated residual value, of all fixed assets, except freehold land, over their expected useful lives.

The rates of depreciation are as follows:

Buildings:	
Buildings	10 to 50 years
Building services and fixtures	10 years
Building renovations	15 to 25 years
Computers	4 years
Equipment	5 years
Fixtures and Furniture	5 to 10 years
Motor Vehicles	4 years

j) Fixed asset and current asset investments

Listed investments held as fixed or current assets are included in the financial statements at market value.

The fixed asset listed investments are known as "The College Funds" and include monies invested by Designated, Restricted and Endowed funds. These funds are allocated with units which establish their proportion of the overall investment pool. The transactions relating to the consolidated investment pool are then shared out between the funds on a unit basis.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Fees in advance investments are defined as liquid resources for the purposes of cash flow reporting.

Investment properties consist of agricultural land and commercial and retail properties. They are included in the financial statements at their open market value as estimated by professional valuers annually.

k) Stock

Stock is valued at the lower of cost and net realisable value.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash 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.

n) Creditors and provisions

Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Long term liabilities are discounted where the impact is material.

o) Funds

The Statement of Financial Activities is analysed between Unrestricted College Funds, Unrestricted Designated Funds, and Restricted Funds and Endowed Funds. The purpose and accounting treatment of these funds are explained further in notes 13 to 18.

p) Consolidation

The Group financial statements represent the activities of the College consolidated with Marlborough College Enterprises Ltd (MCEL) and Marlborough College Overseas Limited (which incorporates its subsidiary M East Sdn Bhd).

Consolidated financial statements have been prepared for the College and its wholly owned subsidiaries. The turnover and expenditure of the subsidiaries are included within the consolidated statement of financial activities. The assets and liabilities of the subsidiaries are included on a line-by-line basis in the consolidated balance sheet in accordance with FRS102 section 9 – consolidated and separate financial statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising from intra-group transactions are eliminated in the consolidated statement of financial activities.

q) Summer School and the School of English and Culture

The course take place in the months of July and August each year. Income and expenditure relating to the Summer School and the School of English and Culture is reflected in the year the courses take place and is referred to as "Summer School". Following two years' of cancelled events due to COVID, Summer School made a successful return in 2022 but the School of English and Culture (SEC) was cancelled early on in 2022 due to the ongoing uncertainly surrounding COVID and international travel and any income was refunded accordingly. The SEC is planned to return in 2024.

r) Employee benefits

Pension costs

The College contributes to the Teachers' Pension Scheme at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. For the purposes of complying with relevant accounting standards, the Teachers' Pension Scheme is accounted for as a defined contribution scheme as the charity is not responsible for, or entitled to receive benefit for any surplus or deficit of the scheme. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

The College participated in two Pensions Trust schemes that are multi-employer defined benefit schemes: the Independent Schools' Pension Scheme and the Growth Plan with both being closed in October 2022. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Schemes are multi-employer schemes where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets. However, the College has been advised by the Pensions Trust as to the deficit repayments due in relation to the schemes. Therefore, in line with the requirements of FRS 102, the College recognises a creditor for the discounted present value of the deficit contributions due to the scheme, which will continue for the next few years even though the schemes have been closed.

The College also contributed to the Pensions Trust Flexible Retirement Plan, which was closed to existing members in October 2022. The College now contributes to the Marlborough College Pension Scheme, also a defined contribution scheme and the Independent Schools' Pension Scheme – Defined Contribution Scheme, both with rates set by the College. Salary sacrifice for pensions was introduced with the new defined contribution schemes to members during the year.

The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

MCM's pension benefit schemes comprise a defined contribution plan: a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the year in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

s) Foreign currency translation

The College's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

t) Legal status

The College is incorporated by Royal Charter and registered as an Educational Charity (No. 309486). Its constitution is contained in its Charter and Bye-laws. Its principal address is shown on Page 3.

1. FEES RECEIVABLE

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Full fees for pupils at the Schools		59,631		54,866
Less: Fees paid by associated funds		(995)		(701)
		58,636		54,165
Less: Deductions				
Scholarships	357		273	
Bursaries and other deductions	5,362		4,838	
		(5,719)		(5,111)
		52,917		49,054
Grants from Associated Funds		995		701
Receivable by the Schools		£53,912		£49,755

2. OTHER TRADING ACTIVITIES

	£'000	£'000
Registration and acceptance fees	544	412
Commission received	5	49
Rental income	101	119
Miscellaneous	310	265
Gain on disposal of tangible fixed assets	29	40
	989	£885

3. ANALYSIS OF TOTAL EXPENDITURE

2023	Staff costs £'000	Other direct costs £'000	2023 Total £'000
Costs of raising funds			
Trading costs	370	540	910
Finance costs	-	3,230	3,230
Marketing and fundraising	464	862	1,326
Investment management	-	61	61
Charitable activities			
College operating costs:			
Teaching costs	18,768	2,161	20,929
Summer School expenses	555	918	1,473
Welfare costs	4,906	3,151	8,057
Premises costs	2,806	9,836	12,642
Support costs	2,856	3,241	6,097
Grants, awards and prizes	-	261	261
Depreciation and impairment	-	5,640	5,640
Tax charge for the year (M East)	-	924	924
	£30,725	£30,825	£61,550

All costs included above are direct costs of each activity. The full comparatives and the support costs of running the College are shown on pages 31.

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2022	Staff Costs £'000	Other direct Costs £'000	2022 Total £'000
Costs of raising funds			
Trading costs	280	683	963
Finance costs	-	3,737	3,737
Marketing and fundraising	592	436	1,028
Investment management	-	70	70
Charitable activities			
College operating costs:			
Teaching costs	19,049	2,203	21,252
Summer School expenses	517	794	1,311
Welfare costs	4,122	2,671	6,793
Premises costs	2,694	8,497	11,191
Support costs	1,468	3,898	5,366
Grants, awards and prizes	-	76	76
Depreciation and impairment	-	5,359	5,359
Reversal of impairment charge	-	(2,703)	(2,703)
Tax credit for the year (M East)	-	(2,103)	(2,103)
	£28,722	£23,618	£52,340

	2023 £'000	2022 £'000
Support Costs		
Administrative salaries	2,856	2,463
Office costs	1,163	684
Professional fees	749	542
Other administrative costs	1,169	1,550
Governance costs	160	127
	£6,097	£5,366

4. EXPENDITURE

	2023 £'000	2022 £'000
Expenditure includes:		
Equipment rental	200	187
Depreciation	5,640	5,359
Auditors' remuneration	52	53
Fees paid to subsidiary auditors	17	14
Council members' expenses reimbursed	41	1
Council members' liability insurance	15	15
Staff Costs		
Wages and salaries	25,387	23,885
Social security costs	2,026	1,954
Other pension costs	3,165	2,656
Redundancy costs	147	227
	30,725	£28,722

The average number of employees of the during the year were:	Nos	Nos
Teaching staff	285	276
Teaching Support staff	78	74
Non-teaching staff	363	357
Trading activities	7	9
	733	716

The number of higher paid employees was:

Taxable emoluments band:	Nos	Nos
£60,000 - £70,000	49	46
£70,000 - £80,000	41	47
£80,000 - £90,000	14	13
£90,000 - £100,000	4	3
£100,000 - £110,000	1	-
£110,000 - £120,000	1	-
£120,000 - £130,000	2	2
£140,000 - £150,000	-	1
£150,000 - £160,000	-	1
£160,000 - £170,000	1	-
£180,000 - £190,000	-	1
£190,000 - £200,000	1	-
£220,000 - £230,000	-	1
£260,000 - £270,000	1	-

The total employee benefits received by key management personnel in the year ended 31 August 2023 were £3,322,131 (2022: £3,032,515).

4. EXPENDITURE (continued)

Pension Schemes

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff on a Phased Withdrawal basis. It was closed to new teachers from 31 August 2022. From 1 January 2023 existing teachers were given the option to move to the Marlborough College Pension scheme, a defined contribution scheme, or remain in the TPS with a variation to their salary and future contributions. The pension charge for the year includes contributions payable to the TPS of £1,642,000 (2022: £1,939,000) and at the year-end £165,407 (2022 - £229,919) 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 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Independent Schools' Pension Scheme – Defined Benefit Scheme

This scheme closed to all existing active members in October 2022 due to the increased costs of running such a scheme.

There is still a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in an Independent Schools' Pension Scheme or the Scheme winding up. Marlborough College has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2022. As of this date the estimated employer debt was £11.24m (PY: £12.41m). This amount is not provided for in the accounts.

The Growth Plan – Defined Benefit Scheme

The Growth Plan, also operated by The Pensions Trust, which also allowed AVC payments, was also closed to all existing active members in October 2022. As with the ISPS, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. As at 30 September 2022, the estimated employer debt was £50,906 (PY: £91,350). This amount is not provided for in the accounts.

The three aforementioned pension schemes are collective defined benefit schemes under section 28 of FRS 102. Accordingly contributions have been accounted for as they fall due as if they were defined contribution schemes, except for the recognition of a creditor for deficit contributions which have been notified to the College in relation to the two Pensions Trust schemes, which will continue despite the schemes being closed to existing members. As required by FRS 102, the discounted present value of deficit contributions notified to the College has been included in creditors. As shown in notes 10 and 11, a total of £2,529,000 was included in creditors at 31 August 2023 (2022: £2,900,000).

ISPS Deficit	Total
Provision at start of period	2,884
Unwinding of the discount factor (interest expense)	117
Deficit contribution paid	(316)
Remeasurements – impact of any change in assumptions	(156)
Remeasurements – amendments to the contribution schedule	-
Provision at end of period	2,529

Flexible Retirement Plan – Defined Contribution Scheme

A defined contribution scheme operated by the Pensions Trust was also closed to all existing members.

The commitment to make contributions to the three schemes in the year was £436,416 (2022: £1,087,004), with no further commitments to the Flexible Retirement Plan.

Contributions totalling £29,468 (2022: £112,208) were payable to pension schemes at the year end.

Marlborough College Pension Scheme

A defined contribution scheme operated by Legal & General has been opened to all new staff from September 2022, including teachers. Existing Support Staff and Teachers were given the opportunity to move to this scheme with varying contributions to mirror those of the respective current pension schemes. Teachers' employee and employer contributions can vary, but the overarching aim of these pension changes is to address the risk associated with defined benefit pensions.

The commitment to make contributions to the scheme during the year was £1,442,665 (2022: £0).

Contributions totalling £132,151 (2022: £0) were payable to the scheme at the year end.

Independent Schools' Pension Scheme – Defined Contribution Scheme

A defined contribution scheme operated by The Pensions Trust was opened in October 2022 as a result of the ISPS DB being closed to current members. This will mean that the current employer debt for the scheme is not triggered as the ISPS scheme is essentially still open.

The commitment to make contributions to the scheme during the year was £3,918 (2022: £nil).

Contributions totalling £392 (2022: £nil) were payable to the scheme at the year end.

MCM – Defined Contribution Scheme

Defined contribution schemes operated by Employee' Pension Fund (EPF) and SOCSO (Social Security Organisation) are statutory boards for employees' retirement schemes. The employee contributes are 11% and 0.5% for EPF and SOCSO respectively and the employer contributes 12% for EPF and 1.75% for SOCSO.

The commitment to make contributions to the scheme during the year was £147,743 (2022: £134,307).

Contributions totalling £nil (2022: nil) were payable to the scheme at the year end.

5. TAXATION

As a charity the College is exempt from United Kingdom income tax and corporation tax.

MCM is normally subject to tax (24%) but was granted a tax exemption on 100% of statutory income for a period of 10 years under Section 127(3A) of the Income Tax Act, 1967 commencing year of assessment 2011 which expired in December 2021.

The deferred tax asset now recognised in the balance sheet has been used to offset taxable profits until fully offset when tax will then become payable.

The deferred tax asset is made up as follows:

	2023 £'000	2022 £'000
Fixed asset timing differences	678	123
Other timing differences	37	1,451
Unrelieved losses carried forward	491	556
	1,206	2,130
Less: deferred revenue	(265)	-
-		
	941	£2,130

6. TANGIBLE FIXED ASSETS

	COLLEGE			SUBSIDARY COMPANIES			GROUP
2023	Land & Buildings £'000	Equipment £'000	Total £'000	Land & Buildings £'000	Equipment £'000	Total £'000	Total £'000
COST							
1 September 2022	140,666	12,728	153,394	37,828	5,332	43,160	196,554
Additions	8,454	905	9,359	199	309	508	9,867
Disposals	-	(73)	(73)	-	(121)	(121)	(194)
Exchange effects	-	-	-	(4,388)	(574)	(4,962)	(4,962)
31 August 2023	149,120	13,560	162,680	33,639	4,946	38,585	201,265
DEPRECIATION							
1 September 2022	27,965	9,883	37,848	9,227	3,235	12,462	50,310
Charge for the year	2,938	782	3,720	1,456	464	1,920	5,640
Disposal	-	(73)	(73)	-	(126)	(126)	(199)
Exchange effects	-	-	-	(1,171)	(361)	(1,532)	(1,532)
31 August 2023	30,903	10,592	41,495	9,512	3,212	12,724	54,219
NET BOOK VALUES							
31 August 2023	£118,217	£2,968	£121,185	£24,127	£1,734	£25,861	£147,046
31 August 2022	£112,701	£2,845	£115,546	£28,601	£2,097	£30,698	£146,244

No depreciation was charged on freehold property additions of the Group amounting to £6,435,703 (2022: £8,886,274) as the projects were incomplete at 31 August 2023.

The tangible fixed assets are wholly used for the Group activities.

Capital commitments:	2023 £'000	2022 £'000
Contracted for but not provided in these accounts	£3,050	£125
Authorised but not contracted for	£6,532	£8,972

7. INVESTMENT IN SUBSIDIARIES

	2023 £	2022 £
Interest in subsidiary undertakings	360	360

The College owns 100% of the following companies' share capital both of which are registered in England and Wales:

Marlborough College Enterprises Limited - 02967713
The issued share capital of the company is £150.

Marlborough College International Limited - 12054930
The issued share capital of the company is £100.

Marlborough College (Overseas) Limited - 6407923
The issued share capital of the company is £110. The company did not trade in the year.

The College via Marlborough College Overseas Limited owns 100% of the share capital of M East Sdn Bhd, which is registered in Malaysia.

The results of the College's trading subsidiary companies are summarised below:

	Enterprises		M East	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Turnover	1,337	1,328	16,111	14,407
Cost of sales	(921)	(939)		-
Gross profit	416	389	16,111	14,407
Teaching		-	(6,350)	(6,189)
Welfare		-	(1,348)	(1,144)
Facilities		-	(2,532)	(2,322)
Administration	(229)	(213)	(4,762)	(4,183)
Operating profit	187	176	1,119	569
Gift Aid donation/ adjustment to the College	(243)	(169)	-	-
Actuarial Movement	11	(9)	-	-
Finance Costs		-	(3,501)	(3,743)
Reversal of impairment charge				2,703
Tax charge for the year				2,103
	(£45)	(£2)	(£2,382)	£1,632

Transactions between the College and its subsidiary undertakings were as follows:

MCEL	£'000	M East	£'000
Payment from the College to MCEL	(166)	Payments from M East to the College:	756
Payment from MCEL to the College	19		

8. FIXED AND CURRENT ASSET INVESTMENTS (Group) 2023	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2022	12,714	1,393
Additions	7,663	30
Disposal at opening market value	(5,096)	-
Revaluation	45	(56)
	15,326	1,367
Endowment property	7	-
Cash at bank for re-investment	7,864	727
Rare books	817	-
Investment properties (revalued 31 August 2023)	1,855	-
Investments in subsidiaries	-	-
Market value at 31 August 2023	£25,869	£2,094
Historical costs of listed securities	£13,996	£1,517
Listed securities are represented by:		
UK Government fixed interest	-	615
UK fixed interest and index linked	438	450
Foreign Fixed Interest	-	302
UK equities	8,296	-
Foreign Equities	6,432	-
Property	160	-
	£15,326	£1,367

The revaluation of the listed securities stated above is in relation to unrealised gains and losses. In addition to the unrealised losses of £10,500 there were £528,000 of realised losses which are included in the Statement of Financial Activities.

The College's investment properties are valued annually at the end of August by Woolley & Wallis. There was a £72,000 increase in the valuation compared with the valuation at 31 August 2022.

The College's Rare Books are valued annually at the end of August by Dominic Winter Auctioneers. There was no material change in the valuation compared with the valuation at 31 August 2022.

The College had a beneficial interest in the Trevalga estate, which was administered by independent trustees, whereby the College received surplus income from the estate but had no entitlement to the capital. Trevalga's Trustees sold the estate in July 2023 and the College received £10 million of the proceeds towards bursaries for pupils with a Cornish connection.

8. FIXED AND CURRENT ASSET INVESTMENTS (Group) (continued) 2022	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2021	15,253	2,469
Additions	5,079	968
Disposal at opening market value	(6,918)	(1,945)
Revaluation	(700)	(99)
	12,714	1,393
Endowment property	7	
Cash at bank for re-investment	1,088	725
Rare books	816	-
Investment properties (revalued 31 August 2022)	1,783	-
Investments in subsidiaries	-	-
Market value at 31 August 2022	£16,408	£2,118
Historical costs of listed securities	£11,469	£1,481
Listed securities are represented by:		
UK Government fixed interest	202	643
UK fixed interest and index linked	327	440
Foreign Fixed Interest	-	310
UK equities	5,416	-
Foreign Equities	6,072	-
Property	697	-
	£12,714	£1,393

9. DEBTORS – Amounts falling due within one year	Group		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fees in arrears and extras	578	654	578	654
Sundry debtors	73	14	73	14
Prepayments	3,378	4,321	744	306
Trade debtors	26	27	-	-
Amount due from related companies	1,449	-	1,763	2,103
	£5,504	£5,016	£3,158	£3,077

10. CREDITORS – Amounts falling due within one year	Group		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fees in advance scheme	215	338	215	338
Entrance and overseas deposits	1,254	1,234	612	600
Trade creditors and accruals	21,108	19,940	11,822	10,594
Lease creditors	167	109	-	-
Other taxation and social security	547	530	494	485
Sundry creditors	1,244	1,322	1,241	1,319
Pension deficit payments	326	324	316	313
	£24,861	£23,797	£14,700	£13,649

11. CREDITORS – Amounts falling due after one year	Group		College	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Lease creditors	22,920	25,967	-	-
Accrued Operating Lease Liabilities	4,812	4,010	-	-
Fees in advance scheme				
- Amounts due within two to five years	428	177	428	177
Entrance and overseas deposits				
- Amounts due within two to five years	4,820	4,264	2,753	2,648
- Amounts due after five years	2,454	2,133	1,010	980
Loan note	25,000	25,000	25,000	25,000
Pension deficit payments	2,203	2,576	2,137	2,499
	£62,637	£64,127	£31,328	£31,304

The loan note of £25 million is repayable in stages: £10 million in 2037, £5 million in 2042 and the remaining £10 million in 2047. The loan is unsecured and incurs interest of 3.24% pa which is payable every six months.

12. ALLOCATION OF NET ASSETS BETWEEN FUNDS (Group)

The net assets are held for the various funds as follows:

2023	Fixed assets tangible £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	147,970	3,984	7,593	(62,637)	96,910
Restricted Funds	-	10,054	25	-	10,079
Endowed Funds	-	11,831	(541)	-	11,290
	£147,970	£25,869	£7,077	(£62,637)	£118,279

2022	Fixed assets tangible £'000	Investments £'000	Net current assets £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	148,372	3,979	5,776	(64,127)	94,000
Restricted Funds	-	20	23	-	43
Endowed Funds	-	12,410	(507)	-	11,903
	£148,372	£16,409	£5,292	(£64,127)	£105,946

13. UNRESTRICTED FUNDS (Group)

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2023 £'000
College general funds	89,527	43,915	(42,759)	4,247	94,930
Malaysia general fund	2,995	16,111	(18,276)	(217)	613
College designated funds (note 16)	1,478	129	(70)	(170)	1,367
	£94,000	£60,155	(£61,105)	£3,860	£96,910

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2022 £'000
College general funds	88,881	40,405	(40,247)	488	89,527
Malaysia general fund	1,363	14,407	(11,773)	(1,002)	2,995
College designated funds (note 16)	1,853	95	(46)	(424)	1,478
	£92,097	£54,907	(£52,066)	(£938)	£94,000

14. TRANSFER OF FUNDS

The transfers between funds are listed below.

	2023 £'000	2022 £'000
Unrestricted College		
Revenue Fund	£3,912	£391
Designated College		
Children of Clergy Fund	(50)	(46)
	(£50)	(£46)
Restricted College		
Master's Fund revenue	262	76
Capital Projects & Bursaries	(3,700)	(32)
	(£3,438)	£44
Endowed Funds		
Master's Fund capital	(245)	(227)
Cannon Diggle Scholarship Fund	(19)	(18)
Elstob Scholarship Fund	(74)	(52)
Gabriel Scholarship Fund	(9)	(9)
Sir George Abell Scholarship Fund	(11)	(10)
Barton Scholarship Fund	(51)	(57)
Bullock & Church Memorial Scholarship	(15)	(16)
	(£424)	(£389)

Transfers between the Designated, Restricted and Endowed Funds and the Revenue Fund represent contributions to scholarships and bursaries as well as capital project funding.

15. TOTAL RETURN INVESTMENTS

The Endowed Funds investments and movements in the unapplied total return are set out below.

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 September 2022	11,513	390	11,903
Movements in the reporting period			
Investment return: dividends and interest	-	424	424
Investment return: realised and unrealised gains/(losses)	-	(558)	(558)
Investment management costs	-	(55)	(55)
Total	-	(189)	(189)
Extraction of income from total return	-	(424)	(424)
Net movement for the reporting period	-	(613)	(613)
As at 31 August 2023	£11,513	(£223)	£11,290

The Council adopted total applied return in December 2020 and in the absence of reliable records of the original donation balances, the market value of the investments as recorded at 1 September 2020 was taken as the value of the original gifts. This figure represents the baseline below which disposals may not be made, therefore taking a higher value than the actual donations was considered to be prudent.

The amount of return applied as income is calculated as 3.5% of the average of the last three years' year-end valuations of the College Fund. The total unapplied return represents the amount available to be applied, at the Council's discretion, over and above the 3.5% applied income.

15. TOTAL RETURN INVESTMENTS (continued)

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 September 2021	11,513	2,210	13,723
Movements in the reporting period			
Investment return: dividends and interest	-	389	389
Investment return: realised and unrealised gains/(losses)	-	(1,759)	(1,759)
Investment management costs	-	(63)	(63)
Total	-	(1,433)	(1,433)
Extraction of income from total return	-	(387)	(387)
Net movement for the reporting period	-	(1,820)	(1,820)
As at 31 August 2022	£11,513	£390	£11,903

16. **DESIGNATED FUNDS**

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2023 £'000
Children of Clergy Fund capital	1,427	-	(6)	(66)	1,355
Children of Clergy Fund revenue	23	50	-	(50)	23
Fees in Advance Lump Sum Fund	28	22	(7)	(54)	(11)
Designated Bursaries & Projects	-	600	(600)	-	-
	£1,478	£672	(£613)	(£170)	£1,367

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2022 £'000
Children of Clergy Fund capital	1,643	-	(7)	(209)	1,427
Children of Clergy Fund revenue	23	46	-	(46)	23
Fees in Advance Lump Sum Fund	187	17	(7)	(169)	28
Designated Bursaries & Projects	-	657	(657)	-	-
	£1,853	£720	(£671)	(£424)	£1,478

Designated Funds

These consist of funds, as described below, which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. At the discretion of the Council, the funds can be applied towards other objectives, as has been the case with the designated bursaries and projects during the year.

- **Children of Clergy Fund**
  The Fund is used to assist the children of clergy to attend the College. The fund receives investment income from its share of listed investments in the Consolidated Fund Investment Pool. Surplus income is transferred to the College in order to assist the College in its obligations towards Children of Clergy bursaries.

- **FALS Fund**
  This is a scheme whereby parents and others make advance payments, which provides fees for pupils. The advance payments received under the scheme are invested by the College.

  The amount due to parents, included in creditors, represents the unutilised balance of lump sum advances. Excess funds are transferred to the College, with the Council's approval, for specific projects and to subsidise scholarships paid by the College.

17. **RESTRICTED FUNDS**

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2023 £'000
The Master's Fund revenue	-	-	(262)	262	-
Curgenven Fund	-	10,043	-	(9)	10,034
Other Trust Funds	43	2	-	-	45
Capital projects and bursaries	-	3,827	(128)	(3,699)	-
	£43	£13,872	(£390)	(£3,446)	£10,079

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2022 £'000
The Master's Fund revenue	-	-	(76)	76	-
Other Consolidated Funds revenue	-	-	-	-	-
Other Trust Funds	41	2	-	-	43
Capital projects and bursaries	-	868	(836)	(32)	-
	£41	£870	(£912)	£44	£43

Restricted Funds

These trust funds are subject to specific trusts declared by the donors or with their authority. These include donations towards specific capital projects (the Innovation and Science project plus the Memorial Hall) as well as bursary awards. The depreciation related to these projects, when completed, will be expended through the unrestricted funds as part of the running costs of the College.

- **The Master's Fund**
  It is represented by capital and accumulated income funds, which are expendable in accordance with the conditions imposed by the donors: solely for the purpose of providing bursaries and scholarships to pupils at the College. Total return accounting has meant the income is now accumulated and has been transferred to endowed funds before being expended.

- **The Gerald Curgenven Fund**
  This new fund has been set up with the proceeds the College received from the Trevalga estate following its sale. It has been set up with the sole purpose of assisting children with a connection to Cornwall to attend the College.

- **Other Trust Funds**
  These comprise trust funds whose assets are applied in accordance with conditions imposed by the donors. They do not own specified numbers of units in the Consolidated Fund Investment Pool and instead own specific listed investments.

18. ENDOWED FUNDS

2023	Balance 1 September 2022 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2023 £'000
The Master's Fund capital	6,886	230	(30)	(548)	6,538
Canon Diggle Scholarship fund	541	19	(3)	(45)	512
Elstob Scholarship fund	2,078	74	(10)	(172)	1,970
Gabriel Scholarship fund	260	9	(1)	(21)	247
Sir George Abell Scholarship fund	292	11	(1)	(25)	277
Barton Scholarship fund	1,435	62	(8)	(133)	1,356
Bullock & Church Memorial Scholarship	411	19	(2)	(38)	390
	£11,903	£424	(£55)	(£982)	£11,290

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2022 £'000
The Master's Fund capital	7,888	211	(34)	(1,179)	6,886
Canon Diggle Scholarship fund	624	18	(3)	(98)	541
Elstob Scholarship fund	2,398	68	(11)	(377)	2,078
Gabriel Scholarship fund	298	9	(1)	(46)	260
Sir George Abell Scholarship fund	337	10	(2)	(53)	292
Barton Scholarship fund	1,693	57	(9)	(306)	1,435
Bullock & Church Memorial Scholarship	485	16	(3)	(87)	411
	£13,723	£389	(£63)	(£2,146)	£11,903

Endowed Funds

These trust funds are subject to specific trusts declared by the donors or with their authority. They are represented by permanent capital funds. Income arising from the investments is applied in accordance with the conditions imposed by the donors.

- **The Master's Fund**
  Individual Consolidated Trust Funds that have been consolidated with approval of the Charity Commission are represented by permanent capital funds, with the funds to be applied to bursary and scholarship support.

- **Scholarship funds**
  The Canon Diggle, Elstob, Gabriel and Sir George Abell Scholarship Funds were all established by specific gifts which were to be invested to generate income to provide scholarships to pupils at the College. As part of the 2021 resolution Barton and Bullock & Church Memorial Scholarships funds are now also shown as separate scholarship funds rather than as part of the Master's Fund.

19. FINANCE LEASE COMMITMENTS

At 31 August 2023 the Group had the following total commitments under non-cancellable finance leases:	Property and Equipment 2023 £'000	Property and Equipment 2022 £'000
Within one year	798	745
Two to five years	6,857	6,112
More than five years	31,536	38,222
	39,191	45,079
Less: future finance charges	(16,104)	(18,854)
Present value of finance lease liabilities	£23,087	£26,225
Representing:		
Within one year	167	109
Two to five years	2,452	1,031
More than five years	20,468	25,085
	£23,087	£26,225

20. OPERATING LEASE COMMITMENTS

At 31 August 2023 the Group had the following total commitments under non-cancellable operating leases:	Property and Equipment 2023 £'000	Property and Equipment 2022 £'000
Within one year	2,135	2,319
Two to five years	8,118	9,275
More than five years	27,772	34,272
	£38,025	£45,866

21. CONNECTED CHARITIES

The Marlburian Club Charitable Fund

Transactions with the Marlburian Club Charitable Fund include:	2023 £'000	2022 £'000
Donations to the College	£175	£168

Marlborough College Foundation

The Master, M Birkin, E Elliot, P Coleman, G I Henderson CBE (resigned 31 August 2023) and T Martin-Jenkins were trustees.

Transactions with the Marlborough College Foundation included:	2023 £'000	2022 £'000
Donations to the College	£4,715	£732

22. RELATED PARTY TRANSACTIONS

Transactions between the College and its subsidiary undertakings are set out in note 7.

As shown within note 4, the College reimbursed travel and other expenses of £41,000 to 11 Council Members (2022: £961 to four Council members). No Council members received remuneration in the current or prior year.

23. ANALYSIS OF NET DEBT

	At 1 Sep 2022 £'000	Movements in Cash Flow £'000	Effects of foreign exchange £'000	At 31 Aug 2023 £'000
Cash at bank and in hand	21,401	3,768	(1,403)	23,766
Uninvested cash included in investment	1,813	6,777	-	8,590
	23,214	10,545	(1,403)	32,356
Loan Note – amount due after 1 year	(25,000)	-	-	(25,000)
	£(1,786)	£10,545	(£1,403)	£7,356

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

Income and endowments from:	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Total 2022 £'000
Charitable activities					
School fees	37,289	13,792	(625)	(701)	49,755
Summer School	1,311	-	159	-	1,470
Other trading activities					
Trading Income	998	120	167	-	1,285
Other	554	330	1	-	885
Donations, grants and legacies	(7)	-	330	868	1,191
Investments	260	165	63	391	879
Total income	40,405	14,407	95	558	55,465
Expenditure on:					
Raising funds					
Trading costs	841	122	-	-	963
Financing costs	988	2,742	7	-	3,737
Marketing and fund raising	933	95	-	-	1,028
Investment management	-	-	7	63	70
	2,762	2,959	14	63	5,798
Charitable activities					
College operating costs:					
Teaching costs	15,041	6,189	22	-	21,252
Summer School expenses	1,311	-	-	-	1,311
Welfare costs	5,641	1,144	8	-	6,793
Premises costs	8,757	2,322	-	112	11,191
Support costs	3,282	2,084	-	-	5,366
Grants, awards and prizes	(25)	-	2	99	76
Depreciation	3,478	1,881	-	-	5,359
Reversal of impairment charge	-	(2,703)	-	-	(2,703)
Tax charge for the year (M East)	-	(2,103)	-	-	(2,103)
	37,485	8,814	32	211	46,542
Total expenditure	40,247	11,773	46	274	52,340
Net income before investment gains	158	2,634	49	284	3,125
Net (losses)/gains on investments	(167)	-	(378)	(1,757)	(2,302)
Net (expenditure)/income	(9)	2,634	(329)	(1,473)	823
Transfers between funds	391	-	(46)	(345)	-
Revaluation of other investment assets	(9)	-	-	-	(9)
Exchange (losses)/gains	126	(1,002)	-	-	(876)
Re-measurement of Pension Deficit	147	-	-	-	147
NET MOVEMENT IN FUNDS	646	1,632	(375)	(1,818)	85
Fund balances at 31 August 2021	88,881	1,363	1,853	13,764	105,861
Fund balances at 31 August 2022	**£89,527**	**£2,995**	**£1,478**	**£11,946**	**£105,946**

MARLBOROUGH COLLEGE

England & Wales - Charity number 309486

Accounts

MARLBOROUGH COLLEGE

(Incorporated by Royal Charter and registered as an Educational Charity No: 309486)

REPORT OF COUNCIL

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2022

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

MARLBOROUGH COLLEGE
(Incorporated by Royal Charter and
registered as an Educational Charity No: 309486)

FOR THE YEAR ENDED 31 AUGUST 2022

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MARLBOROUGH COLLEGE

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

The Trustees of Marlborough College constitute the Council.

The Lord Bishop of Salisbury (President – ex officio)

The Council members during the year and up to the date the financial statements were signed were:

Giles I Henderson CBE (Chairman of Council, Chairman of Development, Chairman of MC (Overseas) Ltd and Nominations Committees)
Prof Sir John Bell
Michael Birkin (appointed 19 March 2022)
Penny Cameron Watt (Chairman of Health and Wellbeing Committee)
Piers Coleman
Peter Denton (Chairman of the Finance Committee)
Ed Elliott (appointed Chairman of Academic Committee 26 January 2022)
Tania Freeman
Revd Stephen Gray
Tim Martin-Jenkins (appointed Chairman of the Foundation Trust 19 March 2022)
Prof Cav Simon Mordant
Rob Perrins (Chairman of Buildings Committee)
Ros King (appointed 19 March 2022)
Sabina Reeves (appointed 19 March 2022)
Revd Lindsay Yates (resigned 18 June 2022)

International Member of Council:

YAM Tunku Ali Redhauddin ibni Tuanku Muhriz

OFFICERS

KEY MANAGEMENT PERSONNEL

The Master	L J Moelwyn-Hughes
Bursar	A G Hart

Executive Team:

Second Master	W D L Nicholas (up to 25 March 2022) S M Wessels (from 1 September 2022)
Deputy Head (Academic)	D T Clark
Deputy Head (Pastoral)	E C Nightingale
Deputy Head (Co-Curricular)	J R B Scragg

Senior Management Team:

Deputy Head (Boarding)	J A Hodgson
Director of Admissions	N Hamilton (acting to 31 August 2022) J Lyon Taylor (from 1 September 2022)
Director of Safeguarding	C Kane
Director of Development	S Lerwill
Director of Marketing	J Jordan
Assistant Head (Teaching and Learning)	B Nightingale
Assistant Head (Inspection)	T Lauze

Bursarial Team

Estates Bursar	A Barnes
Director of Enterprises	J Blake (up to 20 October 2022) R Urquhart (acting from 1 September 2022)
Director of Finance	H Mack
Director of Human Resources	J Barclay (to 31 December 2021) H Hewlett (from 28 February 2022)
Head of ICT	M Armitage (up to 31 August 2022)

Principal Address:	Marlborough College Wiltshire SN8 1PA

Marlborough College Malaysia

The Master	A Stevens
Bursar	J Stronach (to March 2022) M Wai-Tsz Cherry (from March 2022)
Address:	Marlborough College Malaysia Jalan Marlborough 79200 Iskandar Puteri Johor Malaysia

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

ADVISERS

Bankers:	Lloyds Bank Crest Way Barnwood Gloucester Gloucestershire GL4 3RL
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Haysmacintyre LLP Statutory Auditors 10 Queen Street Place London EC4R 1AG
Investment Advisers:	Rathbones 1 Curzon Street London W1J 5FB
Insurance Brokers:	PIB Insurance Brokers Poppleton Lane Low Poppleton Lane York North Yorkshire YO26 6GZ

The Council presents its report for the year ended 31 August 2022 under the Charities Act 2011, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Charter and Bye-Laws and the Charities SORP (FRS 102 – second edition).

REVIEW OF THE YEAR

Operational Performance

Pupils

Marlborough College ("the College") provides education for boys and girls from the ages of 13 to 18, while Marlborough College Malaysia ("MCM") provides education from the ages of 3 to 18. Despite the recent difficulties with COVID the College saw record pupil numbers once again, whereas for MCM the ongoing closed borders for much of the year, particularly with Singapore, has continued to impact pupil numbers, although there are signs that pupil numbers are starting to increase again and are predicted to exceed pre-pandemic numbers in the next few years:

School	Year	Girls	Boys	Boarders	Day	Av Total
MCUK	2021/22	447	564	972	39	1,011
	2020/21	444	560	966	39	1,005
MCM	2021/22	352	365	133	584	717
	2020/21	391	415	158	648	806

The overall capacity of the College is currently 1,020 pupils spread across 16 boarding houses with the gender balance to a ratio of 55% boys and 45% girls. The College's waiting lists remain strong which gives confidence that the College can operate at (near) capacity for the foreseeable future, although the Council is mindful that there is still the potential for the lasting impact of the pandemic and the current 'cost of living crisis' to affect pupil numbers in the years to come as private education generally sees a delayed impact following economic downturns.

MCM started the new academic year in August 2021 with online provision for all of its pupils in accordance with the Malaysian Government's directives. With the help of an accelerated immunisation programme for the younger children, pupils of all ages were allowed to return to school physically in November 2021. Malaysia finally opened its borders, most crucially with Singapore, on 1 April 2022: quarantine and COVID testing on arrival were no longer required. There was cautious optimism as businesses restarted and people began to travel again. Significant progress was seen in a matter of a few months and the two land crossings between Johor and Singapore were once again packed with daily commuters. Similar progress was also seen in the number of prospective families visiting MCM during the various Open Days leading up to the end of the academic year in June. The new academic year has started with nearly 730 pupils on roll. The Admissions and Marketing teams are initiating a number of brand awareness and pupil recruitment campaigns locally as well as in Singapore and other countries in Asia and the Middle East. MCM believes that it can recapture the number of pupils lost during the pandemic in the next few years.

Facilities and Infrastructure Development

There were several major capital projects postponed by both Schools from the summer of 2019/20 due to the pandemic that were initially due to take place in 2020/21 instead. Due to the pandemic and the need for an ongoing level of caution in relation to large financial commitments due to the ongoing cost inflation and supply shortages, some of these projects were further postponed and/or delayed.

The College is in the middle of an ambitious Innovation and Science project, which is being funded through generous fundraising and through the use of private placement money. Following the completion of the Innovation Centre last year and despite the many challenges including cost inflation, supply shortages and the main contractor going into administration, the first renovation phase of the listed Science building is nearing completion. The boarding house refurbishment programme continues with one fully refurbished house completed in year and another receiving an internal refresh. The College was also able to catch up on smaller capital projects. This resulted in capital spending increasing by just under £1 million to £11.7 million compared to that originally budgeted for during the year and a substantial increase from the £5.7 million spent in the prior year when there was the postponement of more than £3 million of capital works.

All of the UK works formed part of the Master Development Plan that was established in 2011. It represents a total expenditure to date in excess of £74.5 million for the College, and £6.0 million for MCM since its inception in September 2012.

In these times of high uncertainty, MCM has taken a cautious approach towards capital spending, focusing on essential maintenance/renovation and improving teaching and learning. The total capital expenditure for the year was a modest £0.6 million, spent on building improvements and IT equipment.

Educational Performance

The College continues to offer an extensive Sixth Form curriculum with students able to participate in A Level, Extended Project Qualification (EPQ) and Cambridge Pre-U, while MCM offers the internationally recognised International Baccalaureate (IB).

	MCUK	
A Level	2021/22	2020/21
A* grade	30%	29%
A*-B grades	89%	92%
A*-C grades	97%	99%

	MCUK	
Pre-U*	2021/22	2020/21
D1/above A*	55%	12%
D2/A*	73%	37%
D3/A	91%	81%

	MCUK	
(I)GCSE	2021/22	2020/21
9-8/A* grade	54%	57%
9-5/A*-B grades	98%	98%
9-4/A*-C grades	100%	100%

** Pre U was only taken in one subject this year, and will not be offered in any subjects in the coming year*

The results from external examinations taken in the summer of 2022 were very strong, given that they were the first to be awarded as the result of public examinations since 2019. The College put in place an open and ambitious programme of support for pupils following the publication of Advance Information from the exam boards, one of a number of mitigations put in place to address disruption caused to schooling by COVID. At A level and Pre U, 30% of entries were graded at A* (or equivalent) and 89% were graded at A* to B. This means that more than half of the year group scored AAA or above. The (I)GCSE results were a similarly outstanding reward for the efforts of pupils and beaks (teachers) alike: 54% of grades awarded at 9 and 8 standard (A* equivalent) and 98% of all grades at 9 - 5 standard (A*-B). 75% of pupils scored an average grade of 7 or above, and two pupils were part of a group of 13 nationally who scored 12 9s.

	MCM	
International Baccalaureate	2021/22	2020/21
40+ IB Points	22%	20%
Average Points score (/45)	35	35
IB Diploma Pass	98%	100%

	MCM	
(I)GCSE	2021/22	2020/21
9-8/A* grade	50%	41%
9-5/A*-B grades	89%	89%
9-4/A*-C grades	95%	96%

Although the impact of pandemic lingered in Malaysia with significant disruption, school closures and sealed borders being a feature of most of the 2021-22 academic year, MCM continued to be acknowledged for the quality of its provision. For the second consecutive year, MCM and the College were listed in the Spears Index of the world's 100 leading independent schools and MCM's ground-breaking Wellbeing project in collaboration with the University of Pennsylvania attracted the ISC's International Award for Strategic Leadership.

Academically, pupils at MCM continued to produce outstanding results in IGCSE and IBDP. At IGCSE the results represented MCM's best to date, with 72% of all grades awarded being A* or A. Given that MCM is not academically selective, this is an outstanding performance. Particular highlights include almost 50% of grades in the three Sciences being 9s and a quarter of the cohort gaining 10 A* or equivalent grades.

At IB the average points score was 35 (equivalent to A*AA at A' Level in terms of UCAS tariffs) and 22% of pupils gained 40 points or better, more than double the global average, despite long periods of online learning imposed by Malaysia's government during the two year course.

Public Benefit

The Council was advised of the Charity Commission's general and supplementary guidance on public benefit and fee charging and the advancement of education. The Council has recognised its responsibilities under the Charities Act 2011 and has regard to the guidance issued by the Charity Commission. The Council has taken steps to satisfy the requirements set out therein.

Grant Making Policy

The College offers academic, art, music, sports and all-rounder means-tested bursary awards and scholarships at 13+ and at 16+. All award holders are eligible to apply for means tested bursary assistance to enable those who, without such assistance, would be unable to take up their awards. These bursaries are re-assessed annually and may change during a pupil's time at the College depending on changes to their financial situation and are awarded up to 110% of the fees. Scholarships and awards are based on educational ability. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need. The maximum scholarship value is up to 20% of the fees; these are offered in very limited numbers.

The Scholarship Prospectus and Bursary Policy can be viewed on the College's website. They are also available from the Admissions Office and are extensively advertised in appropriate national and specialist directories.

The Children of Clergy Fund, supplemented by the College, enables substantial support to be given to the sons or daughters of Clergy. Applications for entry under the Children of Clergy scheme are means tested.

During the year the value of bursaries and other awards made to 162 College pupils amounted to £4,190,000 (2021: £3,368,000), or 10.44% (2020: 9.18%) of gross fee income.

MCM offers small bursaries to parents who have financial difficulties but with the abatement of the pandemic there had been no requirement for MCM to award bursaries to any families during the year (2021: 2 families).

Bursaries
The Council is committed to providing fee assistance for children unable to afford full fees and encourages a culture from those who have received a Marlborough education to do everything possible, within their means, to enable others from all backgrounds to enjoy the same educational opportunity.

A separate Bursary and Scholarship Fund generates income to augment the awards made out of fee income. Council's policy is to continue to increase the value of that fund whenever possible. The Council is examining ways to increase substantially the amount provided for means tested bursaries via non-fee income streams, such as through more endowed funds, fundraising (largely through Marlborough College Foundation), and trading both at home and in Malaysia.

Bursaries of up to 110% of fees are available for those who cannot afford the fees, subject to the candidate meeting the College's entrance requirements. The majority of bursaries are made available on entry to the College, either at 13 or 16, although some funding is available for those with in-year financial hardship. The College is a member of the Springboard Partnership in support of transformational bursaries.

Under its grant making policy (see above), the total number of pupils receiving means tested fee assistance in the academic year 2021/22 was 119 (2020/21: 102).

Working with Educational Providers & Community Access
Since its foundation in 1843 the College has been committed to playing a full part in the life of the local community and it will continue to do so. The College continues to provide indirect public benefit through its engagement with the local community and working with other educational providers, of which the following are examples:

Swindon Academy

The College has an agreement with Swindon Academy (SA) to provide opportunities for the staff and pupils of the Academy and the College, including the sharing of experience, expertise and, where appropriate, facilities and resources. The Academy is part of the United Learning Trust (ULT). The current link has been in existence since 2009 and this continues to thrive, particularly with the launch of the Swindon Academy Grammar Stream (GS) in September 2016. A major component of the partnership includes working with SA's Grammar Stream pupils. In a typical academic year, more than 5,000 hours of Swindon Academy pupil time is spent on site at the College. Most activities have now been able to resume in full, following interruption owing to the pandemic. Below is a list of activities which occurred during the reporting period.

(i) Year 7 & 8 SA GS pupils visit the College once per fortnight on a Wednesday afternoon. This scheme has recently been reviewed. In place of studying Latin, which they cannot then take for GCSE, SA pupils now participate in a carousel of the following activities: creative writing, computer science, research skills in the library, science experiments, classical civilisation, local history.

(ii) The College supplies two teacher Governors at SA. Each of these Governors spends approximately 200 hours per year on Swindon Academy work. They also provide support with pupil disciplinary hearings, staff complaints and prize givings.

(iii) The College's Guidance specialists provide support with university applications from SA pupils, including to the most competitive destinations. One member of the Guidance staff visits SA for two hours every Wednesday to help Sixth Formers apply to Higher Education and other courses (switched March 2020 to online help and now in person from November 2021). The College continues to offer specialist help for university entrance exams, and pupils are invited to Oxbridge lessons and interview training.

(iv) Year 11 SA pupils entered a research project competition at the College. This will, hopefully, be an annual event, with generous prizes supplied by the College.

(v) Two pupils from SA joined the College in September 2022 on full bursaries as part of an ongoing bursary programme with the Academy (there are five former SA pupils in the College's Sixth Form in total).

(vi) We continue to be involved in the Fitzwilliam Project, an access and mentoring project organised by Fitzwilliam College Cambridge for SA pupils. After a good deal of disruption there was a residential stay at Fitzwilliam in September 2022, which the College helped to staff.

(vii) The Year 10 exchange for pupils from the two schools has been reinstated, and a group of 12 pupils from each will participate in this in November 2022.

(viii) Since the start of the SA GS, the College has hosted a free week-long academic Year 7 summer school, in conjunction with Imperial College London, for GS pupils. This resumed in June 2022 for both Year 7 and Year 8 pupils; Imperial's outreach work in schools had not yet been resumed, but the College sourced and financed an alternative provision. Whilst the course could not be residential (owing to the College's ongoing provision of accommodation for isolating pupils), the usual 'beyond-the-syllabus' provision was nonetheless possible with SA pupils travelling in for whole days.

(ix) An Open Morning for Year 6 pupils thinking about applying to the SA GS was hosted at the College in November 2021.

(x) Members of the College's Management Team visited the SA Sixth Form, and hosted a reciprocal visit to the College, with a view to helping SA review their academic strategy for these year groups as their Sixth Form continues to grow and improve.

(xi) The Wednesday Afternoon Swindon Academy Primary School Reading Programme continues to be very well supported by Marlborough College pupils. It resumed in person in September 2021 and 26 pupils now visit SA each Wednesday, supported by three College teachers.

(xii) The annual SA Carol Service took place in the College's Chapel in December 2021 and will again be an annual event.

(xiii) The College provided on site visits for Year 9 GS pupils in the summer term of 2021, with a focus on scientific experiment and investigation. In addition, SA pupils (and others from nearby primary schools) are invited to scientific talks and demonstrations at the College.

The College is currently working with SA to re-boot further partnership links, of which the following are examples:

(i) Residential weekends at Marlborough College, with SA pupils staying overnight and using the College facilities, with emphasis on a particular curriculum area each time. There are usually 12 pupils and two SA teachers attending on each occasion.

(ii) With the retirement of our previous manager of the SA partnership, we are now looking to recruit a full-time Partnerships' Manager, a role which will be funded for three years through benefactions from parents and OMs. A significant proportion of this role will be devoted to the SA partnership.

Links to Pewsey Vale School

The College has a well-established partnership with Pewsey Vale School. One member of the College staff is given specific responsibility for the partnership. On site visits have been able to resume, with a recent visit of pupils to an exhibition in the College's Mount House gallery being a recent example. The Partnerships' Manager, on appointment, will be given the responsibility for growing this partnership in the coming period.

Governance

Including roles at Swindon Academy and Pewsey Vale School, 12 governorships of other schools were held by members of Marlborough College staff during the reporting period. The majority of these (8) were in state schools. One teacher is Chair of Governors at a Secondary School in Slough, another is Chair of Governors at a local primary school.

Outreach (Community Service)

Every Monday or Wednesday afternoon during the Michaelmas and Lent terms approximately 200 pupils take part in a range of Outreach activities which provide a direct service to many aspects of the local community. Whilst many of these were severely curtailed by Covid restrictions, the following have continued or now been resumed:

(i) Literacy work in eleven Primary Schools (Preshute, Kennet Valley, Burbage, St Mary's Marlborough, St Nicholas' Baydon, St Michael's Aldbourne, St Katherine's Savernake, Ramsbury, Great Bedwyn, Beech Avenue – Swindon, Alton Close - Swindon)

(ii) Provision of after school Mandarin clubs in two local primary schools

(iii) Provision of after school Latin clubs in two local primary schools

(iv) Provision of after school Japanese club in a local primary school

(v) TWIN Science project – work to engage local primary school children in STEM. A recent example involved building a solar powered irrigation system using collected rainwater to supply a 'living wall' which the primary pupils had planted

(vi) Riding for the Disabled, based in Lambourne

(vii) River conservation – working with a local group, ARK (Action for the River Kennet)

(viii) Brimble Hill - Caring for children with severe learning difficulties

(ix) Sports Leaders – pupils becoming accredited Sports Leaders and then helping in primary schools

(x) Working with the elderly – pupils have visited care homes to provide concerts and Christmas carols. Additionally, we are discussion with a local volunteer group (Marlborough LINK) about visiting elderly members of the local community who are on their own at home.

(xi) Charity Think Tank (selecting, promoting and making donations to charities)

(xii) Collecting for Christmas hampers (for charities)

(xiii) Making and selling knitted goods and ceramics (for charities)

(xiv) Marlborough White Horse – restoration of the iconic chalk horse which sits above the town

In the Summer Term, owing to timetabling, many of these activities cannot take place and this enables the College to run a fun after-school club for four Wednesday afternoons catering for approximately 100 local children aged four to seven years old. This resumed in April – May 2022.

EdClub

The EdClub Movement is a pupil-driven programme that seeks to educate children in the Huruma slum in Nairobi, Kenya, through the use of the Internet and Skype, using a computer hub built by an initial fundraising effort by Marlborough pupils. There are now 18 schools involved internationally and numbers continue to grow. Marlburians typically mentor a group of around 100 Kenyan children on a weekly basis, teaching English, Maths and Science and generating positive and fruitful relationships on either side.

Panathlon links

Since 2011, Marlborough College has hosted an annual regional Panathlon event. Panathlon is a national charity that provides sporting opportunities to over 17,000 young disabled people every year. It promotes inclusion in sport. Working in collaboration with both Panathlon and Wiltshire and Swindon Sport (WASP), the College has hosted over 300 young physically and mentally disabled children and trained over 50 of the College's pupils as Panathlon leaders. After a two year hiatus, this event will resume on 15th November 2022.

Observatory

Since 2005, the Head of Astronomy at Marlborough College has run the outreach group 'Friends of the Marlborough Telescope' via the dedicated Observatory website which offers events, lectures and monthly Q&A sessions as well as an annual social event. An annual trip is arranged to a significant establishment in the UK or overseas. Swindon Academy Year 5 students all have the opportunity to visit the observatory for interactive events, spread over a number of evenings. The observatory usually hosts the UK Astronomy Olympiad Team for Observational training each August.

The Observatory also hosts local Primary Schools, teachers and pupils. There are evenings arranged with various other schools and clubs including Prep Schools, Secondary Schools, Scouts, Guides, U3A and the W.I. Oxford University graduates also have helped in the past with major public open evenings.

2021-22 saw the reopening of the Observatory to visitors following the restrictions imposed by the pandemic and members of the public were clearly keen to visit. Over the course of the year there were 149 attendees to Friends events both at the Observatory and online; 120 Cubs, Scouts and school pupils enjoyed sessions at the Dome and 118 various other members of the public visited, including a diverse range of students from the Marlborough College Summer School. The highlight of the year was the Marlborough Dark Skies Festival, a week in October 2021 dedicated to astronomy related talks and activities open to the public at a variety of venues across the town. The team at the Blackett Observatory were instrumental in the festival, delivering five different talks and hosting 141 visitors to the Dome for both day-time observing of the Sun and night-time stargazing. Further to this, the team were the 'experts' on hand to guide the 1,643 visitors who came to see the 'Museum of the Moon', an impressive art installation that hung in the College Chapel for the week.

The Blackett Observatory relationship with the Dark Skies Festival organisers (the Town Council and the North Wessex Downs Area of Outstanding Natural Beauty) is strengthening and plans are in development for many further public outreach events in the near future. There is a clear and increasing appetite for astronomy in the community of all ages and the Observatory is well placed to continue to grow as the number one centre for delivering astronomical outreach in the South of England through the coming year.

Careers Department

Swindon Academy and Pewsey Vale pupils receive the MC Guidance Department's weekly bulletins.

Both Swindon Academy and St John's, Marlborough are invited to attend the briefing we receive from an invited Oxbridge don every March. St John's Academy pupils in particular attend in numbers, with accompanying parents. Swindon Academy pupils applying to Oxbridge have had mock interviews from Marlborough College staff, and St John's Academy, who already have interviews from our medical school expert, are invited to have mock Oxbridge interviews conducted by Marlborough College teachers.

We are the only Open ACT Test Centre west of Berkshire, and the only such centre offering Extra Time for candidates. Over the past 6 years we have given about 100 a year access to testing. Swindon Academy have used us as a centre to sit the BMAT exam.

One expert from the Guidance Department visits Swindon Academy for two hours every Wednesday afternoon throughout the year, helping their Sixth Formers apply to Higher Education and other courses.

Music Department

The Music Department continues to offer a variety of different events for public benefit which are now fully back to normal following the COVID hiatus.

This year the Choral Society concert (which offers a collaboration between 'town and gown'), saw some 250 local singers perform in Chapel to an audience of approximately 300 residents of the town who, in turn, were offered free tickets to the concert. The sum of £1,500 was raised from a post-concert collection at this event and donated to the College's nominated charity.

In addition, the annual Music Scholars' Gala Concert in London also raised a sum of around £300 for the charity Future Talent.

The Music Department also continues to offer the opportunity for local state school pupils to join various ensembles at the College during the academic year - opportunities they may not otherwise enjoy.

Additionally, leading music pupils also gave a public performance at the Calne Music Festival to a sell-out audience, whilst all our major internal orchestral concerts are open to the public free of charge. This proves a very popular initiative.

The College also continues to allow use of its teaching facilities for members of the public who wish to take instrumental music lessons and coaching with any of our distinguished music teachers.

The renowned Marlborough College Concert Series, which promotes five concerts per season, also benefits from free use of the College's Memorial Hall, Steinway piano and the offer of covering some printing costs for the programme, which ensures the invitation of world class musicians in Marlborough can continue for the benefit of our local public.

Sporting Facilities

(i) St John's Marlborough use the College's sports facilities on a regular basis at mutually convenient times. At present, the squash option in their Enrichment and After School activities programme is booked on the squash courts twice a week, and the hockey option is based on Milford astro once a week. They also use the athletics track for GCSE moderations whenever required.

(ii) The College hosts a number of Avon Primary Schools' sports festivals at various times of the year - these include netball, hockey, football, orienteering and athletics - and a number of local Primary Schools use the athletics track for their sports' days.

(iii) The College's sports and other facilities are extensively used by local sports clubs and regularly by other organisations. Some of the sports include hockey, rugby, football, squash, tennis, fives, triathlon and athletics, and various organisations such as Wiltshire Cricket, Wiltshire Hockey, Wiltshire Netball, South West Lacrosse, Hockey Wales, WASP (Wiltshire and Swindon sport), RFU, Bath Rugby, Fortitude Hockey and GoCrea8 Hockey for their holiday coaching camps. Wiltshire Army Cadet Force also make use of the College rifle range. In many cases, hire of facilities is offered at a discounted rate or free of charge.

(iv) All charities, educational establishments and club junior sections pay a discounted rate for the use of College facilities and in some cases are offered their use free of charge.

(v) One member of the College staff regularly coaches a junior team at Marlborough Hockey Club and another member is the Head Coach of the Men's and Women's senior teams. The hockey department also run a Wednesday Outreach programme for local Primary School pupils, which comprises coaching and tournament play. A further member of the College staff assists junior squash at Marlborough Squash Club.

Fundraising

The College raised approximately £67,000 during 2021/22 (2020/21: £50,000) for chosen charities through various whole school events and numerous boarding house and pupil initiatives. Examples include

(i) C3 and Mill Mead Houses' Poppy Run raised almost £4,000 for the Royal British Legion.

(ii) One pupil's sponsored walk raised almost £1,000 for the Marine Conservation Society.

(iii) Elmhurst House raised £5,500 for Ukraine Aid and £2,000 for The Brain Tumour Charity.

(iv) A 'green ribbon' campaign for MIND, led by an Upper Sixth pupil, raised £1,225.

(v) A sponsored ergometer row by a group of pupils and staff raised £12,000 for Cancer Research.

(vi) B1 House raised £2,000 for Young Minds via a sponsored triathlon.

(vii) A 24 hour marathon by the College's tennis club raised over £3,000 for sporting charities.

(viii) A pupil fundraising effort and Confirmation collection raised £5,000 for the Refugee Council and pupils also donated and assembled backpacks of needed items for Afghan refugees.

(ix) Two Upper Sixth pupils organised an innovative raffle with numerous donated prizes, raising over £4,000 for The Felix Project.

(x) Summerfield House ran a relay marathon in just under the individual record time, raising more than £4,000 for Alport UK.

(xi) A Housemaster and his son raised over £2,000 for Cancer Research UK via a sponsored run.

(xii) The College's Wellbeing Ambassadors sold wristbands on Child Exploitation Awareness day and raised £700.

(xiii) The 'Prefects' Prom' for younger pupils raised £300 for the DEC Ukraine appeal.

(xiv) Ivy House raised £400 for Ace Africa via a bake sale

(xv) An individual pupil raised £400 for Operation Smile through a bake sale

(xvi) Morrris House's sale of Valentine's carnations raise £225 for Cancer Research UK

A charitable fete on the first Sunday of the summer term, celebrated as Royal Sunday in this jubilee year and after an absence of two years, allowed all houses to raise money for causes of their choice through a variety of stalls, sales and sponsored activities (with C1 house raising almost £8,000 for a Land's End to John O'Groats challenge involving pupils using Wattbikes, ergometers, running and, in one case running a marathon around the College).

In addition, a memorial fund established by the family and friends of a former pupil who left the College in 2021 raised £25,000 in aid of MIND.

Despite the continuation of pandemic related restrictions, the Charity Committee at MCM was able to raise £10,000 during 2021/22 through numerous refreshment, cake and merchandise sales, boarding and day house events as well as pupil initiatives across both the Prep and Senior sections of MCM. More than £8,000 of this balance was distributed to a number of organisations and charities:

- provided IT equipment for a digital classroom in the local government primary school, Sekolah Kebangsaan Sungai Melayu;
- contributed towards a local animal welfare initiative at Noah's Ark Natural Animal Sanctuary in Johor Bahru;
- contributed towards a local initiative run by Kechara to provide essential self-care packs to the homeless community;
- contributed towards the costs of one teacher's salary and teaching equipment for the children at the Rotary Children's Orphanage; and
- contributed towards the cost of college fees and subsistence costs for the students training to be ministers at St Christopher's Church in Johor Bahru.

FUTURE PLANS

The College

The College's mission is to deliver the best independent, co-educational, full boarding education in the UK and to be recognised for this globally. The Marlborough we envisage will be a leading, outward looking and inclusive school where children with potential are given the opportunity to make a difference. Key programmes of work include:

- A pioneering academic strategy to build on the College's continuing academic success of the past four years, 2022 being very strong, particularly given that they were the first to be awarded as the result of public examinations since 2019;
- Execution of our bold and sustainable Campus Master Development Plan, including conservation of our heritage assets and natural landscape;
- Complete the refurbishment of the Science Buildings, with Phase 1 due for completion in December 2022;
- Continuation of the College's boarding house refurbishment programme; and
- Implementation in Spring 2023 of an ambitious new bursary fundraising campaign to increase the number of young people on full and partial bursaries and to create a more diverse College community

MCM

MCM will focus its efforts on pupil recruitment, pushing for an earlier recovery to the pre-pandemic numbers. The Admissions and Marketing team will continue to rekindle its connections with Asian countries, in which they had previous success in pupil recruitment, such as Japan, South Korea, Hong Kong and Mainland China. They are also exploring new opportunities in the Middle East and India.

STRUCTURE GOVERNANCE AND MANAGEMENT

Status and Administration

The College is an Educational Charity (no. 309486) incorporated by Royal Charter. Its constitution is contained in its Charter and Bye-laws.

The Trustees of the College constitutes the Council. The Council members, key staff and advisors are set out on pages 2 to 4.

The Governing Body

The College's elected members of Council are appointed at the Annual General Meeting of the Council on the recommendation of the Nominations Committee. Members of Council are appointed for three years and are eligible for re-appointment but do not normally serve for more than six years in total.

The Chairman is exempt from the above and is appointed for three years. After the initial term the Chairman is eligible for re-appointment for a further term of three years.

Recruitment, Induction and Training of Members of Council

The Nominations Committee, in making recommendations for the appointment of new members of Council, has particular regard to the personal competence, experience and specialist skills of potential candidates. In filling vacancies on the Council, consideration is also given to the skills required to complement those of existing members.

New members of Council are inducted into the workings of the College and there is a comprehensive programme of induction and ongoing training. This includes a day at the College, the purpose of which is to meet the Master and members of staff. The visit also includes a tour of the College and the opportunity to meet some of the pupils. New members of Council receive a pack of documents and information, including the AGBIS Guidelines for Governors.

Members of Council receive organised training briefings from professional bodies when appropriate, as well as invitations to attend seminars and presentations.

Organisation

The Charter and Bye-Laws require that the rights, powers, duties and functions vested in the Council are to be exercised by the Council Members on its behalf. Accordingly, the Council has the power to decide matters of College policy and to make major decisions affecting the affairs of the College. It is specifically required to determine the tuition fees and to take responsibility for the College's assets.

To enable matters to be considered in detail prior to meetings of the full Council, a Finance Committee, a Nominations Committee, a Buildings Committee, an Academic Committee, a Development Committee, a Health & Wellbeing Committee and an Investment Committee have been established and they each meet at least three times a year. A Remuneration Committee has also been established, which usually meets once a year.

Implementation of the Council's decisions is the responsibility of the Master.

Mindful of the Charity Governance Code, the College continues to review its processes and procedures to ensure the best possible governance. Following an initial review of governance last year there have been various new initiatives and this will be developed further in the future.

Key Management Personnel

The key management personnel are considered to be the Council, the Master, the Management Team and the Bursarial Team from the College along with the International Council members, the Master and the Bursar from Marlborough College Malaysia (MCM).

Council members give of their time freely and no Council member received remuneration in the year. Details of Council members' expenses and related party transactions are disclosed in note 4 and note 22 respectively to the accounts.

The pay of the key management personnel and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Council benchmarks against pay levels in other comparable independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

Related Entities

Details of connected charities and subsidiary companies are disclosed in Notes 7 and 21 of the financial statements.

Connected Charities

The Marlborough College Foundation

The objects of the Marlborough College Foundation ("the Foundation") (registered as an Educational Charity No: 1061798), are set out in a Trust deed dated 4 June 1956. Marlborough College does not control the Foundation, and its accounts are therefore not consolidated into the group accounts of the College.

The main objectives of the Foundation are to provide long-term support to the College by accumulating an endowment fund for bursaries and to act as custodians for money raised to assist with individual capital projects and annual bursary awards. The Foundation does not fundraise directly as this is undertaken by the College's Development department.

The Marlburian Club

Founded in 1884, The Marlburian Club represents the interests of its Members with further details set out in the Club's Constitution and Rules. Clubs Members are Old Marlburians, ex-pupils of the College who paid a life subscription to the Club. The College does not control the Club, and its accounts are therefore not consolidated into the group accounts of the College.

The Marlburian Club Charitable Fund

The objects of the Marlburian Club Charitable Fund ("MCCF") (registered as a Charity No: 1063749), are set out in the 1997 revision to the constitution of the Trust approved by the Charity Commission. Marlborough College does not control MCCF, and its accounts are therefore not consolidated into the group accounts of the College.

Subsidiary Companies

Marlborough College Overseas Limited

Marlborough College Overseas Limited is a subsidiary of Marlborough College. It has one subsidiary, M East Sdn Bhd, a company registered in Malaysia. M East operates Marlborough College Malaysia (MCM), a school based in the Iskandar region of Malaysia.

Marlborough College Enterprises Limited

Marlborough College Enterprises Limited (MCEL) provides a vehicle for the College's non-educational trading and for additional revenue-generating activities.

The Company makes a gift aid donation of its profits to the College under deed of covenant. In 2022 the donation was £169,000 (2021: £nil) as the business rebuilds after COVID, whereas in the prior year the impact of the pandemic had substantially limited the trading opportunities for large swathes of the year and the Company had not been able to make a gift aid donation.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

The objects for which the College shall continue to be incorporated are to provide education for students in the United Kingdom or elsewhere, irrespective of faith, that develops independence of mind, individual spirituality based on an understanding of Anglican teaching and respect for other faiths, and an appreciation of the importance of service to the community. The Council members ensure that the charitable purpose of the College is carried out for the public benefit by making education available to students who are sufficiently talented and, where possible, irrespective of financial circumstances.

In pursuing these objectives, the College shall have regard to the social, religious and educational environment pertaining from time to time.

Aims and Objectives

It is the primary aim of the Colleges to be the first choice of parents and children who seek an excellent modern education, boarding or day, in a co-educational environment, based on breadth in curriculum, sound discipline, independence of mind, first class facilities and service to the community.

To support this aim the Colleges seek to:

- sustain and develop an academic curriculum that challenges pupils;
- sustain, develop and promote the unique value of a co-educational full boarding experience;
- promote and extend co-curricular opportunity;
- promote a sense of belonging to a legacy for life;
- to enable the Colleges' pupils to gain admission to the best universities and courses that they can; and
- foster an appreciation of and a sense of stewardship for the Colleges' campuses.

Strategies to achieve the Year's Objectives

The Colleges' strategies for achieving their objectives during the year are ongoing and broadly in line with the prior year to:

- develop all pupils academic ambition - with the Marlborough Mindset rolled out in the College to develop learning and study skills;
- continue to review the academic curriculum to ensure that it is both broad and challenging;
- continue to benchmark their academic performance in external public examinations and through the use of independent value-added criteria (although this is not possible to the same extent for MCM);
- achieve targets for pupil numbers and various financial targets including operating surpluses and cash generation;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- continue to improve the Colleges' facilities and to protect the (historic) environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout the Colleges;
- continue to improve the sustainability of the Colleges' estates through an ongoing programme of capital investment, particularly at the College where the campus is much older; and
- continue to explore and develop partnerships with maintained schools and academies as well as with the local community – this is really only possible and relevant for the College at present.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year ended 31 August 2022 include those of Marlborough College and Marlborough College Malaysia (MCM). While the results for the College were no longer directly impacted by the pandemic, MCM suffered continued restrictions particularly in relation to travel in place for large parts of the year until April which further impacted pupil numbers.

Consolidated net fee income increased to £50.0 million, up from £47.9 million following two years of decreases due to the pandemic. The increase was due to a combination of factors:-

- an inflationary fee increase following a year of no increase;
- increased pupil numbers at the College, although numbers dropped further at MCM due to the ongoing border closure with Singapore; and
- fees being reduced in the prior year for the Lent Term when they were billed at 75% for 70% of the term due to the nationwide lockdown, which resulted in a reduction in fees of £1,800,000.

There were also positive movements on net surplus (before investment loss) as a result of the following factors:-

- a return to profitability for the commercial activities at the College with the resumption of Summer School and a number of events and increased facilities hire;
- the reversal of the £2.7 million impairment loss that had been recognised in MCM's 2019/20 accounts following the onset of the pandemic, as the recoverable value of the assets are now deemed to be higher than the carrying amount; and
- the recognition of a deferred tax asset of £2.13 million which has been triggered by the foreseeable future profits that will be available to be set against unused tax losses and deductible temporary differences.

However, the consolidated net fee income is still not back to pre-pandemic levels, with the year ended 31 August 2022 down £4.5 million from the fee income received in 2018/19 (pre-pandemic). This was due to the significant decrease in pupil numbers at MCM as a direct result of the pandemic and the long lasting travel restrictions in place. Pupil numbers decreased from 953 in 2018/19 to 717 in 21/22, although almost 730 pupils started the new 22/23 academic year and future projections show MCM being at capacity (1,250) by 2033.

There were also other contributing factors which resulted in there being no overall increase in the fund balance from £105.9 million in the prior year, namely:-

- unrealised investment losses for the College and exchange rate losses for MCM due to the fluctuations and uncertainty in the worldwide markets, primarily as a result of the war in Ukraine and the impact on supplies especially utilities as well as the lasting legacy of the pandemic; and
- increased expenditure, particularly at the College due to high levels of cost inflation and a catch up on maintenance expenditure following COVID.

Overall the Group recorded a net movement in funds of £0.08 million surplus compared with a surplus of £4.1 million in the prior year. However, without the substantial investment losses totalling £2.3 million and the net exchange rate losses of £0.9 million, there would have been a £3.3 million Group surplus.

While the College made a small net operating surplus of £0.5 million, MCM's operating surplus was more substantial at £2.6 million due to the impairment loss reversal and recognition of the deferred tax asset. This was compared to an operating deficit of £0.6 million in the prior year and MCM expects to achieve a sustainable surplus from 2023 onwards. This projection supports the reversal of the impairment loss of £2.7 million as well as allowing MCM to recognise £2.1 million of deferred tax assets during the year.

A total of £12.3 million was committed to capital expenditure during the year, £11.7 million of which took place in the UK. This was more than the budgeted £11.25 million due to the need to catch on some projects following the pandemic induced delays and considerably more than the £6.0 million in the prior year when there were ongoing concerns surrounding the pandemic and resulting supplier and labour shortages.

INVESTMENT POLICY AND PERFORMANCE

The College's investments are managed by Rathbones Investment Management Ltd. The investment managers have discretion in the management of the portfolio. The investment policy adopted total return accounting during the prior year, with the overall objective to increase the funds value in line with fee inflation and provide up to 3-4% for draw down in support of bursaries.

The investments consistently either meet or exceed the benchmark set over the longer term, with unprecedented investment gains (realised and unrealised) during the prior year. However, the investments have been impacted by the war in Ukraine, the consequential 'cost of living crisis' with spiralling inflation and supply concerns, and, as a result did not meet the benchmark in the year ending 31 August 2022. The composite benchmark to 31 August 2022 was a negative 3.4% total return (net of fees) whereas the College Fund was a negative 11.7% total return. As a result there have been investment losses of £2.3 million (2021: gains of £2.7 million), which impacted the Group's overall surplus during the year.

RESERVES POLICY

At 31 August 2022, the Group continued to hold total funds of £105.9 million (2021: £105.9 million). Of the total funds, £11.9 million (2021: £13.8 million) related to restricted and endowed funds and the purpose of these funds is explained in notes 17 and 18 to the accounts. Council adopted total return accounting during the prior year for the endowed funds, which permits more of the endowed funds to be granted if required and this adoption is shown in more detail in note 15. The principles of the policy were also applied to all of the invested College Fund, which totalled £13.3 million at year end.

The Group also holds designated funds of £1.48 million (2021: £1.85 million), which were originally set up to allocate donations of a general purpose towards designated purposes as approved by Council. The purpose of each fund is described in note 15. In addition to this, activities in relation to Malaysia are shown separately as a fund within the accounts. At 31 August 2022, there was a surplus on these funds of £1.6 million (2021: £0.6 million deficit).

The College holds unrestricted reserves of £89.5 million (2021: £88.9 million). The value of these reserves is more than exceeded by the value of tangible fixed assets at £115.5 million (2021: £107.2 million). The College's development plan which envisages significant further capital expenditure, is almost back on track following the financial impact of the pandemic and the ongoing 'cost of living crisis'. As have MCM's current development plans, whose £3.0 million of reserves are all unrestricted (2021: £1.36 million).

The management of funding and working capital is monitored by the Colleges' Finance Committees on a regular basis and a number of funding streams are being identified to support the capital requirements for the short and medium term.

The Councils are satisfied that the Colleges have sufficient working capital, although the impacts of the pandemic has resulted in the Councils reviewing the long term plans for working capital to ensure there will be sufficient funds should they be required in the future for unforeseen situations such as the recent pandemic and current 'cost of living crisis'. This policy is monitored by the Colleges' Finance Committees and reviewed at least termly.

The Council considers that the going concern basis remains appropriate for the preparation of the College's accounts even in light of the impact of the pandemic. MCM's Council have reviewed the school's operating and financial position and following a restructure to their Initial Lease Term with the Lessors consider that the going concern basis remains appropriate.

RISK MANAGEMENT

The major risks to which the Colleges are exposed, as identified by the Councils, have been reviewed and systems have been established to mitigate those risks. This is an on-going process and the Councils review and update the risk management process at least annually.

The principal risks and uncertainties identified by the Colleges include the following:-

- the financial and social impacts of a (global) pandemic;
- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- future governments change the law to remove (charitable) tax breaks (in the UK);
- failure to safeguard the wellbeing and security of pupils and staff;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the Colleges' control, such as changes in legislation and pension contributions; and

- one risk specific to MCM is the reduction of expatriate professionals in the ASEAN region during the pandemic. This has led MCM to cast its pupil recruitment net wider to attract local pupils in a number of countries who are interested in a holistic British education.

Although the College is still very near capacity, the recent pandemic continues to impact MCM's pupil numbers although forecasts are looking positive. The Councils for both Schools continue to carefully monitor fee increases in the future to improve affordability and accessibility but at the same time to ensure that the highest standards are maintained in both Colleges.

In the UK there is an ongoing risk to changes to independent schools' charitable status, amongst other risks, and hence it is important that the College continues to show its commitment to improving support to other schools and improving accessibility to the education provided at the College, particularly in the number of transformational bursaries being made available, with ambitious targets being set to try and achieve this via the Development office. The College is also looking at contingency planning should tax changes be introduced.

The safeguarding of children is an extremely important area for risk management. Organisations which work with children have a critical role to play in preventing, identifying and reporting cases of safeguarding concern. Both Colleges aim to mitigate these risks by paying particular attention to the training of staff and other individuals associated with the organisation about how to identify signs of safeguarding concern, educating the pupils appropriately, implementing robust safer recruitment policies, adopting clear procedures for reporting and recording concerns, and implementing a strong culture of pastoral care within the Colleges. Health and Safety is a significant area for risk management. The risks range from fire and infrastructure to personal risks. The level and breadth of activity at the Colleges is notable and the risks associated with all activities are managed by thorough planning and risk assessment.

The risk management process identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The key controls used by the Colleges to minimise risk include:-

- policies and vetting procedures, including Safer Recruitment, as required by law for the protection of children;
- formal agendas for the Councils and all Committee meetings, including an annual review of risk management;
- detailed terms of reference for all Committees;
- strategic development planning reviewed annually by the Councils;
- comprehensive budgeting and management accounting;
- external auditors' review including of controls, policies and procedures;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels; and
- expert advice and support from the various professional support teams including Finance, HR, Operations, Health and Safety, and Admissions as well as from qualified and experienced academic staff with dedicated responsibility for safeguarding and pastoral care.

The Councils regularly review the effectiveness of current plans and strategies for managing all identified major risks for both the College and its subsidiaries.

Through their risk management processes, the Councils are satisfied that the major risks identified have been adequately mitigated where necessary.

MARLBOROUGH COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Council is responsible for preparing the Council's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Practice). The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the Group and of the net movement in funds, including the income and expenditure, of the Group and the College for that year. In preparing these financial statements, the Council are required to:

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

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College and enable the Council to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other applicable laws. The Council is responsible for safeguarding the assets of the Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Haysmacintyre LLP, will be submitted to the Annual General Meeting.

By order of the Council

Marlborough College
Wiltshire
SN8 1PA

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2021 which comprise Group Statement of Financial Activities, the Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charity's affairs as at 31 August 2022 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Council's 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement, set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity 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.

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

23.1.23
.....2022

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MARLBOROUGH COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Total 2022 £'000	Total 2021 £'000
Income and endowments from:							
Charitable activities							
School fees	1	37,289	13,792	(625)	(701)	49,755	47,911
Summer School		1,311	-	159	-	1,470	-
Other trading activities							
Trading Income		998	120	167	-	1,285	1,059
Other	2a	554	330	1	-	885	867
Donations, grants and legacies	2b	(7)	-	330	868	1,191	1,576
Investments		260	165	63	391	879	640
Total income		40,405	14,407	95	558	55,465	52,053
Expenditure on:							
Raising funds							
Trading costs		841	122	-	-	963	909
Financing costs		988	2,742	7	-	3,737	2,417
Marketing and fund raising		933	95	-	-	1,028	992
Investment management		-	-	7	63	70	66
		2,762	2,959	14	63	5,798	4,384
Charitable activities							
College operating costs:							
Teaching costs		15,041	6,189	22	-	21,252	21,160
Summer School expenses		1,311	-	-	-	1,311	419
Welfare costs		5,641	1,144	8	-	6,793	5,834
Premises costs		8,757	2,322	-	112	11,191	9,550
Support costs		3,282	2,084	-	-	5,366	4,313
Grants, awards and prizes		(25)	-	2	99	76	74
Depreciation		3,478	1,881	-	-	5,359	5,151
Reversal of impairment charge		-	(2,703)	-	-	(2,703)	-
Tax charge for the year (M East)		-	(2,103)	-	-	(2,103)	-
		37,485	8,814	32	211	46,542	46,501
Total expenditure	3	40,247	11,773	46	274	52,340	50,885
Net income before investment gains		158	2,634	49	284	3,125	1,168
Net (losses)/gains on investments		(167)	-	(378)	(1,757)	(2,302)	2,676
Net (expenditure)/income		(9)	2,634	(329)	(1,473)	823	3,844
Transfers between funds	14	391	-	(46)	(345)	-	-
Revaluation of other investment assets		(9)	-	-	-	(9)	18
Exchange (losses)/gains		126	(1,002)	-	-	(876)	(77)
Re-measurement of Pension Deficit		147	-	-	-	147	328
NET MOVEMENT IN FUNDS		646	1,632	(375)	(1,818)	85	4,113
Fund balances at 31 August 2021		88,881	1,363	1,853	13,764	105,861	£101,748
Fund balances at 31 August 2022		**£89,527**	**£2,995**	**£1,478**	**£11,946**	**£105,946**	**£105,861**

Full comparatives for the Statement of Financial Activities are shown in Note 24 on page 49.

MARLBOROUGH COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	Group 2022 £'000	Group 2021 £'000	College 2022 £'000	College 2021 £'000
FIXED ASSETS					
Tangible	6	146,244	133,894	115,546	107,241
Investments	8	16,408	18,279	16,532	18,403
		162,652	152,173	132,078	125,644
DEBTORS DUE IN MORE THAN ONE YEAR					
Deferred Tax Asset	5	2,130	-	-	-
CURRENT ASSETS					
Listed investments	8	2,118	10,275	2,118	10,275
Stock		553	535	93	53
Debtors	9	5,016	6,176	3,077	4,328
Cash at bank and in hand		21,401	15,044	10,408	5,369
		29,088	32,030	15,696	20,025
Less: Creditors - Amounts falling due within one year	10	(23,797)	(19,196)	(13,649)	(9,704)
Net current assets		5,291	12,834	2,047	10,321
		170,073	165,007	134,125	135,965
Creditors - Amounts falling due after one year	11	(64,127)	(59,147)	(31,304)	(31,597)
NET ASSETS		£105,946	£105,861	£102,821	£104,368
REPRESENTED BY:					
Unrestricted Funds	13	94,000	92,097	90,875	90,604
Restricted Funds	17	43	41	43	41
Endowed Funds	18	11,903	13,723	11,903	13,723
	12	£105,946	£105,861	£102,821	£104,368

These financial statements were approved by the Council on 3 December 2022

..... - Chairman of Council

..... Chairman of Finance Committee

The accompanying notes are an integral part of these financial statements.

MARLBOROUGH COLLEGE

CASH FLOW STATEMENT (Group)

	2022		2021	
	£'000	£'000	£'000	£'000
Reconciliation of net income to net cash flow from operating activities				
Net income per Statement of Financial Activities	823		3,844	
Depreciation charges & Impairment	5,359		5,151	
Amortisation cost for refundable deposits	(108)		243	
Gain on sale of tangible fixed assets	(41)		(5)	
Bank interest and investment income	(879)		(640)	
Net gain on investments	2,303		(2,676)	
Interest payable	1,639		2,417	
(Increase)/Decrease in stock	(3)		112	
(Increase)/Decrease in debtors	1,374		(1,097)	
Increase/(Decrease) in creditors	3,483		(1,756)	
Increase/(Decrease) in lease creditors	1,345		2,324	
Reversal of impairment loss	(2,703)		-	
Tax charge for the year (M East)	(1,940)		-	
Tax paid in the year (M East)	(54)		-	
Net cash provided by operating activities		**10,598**		**7,917**
Cash flows from investing activities				
Bank interest and investment income	879		640	
Purchase of tangible fixed assets	(12,266)		(5,961)	
Proceeds from sale of tangible fixed assets	43		5	
Purchase of investments	(5,202)		(5,567)	
Proceeds from sale of investments	5,798		5,417	
Purchase of government securities and corporate bonds	(969)		-	
Proceeds from sale of government securities and corporate bonds	1,848		4,000	
Net cash used in investing activities		**9,869**		**(1,466)**
Cash flows from financing activities				
Interest payable	(1,639)		(2,417)	
New entrance deposits received	1,627		2,730	
New fees in advance received	172		270	
Release of fees in advance	(349)		(787)	
Entrance deposits repaid	(1,442)		(2,598)	
Capital repayments on lease creditors	(56)			
Net cash used in financing activities		**(1,687)**		**(2,802)**
Change in cash and cash equivalents in the reporting period		(958)		£3,649
Foreign exchange movements		911		-
Cash and cash equivalents at the beginning of the reporting period		23,261		19,612
Cash and cash equivalents at the end of the reporting period		**£23,214**		**£23,261**
Analysis of cash and cash equivalents				
Cash at bank and in hand		21,401		15,044
Uninvested cash included in investments		1,813		8,217
Total cash and cash equivalents:		**£23,214**		**£23,261**

An analysis of net debt is included in note 23.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) **Basis of preparation**

The financial statements have been prepared in accordance with 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) – Second Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

Marlborough College meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The functional currency is pounds sterling and the accounts are rounded to the nearest thousand.

b) **Going concern**

The Council considers there are no material uncertainties about the Group's financial viability and hence its ability to continue as a going concern. The review of the financial position, reserves levels and future plans gives Trustees confidence the Colleges both remain going concerns for the foreseeable future.

c) **Critical accounting judgements and estimates**

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the College's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements 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.

Certain long term liabilities, including overseas deposits and entrance deposits, have not been discounted on the grounds that the impact of discounting is considered to be immaterial to the financial statements. Where the impact is material, specifically in relation to MCM entrance deposits, the liabilities have been discounted.

Deferred tax assets

Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Impairment of Property, Plant and Equipment

The Colleges' assess whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units).

The impairment loss was charged to profit or loss in 2019/20 and the subsequent increase in recoverable amount is recognised in the profit or loss during the year.

d) **Fees and similar income**
Fees receivable and charges for services are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College, and include contributions received from Associated Funds for Scholarships, Bursaries and other grants.

e) **Donations, gifts and legacies**
Donations received for the general purposes of the College are credited to College funds. Where the Council designates donations for specific purposes they are credited to designated funds, to distinguish them from direct school income. Donations subject to specific wishes of the donors are credited to relevant restricted funds, or to endowed funds, where the capital is permanent.

Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

f) **Expenditure**
Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of value added tax is included with the item of expense to which it relates.

g) **Leases**
The Schools' rentals paid under operating leases, in which substantially all the risks and rewards of ownership are retained by the lessor, are charged to income on a straight line basis over the lease term.

MCM's leases of assets where they assume substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

h) **Financial instruments**
Only the College has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

i) **Tangible fixed assets**
The College land and buildings in existence at 1 July 1999 were valued by the Council on the following basis:

- Specialised buildings were valued using depreciated replacement cost. Specialised buildings are buildings such as schools, "where there is no competing market demand from other organisations using these types of property in the locality" and are therefore rarely sold on the open market for single occupation for a continuation of their existing use, except as part of a sale of the business in occupation. Acquisitions of specialised buildings subsequent to 1 July 1999 are capitalised and subsequently depreciated in accordance with the College's normal accounting policies.

- Non-specialised buildings were valued at existing use value. Non-specialised buildings include residential buildings outside the College campus and shops.

- Land related to specialised buildings were valued on an agricultural value basis.

- Land relating to non-specialised buildings were valued at open market value.

The College does not intend to adopt a policy of revaluation. Thus the buildings valuations at 1 July 1999 are frozen subject to any adjustments necessary resulting from an impairment review.

Depreciation is provided to write off the cost or valuation, less estimated residual value, of all fixed assets, except freehold land, over their expected useful lives.

The rates of depreciation are as follows:

Buildings:	
Buildings	10 to 50 years
Building services and fixtures	10 years
Building renovations	15 to 25 years
Computers	4 years
Equipment	5 years
Fixtures and Furniture	5 to 10 years
Motor Vehicles	4 years

j) **Fixed asset and current asset investments**
Listed investments held as fixed or current assets are included in the financial statements at market value.

The fixed asset listed investments are known as "The College Funds" (previously named The Consolidated Investment Pool) and include monies invested by Designated, Restricted and Endowed funds. These funds are allocated with units which establish their proportion of the overall investment pool. The transactions relating to the consolidated investment pool are then shared out between the funds on a unit basis.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Fees in advance investments are defined as liquid resources for the purposes of cash flow reporting.

Investment properties consist of agricultural land and commercial and retail properties. They are included in the financial statements at their open market value as estimated by professional valuers annually.

k) **Stock**
Stock is valued at the lower of cost and net realisable value.

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

m) **Cash at bank and in hand**
Cash at bank and cash 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.

n) **Creditors and provisions**
Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Long term liabilities are discounted where the impact is material.

o) **Funds**
The Statement of Financial Activities is analysed between Unrestricted College Funds, Unrestricted Designated Funds, and Restricted Funds and Endowed Funds. The purpose and accounting treatment of these funds are explained further in notes 13 to 18.

p) Consolidation

The Group financial statements represent the activities of the College consolidated with Marlborough College Enterprises Ltd (MCEL) and Marlborough College Overseas Limited (which incorporates its subsidiary M East Sdn Bhd).

Consolidated financial statements have been prepared for the College and its wholly owned subsidiaries. The turnover and expenditure of the subsidiaries are included within the consolidated statement of financial activities. The assets and liabilities of the subsidiaries are included on a line-by-line basis in the consolidated balance sheet in accordance with FRS102 section 9 – consolidated and separate financial statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising from intra-group transactions are eliminated in the consolidated statement of financial activities.

q) Summer School and the School of English and Culture

The course take place in the months of July and August each year. Income and expenditure relating to the Summer School and the School of English and Culture is reflected in the year the courses take place and is referred to as "Summer School". Due to COVID, these events were cancelled in 2020 and 2021 and any income received from course fees that were not refunded was carried over to 2022. Summer School made a successful return in 2022 but the School of English and Culture was cancelled early on due to the ongoing uncertainly surrounding COVID and international travel and any income was refunded accordingly.

r) Employee benefits

Pension costs

The College contributes to the Teachers' Pension Scheme at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. For the purposes of complying with relevant accounting standards, the Teachers' Pension Scheme is accounted for as a defined contribution scheme as the charity is not responsible for, or entitled to receive benefit for, any surplus or deficit of the scheme. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

The College participates in two Pensions Trust schemes that are multi-employer defined benefit schemes: the Independent Schools' Pension Scheme and the Growth Plan. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Schemes are multi-employer schemes where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets. However, the College has been advised by the Pensions Trust as to the deficit repayments due in relation to the schemes. Therefore, in line with the requirements of FRS 102, the College recognises a creditor for the discounted present value of the deficit contributions due to the scheme.

The College also contributes to the Independent Schools' Pension Scheme – Defined Contribution Scheme at rates set by the College. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

MCM's pension benefit schemes comprise a defined contribution plan: a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the year in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

s) Foreign currency translation

The College's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

t) Legal status

The College is incorporated by Royal Charter and registered as an Educational Charity (No. 309486). Its constitution is contained in its Charter and Bye-laws. Its principal address is shown on Page 3.

1. FEES RECEIVABLE

	2022		2021	
	£'000	£'000	£'000	£'000
Full fees for pupils at the Schools		54,866		52,930
Less: Fees paid by associated funds		(701)		(371)
		54,165		52,559
Less: Deductions				
Scholarships	273		490	
Bursaries and other deductions	4,838		4,529	
		(5,111)		(5,019)
		49,054		47,540
Grants from Associated Funds		701		371
Receivable by the Schools		£49,755		£47,911

2a. OTHER TRADING ACTIVITIES

	£'000	£'000
Registration and acceptance fees	412	417
Commission received	49	39
Rental income	119	121
Miscellaneous	265	283
Gain on disposal of tangible fixed assets	40	7
	£885	£867

2b. DONATIONS AND LEGACIES

Donations include £nil (2021: £677,000) received in relation to the Coronavirus Job Retention Scheme implemented by the Government from March 2020 as a result of the countrywide lockdown in relation to the global pandemic.

3. ANALYSIS OF TOTAL EXPENDITURE

2022	Staff Costs £'000	Other direct Costs £'000	2022 Total £'000
Costs of raising funds			
Trading costs	280	683	963
Finance costs	-	3,737	3,737
Marketing and fundraising	592	436	1,028
Investment management	-	70	70
Charitable activities			
College operating costs:			
Teaching costs	19,049	2,203	21,252
Summer School expenses	517	794	1,311
Welfare costs	4,122	2,671	6,793
Premises costs	2,694	8,497	11,191
Support costs	1,468	3,898	5,366
Grants, awards and prizes	-	76	76
Depreciation and impairment	-	5,359	5,359
Reversal of impairment charge		(2,703)	(2,703)
Tax charge for the year (M East)		(2,103)	(2,103)
	£28,722	£23,618	£52,340

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2021	Staff Costs £'000	Other direct Costs £'000	2021 Total £'000
Costs of raising funds			
Trading costs	280	629	909
Finance costs	-	2,417	2,417
Marketing and fundraising	514	238	752
Investment management	-	66	66
Charitable activities			
College operating costs:			
Teaching costs	19,064	2,096	21,160
Summer School expenses	198	221	419
Welfare costs	3,813	2,021	5,834
Premises costs	2,670	6,880	9,550
Support costs	2,237	2,316	4,553
Grants, awards and prizes	-	74	74
Depreciation	-	5,151	5,151
	£28,776	£22,109	£50,885

	2022 £'000	2021 £'000
Support Costs		
Administrative salaries	2,463	2,237
Office costs	684	599
Professional fees	542	390
Other administrative costs	1,550	1,205
Governance costs	127	122
	£5,366	£4,553

4. EXPENDITURE

	2022 £'000	2021 £'000
Expenditure includes:		
Equipment rental	187	268
Depreciation	5,359	5,151
Auditors' remuneration	53	49
Fees paid to subsidiary auditors	14	13
Council members' expenses reimbursed	1	-
Council members' liability insurance	15	13
Staff Costs		
Wages and salaries	23,885	24,108
Social security costs	1,954	1,788
Other pension costs	2,656	2,578
Redundancy costs	227	302
	£28,722	£28,776

The average number of employees of the during the year were:	Nos	Nos
Teaching staff	276	278
Teaching Support staff	74	77
Non-teaching staff	357	366
Trading activities	9	11
	716	732

The number of higher paid employees was:	Nos	Nos
Taxable emoluments band:		
£60,000 - £70,000	46	48
£70,000 - £80,000	47	34
£80,000 - £90,000	13	10
£90,000 - £100,000	3	4
£100,000 - £110,000	-	2
£110,000 - £120,000	-	1
£120,000 - £130,000	2	1
£140,000 - £150,000	1	1
£150,000 - £160,000	1	2
£180,000 - £190,000	1	-
£190,000 - £200,000	-	1
£220,000 - £230,000	1	-

The total employee benefits received by key management personnel in the year ended 31 August 2022 were £2,732,180 (2021: £2,633,231).

4. EXPENDITURE (continued)

Pension Schemes

Teachers' Pension Scheme

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 £1,939,000 (2021: £1,847,658) and at the year-end £229,919 (2021 - £223,190) 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Independent Schools' Pension Scheme – Defined Benefit Scheme

There are 43 active non-teaching staff who are members of the Independent Schools' Pension Scheme, a defined benefit occupational pension scheme operated by The Pensions Trust. The employee's contribution is 6.3% and the employer's contribution was 16.8% but increases to 30.3% from September 2022. This scheme is closed to new employees and is closing to all existing active members in October 2022.

There is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. Marlborough College has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2021. As of this date the estimated employer debt was £12.41m (PY: £15.98m). This amount is not provided for in the accounts.

There are also two active and four non-active non-teaching staff who are members of the Growth Plan, a defined benefit contribution pension scheme also operated by The Pensions Trust, which also allowed AVC payments, as was the purpose for the current members. This scheme is now closed to new employees and is closing to all existing active members in October 2022. As with the ISPS, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. As at 30 September 2021, the estimated employer debt was £91,350 (2021: £235,805). This amount is not provided for in the accounts.

The three pension schemes are collective defined benefit schemes under section 28 of FRS 102 and accordingly contributions have been accounted for as they fall due as if they were defined contribution schemes, except for the recognition of a creditor for deficit contributions which have been notified to the College. As required by FRS 102, the discounted present value of deficit contributions notified to the College has been included in creditors. As shown in notes 10 and 11, a total of £2,900,000 was included in creditors at 31 August 2022 (2021: £3,045,000).

The annual commitment to make contributions to the three schemes above is £3,029,788 (2021: £2,944,336).

Contributions totalling £343,641 (2021: £339,653) were payable to pension schemes at the year end.

Flexible Retirement Plan – Defined Contribution Scheme

A defined contribution scheme operated by the Pensions Trust is open for members of the non-teaching staff who are not currently in the defined benefit scheme. The contribution rates are 3%, 4% and 6% for employees and 6%, 8% and 12% for the employer.

The annual commitment to make contributions to the scheme is £185,116 (2021: £212,180).

Contributions totalling £13,773 (2021: £15,946) were payable to the scheme at the year end.

Marlborough College Pension Scheme

A defined contribution scheme operated by Legal & General has been opened to all new staff from September 2022, including teachers. Existing Support Staff and Teachers are to be given the opportunity to move to this scheme with varying contributions to mirror those of the respective current pension schemes. Teachers' employee and employer contributions can vary, but the overarching aim of these pension changes is to address the risk associated with defined benefit pensions.

Independent Schools' Pension Scheme – Defined Contribution Scheme

A defined contribution scheme operated by The Pensions Trust is being opened as a result of the ISPS DB being closed to current members. This will mean that the current employer debt for the scheme is not triggered as the ISPS scheme is essentially still open.

MCM – Defined Contribution Scheme

Defined contribution schemes operated by Employee' Pension Fund (EPF) and SOCSO (Social Security Organisation) are statutory boards for employees' retirement schemes. The employee contributes are 11% and 0.5% for EPF and SOCSO respectively and the employer contributes 12% for EPF and 1.75% for SOCSO.

5. TAXATION

As a Charity the College is exempt from United Kingdom income tax and corporation tax.

MCM is normally subject to tax (24%) but has been granted a tax exemption on 100% of statutory income for a period of 10 years under Section 127(3A) of the Income Tax Act, 1967 commencing year of assessment 2011 which expired in December 2021.

The deferred tax asset now recognised in the balance sheet will be used to offset the future taxable profits until fully offset when tax will then become payable.

The deferred tax asset is made up as follows:

	2022 £'000	2021 £'000
Fixed asset timing differences	123	-
Other timing differences	1,451	-
Unrelieved losses carried forward	556	-
	£2,130	£-

6. TANGIBLE FIXED ASSETS

	COLLEGE			SUBSIDARY COMPANIES			GROUP
2022	Land & Buildings £'000	Equipment £'000	Total £'000	Land & Buildings £'000	Equipment £'000	Total £'000	Total £'000
COST							
1 September 2021	130,438	11,411	141,849	34,175	4,616	38,791	180,640
Additions	10,228	1,509	11,737	233	331	564	12,301
Disposals	-	(192)	(192)	-	(39)	(39)	(231)
Exchange effects	-	-	-	3,420	424	3,844	3,844
31 August 2022	140,666	12,728	153,394	37,828	5,332	43,160	196,554
DEPRECIATION							
1 September 2021	25,265	9,344	34,609	9,655	2,482	12,137	46,746
Charge for the year	2,700	732	3,432	1,417	510	1,927	5,359
Disposal	-	(193)	(193)	-	(34)	(34)	(227)
Reversal of impairment Loss	-	-	-	(2,703)	-	(2,703)	(2,703)
Exchange effects	-	-	-	858	277	1,135	1,135
31 August 2022	27,965	9,883	37,848	9,227	3,235	12,462	50,310
NET BOOK VALUES							
31 August 2022	£112,701	£2,845	£115,546	£28,601	£2,097	£30,698	£146,244
31 August 2021	£105,173	£2,068	£107,241	£24,520	£2,134	£26,654	£133,894

No depreciation was charged on freehold property additions of the Group amounting to £8,886,274 (2021: £3,981,000) as the projects were incomplete at 31 August 2022.

The tangible fixed assets are wholly used for the Group activities.

Capital commitments:	2022 £'000	2021 £'000
Contracted for but not provided in these accounts	£125	£6,042
Authorised but not contracted for	£8,972	£3,478

7. INVESTMENT IN SUBSIDIARIES

	2022 £	2021 £
Interest in subsidiary undertakings	260	260

The College owns 100% of the following companies' share capital both of which are registered in England and Wales.

Marlborough College (Enterprises) Limited - 02967713

The issued share capital of the company is £150.

Marlborough College (Overseas) Limited - 6407923

The issued share capital of the company is £110 (2021: £110). The company did not trade in the year.

During the prior year, Marlborough College (Overseas) issued share capital to Marlborough College resulting in 10 ordinary shares being issued at par value with a share premium of £12,351 per share.

The College via Marlborough College Overseas Limited owns 100% of the share capital of M East Sdn Bhd, which is registered in Malaysia.

The results of the College's subsidiary companies are summarised below:

	Enterprises		M East		Overseas	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Turnover	1,328	1,065	14,407	15,252	-	-
Cost of sales	(939)	(866)	-	-	-	-
Gross profit	389	199	14,407	15,252	-	-
Teaching	-	-	(6,189)	(7,202)	-	-
Welfare	-	-	(1,144)	(1,096)	-	-
Facilities	-	-	(2,322)	(2,270)	-	-
Administration	(213)	(200)	(4,183)	(3,867)	-	-
Operating (loss)/profit	176	(1)	569	817	-	-
Gift Aid donation/ adjustment to the College	(169)	80	-	-	-	-
Actuarial Movement	(9)	8	-	-	-	-
Finance Costs	-	-	(3,743)	(1,443)	-	-
Reversal of impairment charge			2,703	-		
Tax charge for the year			2,103	-		
	£(2)	£87	£1,632	£(626)	-	-

Transactions between the College and its subsidiary undertakings were as follows:

MCEL	£'000	M East	£'000
Payment from the College to MCEL	(164)	Payments from M East to the College:	687
Payment from MCEL to the College	17		

8. FIXED AND CURRENT ASSET INVESTMENTS 2022	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2021	15,253	2,469
Additions	5,079	968
Disposal at opening market value	(6,918)	(1,945)
Revaluation	(700)	(99)
	12,714	1,393
Endowment property	7	
Cash at bank for re-investment	1,088	725
Rare books	816	-
Investment properties (revalued 31 August 2022)	1,783	-
Investments in subsidiaries	-	-
Market value at 31 August 2022	£16,408	£2,118
Historical costs of listed securities	£11,469	£1,481
Listed securities are represented by:		
UK Government fixed interest	202	189
UK fixed interest and index linked	327	894
Foreign Fixed Interest	-	310
UK equities	5,416	-
Foreign Equities	6,072	-
Property	697	-
	12,714	1,393

The revaluation of the listed securities stated above is in relation to unrealised gains and losses. In addition to the unrealised losses of £799,000 there were £1,120,000 of realised losses which are included in the Statement of Financial Activities.

The College's investment properties are valued annually at the end of August by Woolley & Wallis. There was a £51,000 reduction in the valuation compared with the valuation at 31 August 2021.

The College's Rare Books are valued annually at the end of August by Dominic Winter Auctioneers. There was a £42,000 increase in the valuation compared with the valuation at 31 August 2021.

The College has a beneficial interest in the Trevalga estate which is administered by independent trustees, whereby the College receives income but has no entitlement to the capital. Trevalga's Trustees have now put the estate on the market but the outcome and any potential proceed that may be received by the College are very uncertain at this stage.

8. FIXED AND CURRENT ASSET INVESTMENTS (continued) 2021	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2020	12,265	6,687
Additions	5,567	-
Disposal at opening market value	(4,943)	(4,173)
Revaluation	2,364	(45)
	15,253	2,469
Endowment property	7	-
Cash at bank for re-investment	411	7,806
Rare books	774	-
Investment properties (revalued 31 August 2020)	1,834	-
Investments in subsidiaries	-	-
Market value at 31 August 2021	£18,279	£10,275
Historical costs of listed securities	£10,903	£2,482
Listed securities are represented by:		
UK fixed interest and index linked	74	912
Foreign Fixed Interest	856	1,557
UK equities	6,078	-
Foreign Equities	7,604	-
Property	641	-
	£15,253	£2,469

9. DEBTORS – Amounts falling due within one year	Group		College	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fees in arrears and extras	654	1,349	654	1,349
Sundry debtors	14	29	14	29
Prepayments	4,321	3,535	306	378
Trade debtors	27	1,263	-	-
Amount due from related companies	-	-	2,103	2,572
	£5,016	£6,176	£3,077	£4,328

10. CREDITORS – Amounts falling due within one year	Group		College	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fees in advance scheme	338	294	338	294
Entrance and overseas deposits	1,234	978	600	554
Trade creditors and accruals	19,940	16,126	10,594	7,172
Lease creditors	109	54	-	-
Other taxation and social security	530	455	485	410
Sundry creditors	1,322	947	1,319	941
Pension deficit payments	324	342	313	333
	£23,797	£19,196	£13,649	£9,704

11. CREDITORS – Amounts falling due after one year	Group		College	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Lease creditors	29,977	24,824	-	-
Fees in advance scheme				
- Amounts due within two to five years	177	398	177	398
Entrance and overseas deposits				
- Amounts due within two to five years	4,264	4,266	2,648	2,733
- Amounts due after five years	2,133	1,956	980	833
Loan Note	25,000	25,000	25,000	25,000
Pension deficit payments	2,576	2,703	2,499	2,633
	£64,127	£59,147	£31,304	£31,597

The loan note of £25 million is repayable in stages: £10 million in 2037, £5 million in 2042 and the remaining £10 million in 2047. The loan is unsecured and incurs interest of 3.24% pa which is payable every six months.

12. ALLOCATION OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

2022	Fixed assets tangible £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	148,372	3,979	5,776	(64,127)	94,000
Restricted Funds	-	20	23	-	43
Endowed Funds	-	12,410	(507)	-	11,903
	£148,372	£16,409	£5,292	(£64,127)	£105,946

2021	Fixed assets tangible £'000	Investments £'000	Net current assets £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	133,894	4,186	13,164	(59,147)	92,097
Restricted Funds	-	20	21	-	41
Endowed Funds	-	14,074	(351)	-	13,723
	£133,894	£18,280	£12,834	(£59,147)	£105,861

13. UNRESTRICTED FUNDS

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2022 £'000
College general funds	88,881	40,405	(40,247)	488	89,527
Malaysia general fund	1,363	14,407	(11,773)	(1,002)	2,995
College designated funds (note 16)	1,853	95	(46)	(424)	1,478
	£92,097	£54,907	(£52,066)	(£938)	£94,000

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
College general funds	86,910	36,412	(34,827)	386	88,881
Malaysia general fund	2,008	15,252	(15,853)	(44)	1,363
College designated funds (note 16)	1,545	77	(48)	279	1,853
	£90,463	£51,741	(£50,728)	£621	£92,097

14. TRANSFER OF FUNDS

	2022 £'000	2021 £'000
The transfers between funds are listed below.		
Unrestricted College		
Revenue Fund	£391	£240
Designated College		
Master's Fund revenue	-	-
Master's Fund capital	-	-
Consolidated Trust Funds	-	-
Children of Clergy Fund	(46)	(28)
	(£46)	£(28)
Restricted College		
Master's Fund revenue	76	(343)
Other Consolidated Funds revenue	-	(670)
Capital Projects & Bursaries	(32)	(55)
	£44	(£1,068)
Endowed Funds		
Master's Fund capital	(227)	1,612
Other Consolidated Funds capital	-	(1,901)
Cannon Diggle Scholarship Fund	(18)	(11)
Elstob Scholarship Fund	(52)	(26)
Gabriel Scholarship Fund	(9)	(5)
Sir George Abell Scholarship Fund	(10)	(4)
Barton Scholarship Fund	(57)	1,296
Bullock & Church Memorial Scholarship	(16)	372
Consolidated Trust Funds Capital	-	(477)
	(£389)	£856

Transfers between the Designated, Restricted and Endowed Funds and the Revenue Fund represent contributions to Scholarships and Bursaries.

A resolution was passed by Council in the prior year to reclassify some of the Restricted and Endowed Funds, in line with the Charities Act 2011 and further to Council's original June 2017 Resolution.

15. TOTAL RETURN INVESTMENTS

The Endowed Funds investments and movements in the unapplied total return are set out below.

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 1 September 2021	11,513	2,210	13,723
Movements in the reporting period			
Investment return: dividends and interest	-	389	389
Investment return: realised and unrealised gains/(losses)	-	(1,759)	(1,759)
Investment management costs	-	(63)	(63)
Total	-	(1,433)	(1,433)
Extraction of income from total return	-	(387)	(387)
Net movement for the reporting period	-	(1,820)	(1,820)
As at 31 August 2022	£11,513	£390	£11,903

The Council adopted total applied return in December 2020 and in the absence of reliable records of the original donation balances, the market value of the investments as recorded at 1 September 2020 was taken as the value of the original gifts. This figure represents the baseline below which disposals may not be made, therefore taking a higher value than the actual donations was considered to be prudent.

The amount of return applied as income is calculated as 3.5% of the average of the last three years' year-end valuations of the College Fund. The total unapplied return represents the amount available to be applied, at the Council's discretion, over and above the 3.5% applied income.

15. TOTAL RETURN INVESTMENTS (continued)

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 3 December 2020	11,101	864	11,965
Movements in the reporting period			
Investment return: dividends and interest	-	231	231
Investment return: dividends and interest reinvested	412	(242)	170
Investment return: realised and unrealised gains/(losses)	-	1,647	1,647
Investment management costs	-	(59)	(59)
Total	412	1,577	1,989
Extraction of income from total return (income balance for the 1st year)	-	(231)	(231)
Net movement for the reporting period	412	1,346	1,758
As at 31 August 2021	£11,513	£2,210	£13,723

16. DESIGNATED FUNDS

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2022 £'000
Children of Clergy Fund capital	1,643	-	(7)	(209)	1,427
Children of Clergy Fund revenue	23	46	-	(46)	23
Fees in Advance Lump Sum Fund	187	17	(7)	(169)	28
Designated Bursaries & Projects	-	657	(657)	-	-
	£1,853	£720	(£671)	(£424)	£1,478

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2021 £'000
Children of Clergy Fund capital	1,349	-	(7)	301	1,643
Children of Clergy Fund revenue	23	28	-	(28)	23
Fees in Advance Lump Sum Fund	173	17	(9)	6	187
Designated Bursaries & Projects	-	330	(330)	-	-
	£1,545	£375	(£346)	£279	£1,853

Designated Funds

These consist of funds, as described below, which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. At the discretion of the Council, the funds can be applied towards other objectives, as has been the case with the designated bursaries and projects during the year.

- **Children of Clergy Fund**
  The Fund is used to assist the children of clergy to attend the College. The fund receives investment income from its share of listed investments in the Consolidated Fund Investment Pool. Surplus income is transferred to the College in order to assist the College in its obligations towards Children of Clergy bursaries.

- **Fees in Advance Lump Sum Fund**
  This is a scheme whereby parents and others make advance payments, which together with the interest accruing thereon, provides fees for pupils. The advance payments received under the scheme are separately invested by the College. The scheme provides for a set contribution each term towards the pupil's fees, comprising a capital portion and an interest portion.

  The amount due to parents, included in creditors, represents the unutilised balance of lump sum advances. Excess funds are transferred to the College, with the Council's approval, for specific projects and to subsidise scholarships paid by the College.

17. RESTRICTED FUNDS

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
The Master's Fund revenue	-	-	(76)	76	-
Other Consolidated Funds revenue	-	-	-	-	-
Other Trust Funds	41	2	-	-	43
Capital projects and bursaries	-	868	(836)	(32)	-
	£41	£870	(£912)	44	43

2021	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
The Master's Fund revenue	418	-	(74)	(344)	-
Other Consolidated Funds revenue	670	-	-	(670)	-
Other Trust Funds	40	1	-	-	41
Capital projects and bursaries	-	571	(516)	(55)	-
	£1,128	£572	(£590)	(£1,069)	£41

Restricted Funds
These trust funds are subject to specific trusts declared by the donors or with their authority. These include donations towards specific capital projects (the Innovation and Science project plus the Memorial Hall) as well as bursary awards. The depreciation related to these projects, when completed, will be expended through the unrestricted funds as part of the running costs of the College.

- **The Master's Fund**
  It is represented by capital and accumulated income funds, which are expendable in accordance with the conditions imposed by the donors: solely for the purpose of providing bursaries and scholarships to pupils at the College. Total return accounting has meant the income is now accumulated and has been transferred to endowed funds before being expended.

- **Other Consolidated Funds**
  Individual Consolidated Trust Funds originally set up after 12 March 1969, which have now been reclassified following the 2020 Resolution, and now form part of the Master's Fund.

- **Other Trust Funds**
  These comprise Trust Funds whose assets are applied in accordance with conditions imposed by the donors. They differ from the Consolidated Trust Funds as they do not own specified numbers of units in the Consolidated Fund Investment Pool. They instead own specific listed investments.

18. ENDOWED FUNDS

2022	Balance 1 September 2021 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2022 £'000
The Master's Fund capital	7,888	211	(34)	(1,179)	6,886
Other Consolidated Funds	-	-	-	-	-
Canon Diggle Scholarship fund	624	18	(3)	(98)	541
Elstob Scholarship fund	2,398	68	(11)	(377)	2,078
Gabriel Scholarship fund	298	9	(1)	(46)	260
Sir George Abell Scholarship fund	337	10	(2)	(53)	292
Barton Scholarship fund	1,693	57	(9)	(306)	1,435
Bullock & Church Memorial Scholarship	485	16	(3)	(87)	411
Other Capital funds	-	-	-	-	-
	£13,723	£389	(£63)	(£2,146)	£11,903

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2021 £'000
The Master's Fund capital	4,804	126	(32)	2,990	7,888
Other Consolidated Funds	1,901	-	-	(1,901)	-
Canon Diggle Scholarship fund	509	11	(3)	107	624
Elstob Scholarship fund	1,948	41	(10)	419	2,398
Gabriel Scholarship fund	244	5	(1)	50	298
Sir George Abell Scholarship fund	274	5	(1)	59	337
Barton Scholarship fund	-	34	(9)	1,668	1,693
Bullock & Church Memorial Scholarship	-	10	(3)	478	485
Other Capital funds	477	-	-	(477)	-
	£10,157	£232	£(59)	£3,393	£13,723

Endowed Funds

These trust funds are subject to specific trusts declared by the donors or with their authority. They are represented by permanent capital funds. Income arising from the investments is applied in accordance with the conditions imposed by the donors.

- **The Master's Fund**
  Individual Consolidated Trust Funds that have been consolidated with approval of the Charity Commission are represented by permanent capital funds, with the funds to be applied to bursary and scholarship support.

- **Other Consolidated Funds**
  Individual Consolidated Trust Funds originally set up after 12 March 1969, which have now been reclassified following the 2020 Resolution, and now form part of the Master's Fund.

- **Scholarship funds**
  The Canon Diggle, Elstob, Gabriel and Sir George Abell Scholarship Funds were all established by specific gifts which were to be invested to generate income to provide scholarships to pupils at the College. As part of the 2021 resolution Barton and Bullock & Church Memorial Scholarships funds are now also shown as separate scholarship funds rather than as part of the Master's Fund.

- **Other capital funds**
  More recent Individual Consolidated Trust Funds set up after the Other Consolidated Funds above. These have now been consolidated with the Master's Fund.

19. FINANCE LEASE COMMITMENTS

At 31 August 2022 the Group had the following total commitments under non-cancellable finance leases:	Property and Equipment 2022 £'000	2021 £'000
Within one year	745	678
Two to five years	6,112	4,031
More than five years	38,222	36,236
	45,079	40,945
Less: future finance charges	(18,854)	(18,259)
Present value of finance lease liabilities	£26,225	£22,686
Representing:		
Within one year	109	54
Two to five years	1,031	484
More than five years	25,085	22,148
	£26,225	£22,686

20. OPERATING LEASE COMMITMENTS

At 31 August 2022 the Group had the following total commitments under non-cancellable operating leases:	Property and Equipment 2022 £'000	2021 £'000
Within one year	2,319	2,115
Two to five years	9,275	8,459
More than five years	34,272	33,289
	£45,866	£43,863

During the prior year MCM restructured the lease with the agreement of the Lessor where the deferment of two quarters lease payments due as at 31 August 2020 has been included in the remaining Initial Lease Term that commenced on 1 November 2020. The new lease structure was set out in a manner of Base Recovery Period or Accelerated Recovery Period should MCM's financial capability permit, subject to the agreement of the Lessor. The total lease amount and lease period remain unchanged except for the final initial lease term of the new lease is in May 2042, instead of February 2042.

21. CONNECTED CHARITIES

The Marlburian Club Charitable Fund

Transactions with the Marlburian Club include:	2022 £'000	2021 £'000
Donations to the College	£168	£66

Marlborough College Foundation

The Master, Prof Sir John Bell, E Elliott, G I Henderson, T Martin-Jenkins, P Coleman and M Birkin were Trustees.

Transactions with the Marlborough College Foundation included:	2022 £'000	2021 £'000
Donations to the College	£732	£537

22. RELATED PARTY TRANSACTIONS

Transactions between the College and its subsidiary undertakings are set out in note 7.

As shown within note 4, the College reimbursed travel and other expenses of £961 to four Council Members (2021: £217 to one Council member). No Council members received remuneration in the current or prior year.

23. ANALYSIS OF NET DEBT

	At 1 Sep 2021 £'000	Movements in Cash Flow £'000	Effects of foreign exchange £'000	At 31 Aug 2022 £'000
Cash at bank and in hand	15,044	5,367	990	21,401
Uninvested cash included in investment	8,217	(6,404)	-	1,813
	23,361	(1,037)	990	23,214
Loan Note – amount due after 1 year	(25,000)	-	-	(25,000)
	£(1,739)	(1,037)	990	£(1,786)

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Endowed Funds £'000	Total 2021 £'000
Income and endowments from:					
Charitable activities					
School fees	34,100	14,601	(298)	(492)	47,911
Other trading activities					
Trading Income	940	119	-	-	1,059
Other	477	390	-	-	867
Donations, grants and legacies	675	-	330	571	1,576
Investments	220	142	45	233	640
Total income	36,412	15,252	77	312	52,053
Expenditure on:					
Raising funds					
Trading costs	795	114	-	-	909
Financing costs	992	1,416	9	-	2,417
Marketing and fund raising	697	55	-	-	752
Investment management	-	-	7	59	66
	2,484	1,585	16	59	4,144
Charitable activities					
College operating costs:					
Teaching costs	13,931	7,202	27	-	21,160
Summer School expenses	419	-	-	-	419
Welfare costs	4,733	1,096	5	-	5,834
Premises costs	7,256	2,270	-	24	9,550
Support costs	2,681	1,872	-	-	4,553
Grants, awards and prizes	-	-	-	74	74
Depreciation and impairment	3,323	1,828	-	-	5,151
	32,343	14,268	32	98	46,741
Total expenditure	34,827	15,853	48	157	50,885
Net income/(expenditure) before investment gains	1,585	(601)	29	155	1,168
Net (losses)/gains on investments	(167)	-	307	2,536	2,676
Net income/(expenditure)	1,418	(601)	336	2,691	3,844
Transfers between funds	240	-	(28)	(212)	-
Revaluation of Investment Properties	18	-	-	-	18
Exchange losses	(33)	(44)	-	-	(77)
Re-measurement of Pension Deficit	328	-	-	-	328
NET MOVEMENT IN FUNDS	1,971	(645)	308	2,479	4,113
	£86,910	£2,008	£1,545	£11,285	£101,748
	£88,881	**£1,363**	**£1,853**	**£13,764**	**£105,861**

MARLBOROUGH COLLEGE

England & Wales - Charity number 309486

Accounts

MARLBOROUGH COLLEGE

(Incorporated by Royal Charter and registered as an Educational Charity No: 309486)

REPORT OF COUNCIL

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2021

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

MARLBOROUGH COLLEGE
(Incorporated by Royal Charter and registered as an Educational Charity No: 309486)

FOR THE YEAR ENDED 31 AUGUST 2021

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MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

The Trustees of Marlborough College constitute the Council.

The Council members during the year and up to the date the financial statements were signed were:

The Rt. Revd. N Holtam The Lord Bishop of Salisbury (President) (retired 3 July 2021)
Giles I Henderson CBE (Chairman of Council, Chairman of Development and Nominations Committees)
J K Baker (Chairman of Finance and Remuneration Committees) (retired 12 June 2021)
The Revd. Charlotte Bannister-Parker (resigned 12 June 2021)
Prof Sir John Bell (Chairman of Academic Committee)
P A Cameron Watt (Chairman of Health & Wellbeing Committee)
P Coleman
A J Cooke (resigned 12 October 2021)
P Denton (Chairman of Finance Committee) (appointed 12 June 2021)
P E Elliott
P Freeman (Chairman of Buildings Committee) (resigned 30 April 2021)
Mrs T Freeman (appointed 1 May 2021)
The Revd. Stephen Gray (appointed 12 June 2021)
T Martin-Jenkins
Prof Cav. Simon Mordant AO (appointed 12 June 2021)
R Perrins (Chairman of Buildings Committee) (appointed 1 May 2021)
The Revd. Lindsay Yates

International Member of Council:

YAM Tunku Ali Redhauddin ibni Tuanku Muhriz

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

OFFICERS

KEY MANAGEMENT PERSONNEL

The Master	L J Moelwyn-Hughes
Bursar	S Wilson (interim to 31 December 2020) A G Hart (from 4 January 2021)

Senior Management Team

Second Master	W D L Nicholas
Deputy Head (Academic)	D T Clark
Deputy Head (Pastoral)	E C Nightingale (from 1 September 2021)
Deputy Head (Co-Curricular)	W D L Nicholas (acting Deputy Head from 1 September to 31 December 2020) J R B Scragg (from 1 January 2021)
Deputy Head (Boarding)	Lady Cayley (to 13 November 2020) J A Hodgson (acting from 14 November 2020, permanent from 1 September 2021)
Director of Admissions	J A Hodgson (to 31 August 2021) N Hamilton (acting from 1 September 2021)
Director of Safeguarding	C Kane (from 11 October 2021)

Bursarial Team

Director of Capital Projects	W Roe
Director of Development	S Lerwill
Director of Enterprises	J Blake
Director of Finance	H Mack
Director of Human Resources	J Barclay
Director of Marketing	J Jordan
Director of Operations	A Barnes
Head of ICT	M Armitage

Principal Address:	Marlborough College Wiltshire SN8 1PA

Marlborough College Malaysia

The Master	A Stevens
Bursar	J Stronach
Address:	Marlborough College Malaysia Jalan Marlborough 79200 Iskandar Puteri Johor Malaysia

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

ADVISERS

Bankers:	Lloyds Bank Crest Way Barnwood Gloucester Gloucestershire GL4 3RL
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Haysmacintyre LLP Statutory Auditors 10 Queen Street Place London EC4R 1AG
Investment Advisers:	Rathbones 1 Curzon Street London W1J 5FB
Insurance Brokers:	PIB Insurance Brokers Poppleton Lane Low Poppleton Lane York North Yorkshire YO26 6GZ

The Council presents its report for the year ended 31 August 2021 under the Charities Act 2011, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Charter and Bye-Laws and the Charities SORP (FRS 102 – second edition).

REVIEW OF THE YEAR

Operational Performance

Pupils

Marlborough College ("the College") provides education for boys and girls from the ages of 13 to 18, while Marlborough College Malaysia ("MCM") provides education from the ages of 3 to 18. Despite the on-going difficulties with COVID the College saw record pupil numbers, whereas for MCM the closed borders, particularly with Singapore, impacted what was originally going to be another recording breaking number of pupils:-

School	Year	Girls	Boys	Boarders	Day	Av Total
MCUK	2020/21	444	560	966	39	**1,005**
	2019/20	434	559	957	36	**993**
MCM	2020/21	391	415	158	648	**806**
	2019/20	485	488	210	763	**973**

Both schools were once again impacted by the pandemic, with further periods of remote learning due to national lockdowns during the year. The pandemic's ongoing impact on both schools has differed, largely due to the respective UK national and Malaysian national state Government's approach to schools during this time.

For the College, remote learning was required for most of the Lent Term (January – March 2021) when there was another national lockdown, whereas MCM has faced intermittent lockdowns since November 2020 and this affected the school's operations with local and international travel restrictions. A large number of businesses closed or reduced employment numbers and this had an impact on family incomes. The land border to Singapore was closed and daily bus transport from Singapore stopped. Some of MCM's boarders were unable to return home and have been in the College for over 12 months, similarly a number were never able to physically start at the school. As a result, pupil numbers decreased by almost 20% from before the pandemic and even more so against original predicted future figures.

The overall capacity of the College is currently 1,020 pupils spread across 16 boarding houses with the gender balance to a ratio of 55% boys and 45% girls. The College's waiting lists remain strong which gives confidence that the College can operate at (near) capacity for the foreseeable future. Although, the Council is mindful that there is still the potential for the pandemic to affect pupil numbers in the years to come as private education generally sees a delayed impact following economic downturns.

Following MCM's second phase of the campus development the capacity of the whole school is nearing 1000 pupils. However, due to the pandemic and the bridge to Singapore being closed, the pupil numbers have decreased by over 150 with some pupils still learning online as they have been unable to return from overseas. This is hoped to be a relatively short-term issue and MCM expects to see pupil numbers climbing from April 2022 onwards. Projections show numbers reaching the future capacity of 1,200 within ten years, still just a couple of years behind the initial pre-COVID projections.

Facilities and Infrastructure Development

There were several major capital projects postponed by both Schools from the summer of 2019/20 due to the pandemic that were initially due to take place in 2020/21 instead. Due to the pandemic and the need for an ongoing level of caution in relation to large financial commitments some of these projects have been further postponed or scaled back.

The College is in the middle of an ambitious Innovation and Science project, which is being funded through generous fundraising and through the use of private placement money. Despite the many COVID challenges, the Innovation Centre was finished at Easter and the first renovation phase of the listed Science building is now well under way. However, due to national labour and supply shortages one of the postponed boarding house refurbishments was scaled right back with the first main phase of works postponed until next summer. Other smaller capital projects and equipment were also either scaled back or postponed. This resulted in capital spending being reduced by £3.1 million compared to that originally budgeted for during the year and down from the £8.9 million that was postponed from the prior year.

Due to the pandemic, MCM also reduced capital expenditure to a minimum. For the majority of the year, the school operated with online teaching and so the premises were empty with minimal maintenance and renovation costs required. Major projects, in particular the Sixth Form Centre, have been postponed until pupil numbers recover. The total capital expenditure during the year to 31 August 2021 was RM0.7m (around £120,000 but down from £1.4million in the prior year) and mostly attributable to the IT upgrade project.

In total, capital expenditure during the year to 31 August 2021 was £5.8 million (2020: £4.2 million) by the College and £0.12 million (2020: £0.78 million) by MCM. All of the UK works formed part of the Master Development Plan that was established in 2011 and is currently being updated. It represents a total expenditure to date in excess of £69 million for the College and £5.5m for MCM since its inception in September 2012.

Educational Performance

The College continues to offer an extensive Sixth Form curriculum with students able to participate in A Level, Extended Project Qualification (EPQ) and Cambridge Pre-U.

	MCUK	
A Level	**2020/21**	**2019/20**
A* grade	29%	25%
A*-B grades	92%	84%
A*-C grades	99%	97%

	MCUK	
Pre-U	**2020/21**	**2019/20**
D1/above A*	12%	9%
D2/A*	37%	32%
D3/A	81%	66%

	MCUK	
(I)GCSE	**2020/21**	**2019/20**
9-8/A* grade	57%	50%
9-5/A*-B grades	98%	98%
9-4/A*-C grades	100%	100%

The results from external examinations taken in Summer 2021 were very strong, in spite of the ongoing disruption to education with lockdowns and subsequent pupil and beak isolation periods. The College put in place an open and ambitious programme of internal assessments in line with government guidance, to produce Teacher-Assessed and School-Assessed Grades. At A level and Pre U, 31% of entries were graded at A* (or equivalent) and 93% were graded at A* to B, meaning that 64% of pupils scored nothing lower than an A grade. The (I)GCSE results were a similarly outstanding reward for the efforts of pupils and beaks (teachers) alike: 57% of grades awarded at 9 and 8 standard (A* equivalent) and 98% of all grades at 9 - 5 standard (A*-B). 77% of pupils scored 9 grades at grade 7 or above – an outstanding performance.

Even during the disruption caused by the pandemic, MCM continued to be acknowledged for world-class provision and innovation. They received international awards from the Boarding Schools Association, the Council of British International Schools (COBIS), the Safeguarding Alliance and a ranking in the top 2% of IB World Schools. In 2021, COBIS conferred it with international "Beacon School" status as an exemplar of international excellence and it was listed in the Spears Index of the world's top 100 schools. MCM's academic results in 2021 remained strong, with an average IB points score of 35 points improving on results during much less disrupted years. Additionally, MCM continued to demonstrate that IB was an appropriate qualification for all pupils in the school with a 100% diploma pass rate. The IGCSE results were also excellent with 41% of grades being awarded at A* or equivalent and 65% at A* or A. Notably the Cambridge board also insisted that its IGCSEs required examination in international schools, even though schools such as MCM had been closed for longer periods than other parts of the world due to the local government sanctions.

Co-curricular

The co-curricular lives of the Schools have continued to be rich, if somewhat curtailed by the ongoing lockdowns. The sporting programmes had been comprehensive and high success was achieved both by teams and individuals. The number of teams fielded in various sports has borne witness to the strength of the community and the willingness of the staff to work hard on pupils' behalf. There has been real excitement about the musical, dramatic and artistic life of the College: a sequence of innovative initiatives has raised the profile and ambitions of the arts at Marlborough.

The landscape of the year was difficult for the co-curricular lives of the Schools as Covid continued to cause restrictions and lockdowns. Nonetheless, there was a comprehensive and very proficient online provision when that was necessary, endeavouring to keep pupils active and engaged in a rich curriculum. Pupils' engagement in this was good, and there were successful online concerts, plays, fundraising activities, physical challenges and more. Sporting fixtures were able to resume in Marlborough during the summer term, though national guidelines were still very restrictive for music, drama and Outreach activities. Experience since rules have been relaxed suggests that the pupils have returned with an even keener appetite for their co-curricular endeavours, highlighting their importance and the degree to which they were missed.

Public Benefit

The Council was advised of the Charity Commission's general and supplementary guidance on public benefit and fee charging and the advancement of education. The Council has recognised its responsibilities under the Charities Act 2011 and has regard to the guidance issued by the Charity Commission. The Council has taken steps to satisfy the requirements set out therein.

Grant Making Policy

The College offers academic, art, music, sports and all-rounder means-tested bursary awards and scholarships at 13+ and at 16+. All award holders are eligible to apply for means tested bursary assistance to enable those who, without such assistance, would be unable to take up their awards. These bursaries are re-assessed annually and may change during a pupil's time at the College depending on changes to their financial situation and are awarded up to 110% of the fees. Scholarships and awards are based on educational ability. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need. The maximum scholarship value is up to 20% of the fees; these are offered in very limited numbers.

The Scholarship Prospectus and Bursary Policy can be viewed on the College's website. They are also available from the Admissions office and are extensively advertised in appropriate national and specialist directories.

The Children of Clergy Fund, supplemented by the College, enables substantial support to be given to the sons or daughters of Clergy. Applications for entry under the Children of Clergy scheme are means tested.

During the year the value of bursaries and other awards made to College pupils amounted to £3,178,000 (2020: £2,886,000), or 9.18% (2020: 8.48%) of gross fee income.

MCM offers small bursaries to parents who have financial difficulties and during the year MCM awarded bursaries to two families (2020: three).

Bursaries

The Council is committed to providing fee assistance for children unable to afford full fees and encourages a culture from those who have received a Marlborough education to do everything possible, within their means, to enable others from all backgrounds to enjoy the same educational opportunity.

A separate Bursary and Scholarship Fund generates income to augment the awards made out of fee income. Council's policy is to continue to increase the value of that fund whenever possible. The Council is examining ways to increase substantially the amount provided for means tested bursaries via non-fee income streams, such as through more endowed funds, fundraising (largely through Marlborough College Foundation), and trading both at home and abroad.

Within the funding available, bursaries of up to 110% of fees are available for those who cannot afford the fees, subject to the candidate meeting the College's entrance requirements. The majority of bursaries are made available on entry to the College, either at 13 or 16, although some funding is available for those with in-year financial hardship. The College is a member of the Springboard Partnership in support of transformational bursaries.

Under its grant making policy (see above) the total number of pupils receiving means tested fee assistance in the academic year, 2020/21 was 85 (2019/20: 82).

Working with Educational Providers & Community Access

Since its foundation in 1843 the College has been committed to playing a full part in the life of the local community and it will continue to do so. The College continues to provide indirect public benefit through its engagement with the local community and working with other educational providers, of which the following are examples:

Swindon Academy

The College has an agreement with Swindon Academy (SA) to provide opportunities for the staff and pupils of the Academy and the College, including the sharing of experience, expertise and, where appropriate, facilities and resources. The Academy is part of the United Learning Trust (ULT). The current link has been in existence since 2009 and this continues to grow, particularly with the launch of the Swindon Academy Grammar Stream (GS) in September 2016. A major component of the partnership includes working with SA's Grammar Stream pupils. In a typical academic year, more than 5,000 hours of Swindon Academy pupil time is spent on site at the College. However, due to the pandemic, most partnership activities were suspended in March 2020. Below is a list of activities which continued throughout the reporting period, as well as a list of planned activities.

(i) Year 7 & 8 SA GS pupils continued to experience online lessons in Latin/Classical Civilisation (Sept 2020 to June 2021). These lessons will continue in person from Nov 2021, on alternate weeks.

(ii) Remote Oxbridge preparation continued for SA pupils; three pupils applied, and of the three offered help by MC teachers, two participated.

(iii) Online maths tutoring was delivered via Zoom to SA Year 11 pupils to help with catch-up.

(iv) The College supplies two teacher Governors at SA. Each of these Governors spends approximately 200 hours per year on Swindon Academy work. They also provide support with pupil disciplinary hearings, staff complaints and prize givings. Much of this work has continued throughout lockdown.

(v) Remote help on university applications was offered throughout the reporting period by the College's Guidance specialists.

(vi) Year 11 SA pupils entered a research project competition at the College. This will, hopefully, be an annual event, with generous prizes supplied by MC.

(vii) Two pupils from SA joined the College in Sept 2021 on full bursaries as part of an ongoing bursary programme with the Academy.

(viii) Having recently upgraded to an electric fleet, the College donated a works van to the Swindon Academy cluster's site team (who are spread across four schools).

The College is currently working with SA to re-boot the routine partnership links, of which the following are examples:

(i) Residential weekends at Marlborough College will recommence from January 2022, with SA pupils staying overnight and using the College facilities, with emphasis on a particular curriculum area each time. There are usually 12 pupils and two SA teachers attending on each occasion.

(ii) Since the start of the SA GS, the College has hosted a free week-long academic Year 7 summer school, in conjunction with Imperial College London, for GS pupils. This challenging boarding experience offers new and demanding academic activities for 60 SA pupils. Feedback confirms that this 'beyond-the-syllabus' summer school helped pupils to develop a number of skills, critical-thinking in particular. The lockdown prevented this from happening in June 2020 and 2021, but it is hoped that it will be reinstated in June 2022 for both Year 7 and Year 8 pupils.

(iii) A semi-retired Physics teacher (Partnership Manager) from the College continues to liaise between Marlborough College and Swindon Academy, teaching part-time at the Academy, as well as being a Governor there. Marlborough College pay for him to work for one day each week at SA (he was furloughed in March 2020 but has recently recommenced his coordinator's role).

(iv) We continue to be involved in the Fitzwilliam Project, an access and mentoring project organised by Fitzwilliam College Cambridge for SA pupils. The highlight of this programme is a one-week course at Fitzwilliam with selected SA GS pupils. Unfortunately, this programme has been repeatedly suspended due to the pandemic, but remote mentoring activities, from Fitzwilliam students, are planned, commencing November 2021.

(v) During the winter months 75 Swindon Academy Primary School pupils normally visit the College's Blackett telescope for a two-hour astronomy activity on four different occasions, assisted by two College staff on each occasion. We hope to restart in January 2022.

(vi) The SA Year 12 Biology fieldwork trip to the College has become an annual visit and is assisted by a full-time member of staff at the College as well as a technician. We hope to reinstate this annual event in May 2022. In addition, SA Sixth Formers usually participate in MC Geography fieldwork trips.

(vii) The College normally delivers investigative Science sessions (8 hours in total for 30 Y9 GS pupils). One teacher, plus one technician are employed, and the costs met by the College. Residential visits were usually included in these visits, so that all pupils experienced one overnight boarding experience. Non-residential science sessions will commence shortly.

(viii) A taster day for Year 6 pupils thinking about applying to the SA GS will be held for 40 families in November 2021.

(ix) The College is developing plans to assist the SA Sixth Form. We hope to offer subject support to teachers, and academic opportunities for pupils. The SA 6th Form includes an innovative STEM Grammar Stream.

(x) The annual Year 10 pupil exchange, cancelled for 2 years, will recommence in February 2022.

(xi) The Wednesday Afternoon Swindon Academy Primary School reading programme continues to be very well supported by Marlborough College pupils, although this had to stop in March 2020. It resumed in September 2021 and 26 pupils now visit SA each Wednesday, supported by three MC teachers.

(xii) The College will shortly recommence work with The Stuart Horne Charity, with pupils selected to participate in Outward Bound courses in Canada. These courses, worth $8,000 CAD are paid for by the Stuart Horne Charity. One College teacher works with these pupils from February to July to prepare them for these life-changing expeditions. The 2020 and 2021 summer programmes were suspended due to the lockdown but is hoped to be back in place for the summer programme in 2022.

(xiii) Offers of bespoke mentoring/work experience will be offered by our OM Club, to SA pupils who request it.

(xiv) One member of the Guidance staff visits SA for two hours every Wednesday to help Sixth Formers apply to Higher Education and other courses (switched March 2020 to online help and now in person from November 2021). The College continues to offer specialist help for university entrance exams, and pupils are invited to Oxbridge lessons, and interview training.

(xv) The annual SA Carol Service will take place in the College's chapel in December 2021.

(xvi) Zoom Talks – SA pupils will be invited to all relevant Zoom or in-person talks. A number of pupils did attend some talks during the reporting period, and feedback was favourable

Links to Pewsey Vale School

The College has a well-established partnership with Pewsey Vale School. One member of MC staff is given specific responsibility for the partnership and the Director of HR is a governor there. Online tutoring in maths was made available during lockdown and the school has been invited to participate in the Colet Mentoring scheme (see below). As visits to the site become possible again the focus is on re-establishing mentoring and extension activities in mathematics, with Sixth Form students from MC visiting the school, and on exploring links in PE, DT and ICT, where Pewsey Vale have identified that support would be welcome.

Outreach (Community Service)

Every Monday or Wednesday afternoon during the Michaelmas and Lent terms approximately 200 pupils take part in a range of Outreach activities which provide a direct service to many aspects of the local community. Whilst many of these were severely curtailed by Covid restrictions, the following have continued or now been resumed:

(i) Working in Primary Schools (local schools: Preshute, Kennet Valley, St Mary's Marlborough, St Nicholas' Baydon, St Michael's Aldbourne, Ramsbury, Beech Avenue – Swindon, Alton Close - Swindon)

(ii) Art in the Community – restoration of a primary school wall mural by Art students over a two-term period

(iii) Riding for the Disabled, based in Lambourne

(iv) River conservation – working with a local group, ARK (Action for the River Kennet)

(v) Tree planting – working alongside SA pupils to plant 90 trees (initially) on campus

(vi) Brimble Hill - Caring for children with severe learning difficulties

(vii) Sports Leaders – pupils becoming accredited Sports Leaders and then helping in primary schools

(viii) Working with the elderly – no longer able to visit care homes, pupils have produced online concerts and entertainment

(ix) Charity Think Tank (selecting, promoting and making donations to charities)

(x) Collecting for Christmas hampers (for charities)

(xi) Making and selling knitted goods and ceramics (for charities)

(xii) Marlborough White Horse – restoration of the iconic chalk horse which sits above the town

In the Summer Term many of these activities cannot take place and this enables the College to run an after-school club for four Wednesday afternoons catering for approximately 100 local children aged four to seven years old. With Covid restrictions still in place this could not happen in 2021, but it is hoped that it will resume in 2022.

EdClub

The EdClub Movement is a pupil-driven programme that seeks to educate children in the Huruma slum in Nairobi, Kenya, through the use of the Internet and Skype, using a computer hub built by an initial fundraising effort by Marlborough pupils. There are now 18 schools involved internationally and numbers continue to grow. Marlburians typically mentor a group of around 100 Kenyan children on a weekly basis, teaching English, Maths and Science and generating positive and fruitful relationships on either side. As of Michaelmas 2021, 21 Marlburians are signed up to the programme.

Colet Mentoring

During the period of the second national lockdown the College joined up with the Colet Mentoring platform, which provides the ability for our pupils to offer help with mathematics homework to pupils in other schools, via a safe and anonymised chat function. Marlborough pupils were trained in using this during the Lent Term, and began to participate in the Summer Term. Moving into the 2021-22 year, approximately 20 Marlborough pupils in both L6 and U6 are involved. As a result we are actively recruiting more mentees; we already work with Swindon Academy, Pewsey Vale School and further afield in Slough & Eton C of E Business and Enterprise Academy (in Chalvey, a deprived area of Slough).

TWIN Science/ Global Impact Scheme

Through its close association with Beko plc and with YGA (the Young Guru Academy, an organisation based in Turkey), the College has been developing ways to engage local primary school children in STEM subjects. This work has centred around the use of TWIN science kits, which allow MC pupils to work alongside primary school children, helping them to construct modular projects, such as an automated robotic vehicle. A number of Year 11 pupils were trained up during their post-GCSE period in June 2021, in advance of delivering the project in the following academic year.

During the various lockdowns the project moved online, with MC pupils delivering STEM based presentations, and then using a TWIN app, developed by YGA, to guide primary school children on a journey of discovery on a particular scientific topic, and to encourage them to try some safe, but interesting, experiments at home.

As the next step in the partnership between Marlborough and YGA, the College now has a graduate assistant who works part-time for MC and is based in London with YGA the rest of the time. She will assist with delivering the TWIN science programme, and look at ways in which we can expand the use of our new Innovation Centre and engage local school children in the areas of entrepreneurship and innovation.

Panathlon links

Since 2011, Marlborough College has hosted an annual regional Panathlon event. Panathlon is a national charity that provides sporting opportunities to over 17,000 young disabled people every year. It promotes inclusion in sport. Working in collaboration with both Panathlon and Wiltshire and Swindon Sport (WASP), the College has hosted over 300 young physically and mentally disabled children and trained over 50 of the College's pupils as Panathlon leaders. Whilst this event was not able to run in 2019 or 2020, it looks very likely to be able to return in November 2021, and plans are in place for it to do so.

Observatory

Since 2005, the Head of Astronomy at Marlborough College has run the outreach group 'Friends of the Marlborough Telescope' via the dedicated Observatory website which includes events, lectures and monthly Q&A sessions as well as an annual social event. An annual trip is arranged (when possible) to a significant establishment in the UK or overseas. Swindon Academy Year 5 students all have the opportunity to visit the observatory for interactive events, spread over a number of evenings (in a normal year). The observatory usually hosts the UK Astronomy Olympiad Team for Observational training each August.

The Observatory also hosts local Primary Schools, teachers and pupils. There are evenings arranged with various other schools and clubs including Prep Schools, Secondary Schools, Scouts, Guides, U3A and the W.I. Oxford University graduates also have helped in the past with major public open evenings.

2020-21 was an unusual year and the Observatory was closed from March 2020 until August 2021 for visitors. From July 2020 however, a limited number of events were run via Zoom. These were popular (277 attendees in total) and enabled a greater age and geographical diversity to attend (we will plan some Zoom events in future)

Bookings to date for the current year involve over 300 local children and members of the public.

Careers Department

Swindon Academy pupils receive the MC Guidance Department's weekly bulletins. We have agreed to share information and guidance with St John's Academy over their Oxbridge, Russell Group and medical applications.

Both Swindon Academy and St John's, Marlborough are invited to attend the briefing we receive from an invited Oxbridge don every March. St John's Academy pupils in particular attend in numbers, with accompanying parents. Swindon Academy pupils applying to Oxbridge have had mock interviews from Marlborough College staff, and St John's Academy, who already have interviews from our medical school expert, are invited to have mock Oxbridge interviews conducted by Marlborough College teachers. St John's and Swindon Academy pupils were invited to our *Oxbridge Applications* programme covering admissions tests and interviews at a discounted price.

We are the only Open ACT Test Centre west of Berkshire, and the only such centre offering Extra Time for candidates. Over the past 6 years we have given about 100 a year access to testing. Swindon Academy have used us as a centre to sit the BMAT exam.

One expert from the Guidance Department visits the Swindon Academy for two hours every Wednesday afternoon throughout the year, helping their Sixth Formers apply to Higher Education and other courses.

Music Department

The Music Department continued to offer events for public benefit where possible despite the significant Covid restrictions under which the education and performing arts sector were operating. Weekly Chapel podcasts of Sunday services featuring our different year group choirs, organist and some solos were offered to the public via the website as were a selection of evening solo recitals by the pupils and larger school ensembles. Feedback from the public in this respect has been excellent. In addition one of our music scholars was a recipient of a young person's national Rotary Award as well as a Diana Award in recognition of her public service and charitable work.

September 2021 has seen the resumption of some pupils from St John's, Marlborough joining our Symphony Orchestra, alongside the Marlborough College Concert Series which began with The Tallis Scholars performing to a packed (socially distanced) audience.

2021/22 will see a return to a full season of concerts both for the Marlborough College Concert Series, the Choral Society and pupil-led performances, all of which are open to, and frequently attended by, members of the public. All pupil-led performances are free of charge.

Pupils will also give two public concerts as part of the Calne Music Festival in October and our annual Music Scholars' Gala concert at the Royal Academy of Music in November will once again raise money for the charitable organisation, Future Talent.

The College also continues to allow use of its teaching facilities for members of the public who wish to take instrumental lessons with any of our distinguished teachers.

Sporting Facilities

(i) The College has entered into a formal agreement with St John's Marlborough enabling the school to use the College's pitches and other sports facilities, for example the AstroTurf pitches, squash courts, netball courts and athletics track, at mutually convenient times. At present, the College is waiting to hear whether St John's require the use of any of these sports facilities during the Autumn Term within the current covid-19 parameters and protocols laid down by each establishment.

(ii) The College also hosts a number of Wiltshire Primary Schools' sports festivals at various times of the year and a number of local Primary Schools use the athletics track for their sports days.

(iii) The College's sports and other facilities are extensively used by local sports clubs and regularly by other organisations. Some of the sports include: hockey, rugby, football, squash, tennis, fives and athletics clubs, and organisations such as Wiltshire Cricket, South West Lacrosse, Hockey Wales, WASP (Wiltshire and Swindon sport) Bath Rugby Academies and GoCrea8 Hockey for their holiday coaching camps and in many cases are offered free of charge. Wiltshire Army Cadet Force make use of the College rifle range.

(iv) All charities, educational establishments and Club Junior sections pay a discounted rate for the use of College facilities and in some cases are offered use free of charge.

(v) One member of the College staff regularly coaches a junior team at Marlborough Hockey Club and another member is the Head Coach of the Men's and Women's senior teams.

Fundraising

(i) The College raised approximately £50,000 during 2020/21 (2019/20: £21,000) for chosen charities through various whole school events and numerous boarding house and pupil initiatives. A number of pupils used the lockdown to undertake charitable challenges which kept them involved in physical and other activities

(ii) C3 and Mill Mead Houses' Poppy Run raised c. £3,000 for the Royal British Legion.

(iii) A whole school 'Rock, Paper and Scissors' initiative raised £1,005 for the Royal British Legion.

(iv) Elmhurst House's Christmas Run raised £2,755, split between The Treatment Bag (supporting those undergoing chemotherapy) and Dementia UK.

(v) A member of Common Room led a 'RunVember' initiative, supporting the homeless via Threshold and Swindon Food Collective, raising £10,660.

(vi) Common Room participation in Movember raised £2,300.

(vii) B1 House had a charity run in December in support of the charity Breast Cancer Smiles raising over £8,500. A run for Breast Cancer UK also raised over £2,000.

(viii) Charity Think Tank's WellBoring campaign raised £4,767.

(ix) A pupil raised £5,735 for OSCAR Foundation's High Five for OSCAR by running 5km every day for 3 weeks.

(x) C3 house raised £2,750 for Young Minds

(xi) Dancy House's Fun Run raised more than £3000 for the Charlie Waller Memorial Trust

(xii) A pupil led bake sale raised £200 for Operation Smile

(xiii) A pupil led sweepstake on Euro 2020 raised £300 for Marlborough Youth Football Club

(xiv) A pupil raised £1,280 for Breast Cancer UK with 100 hours of music

(xv) A group of five pupils raised over £2500 for Parkinson's UK by running 250 miles during Advent

In Malaysia, the community's needs are different to those in the UK. This year the focus continued to be primarily on carrying out more service opportunities with organisations with whom the school can have an ongoing relationship, but it is recognised that raising funds to support them was equally important.

However, due to the restrictions in Malaysia, most events were held virtually and so the opportunity to visit local schools and help out in orphanages was limited. Beach clean-ups were not possible due to the ban on travel exceeding 10km. Major fundraising projects, the annual Summer Ball and the Christmas Fair, were not possible due to gatherings not being allowed. A small amount of Bursary Funds was collected from parents who forgo the Summer 2020 fee rebate and left part of their deposit with MCM upon their child's graduation. These funds were granted to a few parents upon the assessment of their financial position.

FUTURE PLANS

The College

The College mission is to deliver the best independent, co-educational, full boarding education in the UK and to be recognised for this globally. The Marlborough we envisage will be a leading, outward looking and inclusive school where children with potential are given the opportunity to make a difference. Key programmes of work include:

- A pioneering academic strategy to build on the College's continuing academic success of the past three years, 2021 being the most successful yet;
- Execution of our bold and sustainable Campus Master Development Plan, including conservation of our heritage assets and natural landscape, and the building of new facilities;
- Complete the refurbishment of the Science Buildings, with Phase 1 due for completion in 2021/22
- To continue with the College's boarding house refurbishment programme; and
- Develop and begin an ambitious new bursary fundraising campaign to increase the number of young people on full and partial bursaries and to create a more diverse College community

MCM

- Similarly to the College, MCM had one of its most successful academic results in 2021 despite the pandemic, and looks to continue to build on this.
- To rebuild pupil numbers impacted by the pandemic and then continue the overall growth in pupil numbers.

STRUCTURE GOVERNANCE AND MANAGEMENT

Status and Administration

The College is an Educational Charity (no. 309486) incorporated by Royal Charter. Its constitution is contained in its Charter and Bye-laws.

The Trustees of the College constitutes the Council. The Council members, key staff and advisors are set out on pages 2 to 4.

The Governing Body

The College's elected members of Council are appointed at the Annual General Meeting of the Council on the recommendation of the Nominations Committee. Members of Council are appointed for three years and are eligible for re-appointment but do not normally serve for more than six years in total.

The Chairman is exempt from the above and is appointed for three years. After the initial term the Chairman is eligible for re-appointment for a further term of three years.

Recruitment, Induction and Training of Members of Council

The Nominations Committee, in making recommendations for the appointment of new members of Council, has particular regard to the personal competence, experience and specialist skills of potential candidates. In filling vacancies on the Council, consideration is also given to the skills required to complement those of existing members.

New members of Council are inducted into the workings of the College and there is a comprehensive programme of induction and ongoing training. This includes a day at the College, the purpose of which is to meet the Master and members of staff. The visit also includes a tour of the College and the opportunity to meet some of the pupils. New members of Council receive a pack of documents and information, including the AGBIS Guidelines for Governors.

Members of Council receive organised training briefings from professional bodies when appropriate, as well as invitations to attend seminars and presentations.

Organisation

The Charter and Bye-Laws require that the rights, powers, duties and functions vested in the Council are to be exercised by the Council Members on its behalf. Accordingly, the Council has the power to decide matters of College policy and to make major decisions affecting the affairs of the College. It is specifically required to determine the tuition fees and to take responsibility for the College's assets.

To enable matters to be considered in detail prior to meetings of the full Council, a Finance Committee, a Nominations Committee, a Buildings Committee, an Academic Committee, a Development Committee and an Investment Committee have been established and they each meet at least three times a year. A Remuneration Committee has also been established, which usually meets once a year.

Implementation of the Council's decisions is the responsibility of the Master.

Mindful of the Charity Governance Code, the College continues to review its processes and procedures to ensure the best possible governance. Following an initial review of governance last year there have been various new initiatives and this will be developed further in the future.

Key Management Personnel

The key management personnel are considered to be the Council, the Master, the Senior Management Team and the Bursarial Team from the College along with the International Council members, the Master and the Bursar from Marlborough College Malaysia (MCM).

Council members give of their time freely and no Council member received remuneration in the year. Details of Council members' expenses and related party transactions are disclosed in note 4 and note 22 respectively to the accounts.

The pay of the key management personnel and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Council benchmarks against pay levels in other comparable independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

Related Entities

Details of connected charities and subsidiary companies are disclosed in Notes 7 and 21 of the financial statements.

Connected Charities

The Marlborough College Foundation

The objects of the Marlborough College Foundation ("the Foundation") (registered as an Educational Charity No: 1061798), are set out in a Trust deed dated 4 June 1956. Marlborough College does not control the Foundation, and its accounts are therefore not consolidated into the group accounts of the College.

The main objectives of the Foundation are to provide long-term support to the College by accumulating an endowment fund for bursaries and to act as custodians for money raised to assist with individual capital projects and annual bursary awards. The Foundation does not fundraise directly as this is undertaken by the College's Development department.

The Marlburian Club

Founded in 1884, The Marlburian Club represents the interests of its Members with further details set out in the Club's Constitution and Rules. Clubs Members are Old Marlburians, ex-pupils of the College who paid a life subscription to the Club. The College does not control the Club, and its accounts are therefore not consolidated into the group accounts of the College.

The Marlburian Club Charitable Fund

The objects of the Marlburian Club Charitable Fund ("MCCF") (registered as a Charity No: 1063749), are set out in the 1997 revision to the constitution of the Trust approved by the Charity Commission. Marlborough College does not control MCCF, and its accounts are therefore not consolidated into the group accounts of the College.

Subsidiary Companies

Marlborough College Overseas Limited

Marlborough College Overseas Limited is a subsidiary of Marlborough College. It has one subsidiary, M East Sdn Bhd, a company registered in Malaysia. M East operates Marlborough College Malaysia (MCM), a school based in the Iskandar region of Malaysia.

Marlborough College Enterprises Limited

Marlborough College Enterprises Limited (MCEL) provides a vehicle for the College's non-educational trading and for additional revenue-generating activities.

The Company makes a gift aid donation of its profits to the College under deed of covenant. In 2021 the donation was £nil due to the impact of COVID substantially limiting the trading opportunities for large swathes of the year (2020: £nil).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

The objects for which the College shall continue to be incorporated are to provide education for students in the United Kingdom or elsewhere, irrespective of faith, that develops independence of mind, individual spirituality based on an understanding of Anglican teaching and respect for other faiths, and an appreciation of the importance of service to the community. The Council members ensure that the charitable purpose of the College is carried out for the public benefit by making education available to students who are sufficiently talented and, where possible, irrespective of financial circumstances.

In pursuing these objectives, the College shall have regard to the social, religious and educational environment pertaining from time to time.

Aims and Objectives

It is the primary aim of the Schools to be the first choice of parents and children who seek an excellent modern education, boarding or day, in a co-educational environment, based on breadth in curriculum, sound discipline, independence of mind, first class facilities and service to the community.

To support this aim the Schools seek to:

- sustain and develop an academic curriculum that challenges pupils;
- sustain, develop and promote the unique value of a co-educational full boarding experience;
- promote and extend co-curricular opportunity;
- promote a sense of belonging to a legacy for life;
- to enable the Schools' pupils to gain admittance to the best universities and courses they can; and
- foster an appreciation of and a sense of stewardship for the Schools' campuses.

Strategies to achieve the Year's Objectives

The Schools' strategies for achieving their objectives during the year were to:

- continue to review the academic curriculum to ensure that it is both broad and challenging;
- continue to benchmark their academic performance in external public examinations and through the use of independent value-added criteria;
- achieve targets for pupil numbers and various financial targets including operating surpluses and cash generation;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- continue to improve the Schools' facilities and to protect the (historic) environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout the Schools;
- continue to improve the sustainability of the Schools' estate through an ongoing programme of capital investment, particularly at the College where the campus is much older; and
- continue to explore and develop partnerships with maintained schools and academies as well as with the local community.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year ended 31 August 2021 include those of Marlborough College and Marlborough College Malaysia (MCM). Once again, they were significantly impacted by the pandemic, which included further nation-wide lockdowns in the UK, with harsher restrictions, particularly in relation to travel in place for large parts of the year in Malaysia. Both Schools switched seamlessly to remote learning when required but once again the decision was taken that the Schools would not charge full fees for times when the campuses were closed and pupils were remote learning or when pupils were unable to reach the campuses due to travel restrictions. The Schools were also acutely aware that a number of parents would also themselves be facing financial uncertainty as a result of the pandemic.

Both Schools continued to offer assistance through Hardship Funds with the help of some generous parents. With the College's matched funding £29,615 (2020: £286,156) was raised for UK parents and a slightly smaller balance was made available to MCM pupils during the year.

Through the Coronavirus Job Retention Scheme the College received grants of just over £677,000 (2020: £1.4 million) following the furlough of the majority of the support staff from January until the mid-March and then a smaller number in relation to the cancelled Summer School over the summer period. However, with the desire to look after and support all the staff for as long as possible the decision was taken to continue to furlough the staff on 100% of their salary. Unfortunately, there were no grants available from the Malaysian Government to similarly assist MCM during the remote learning periods.

Consolidated net fee income dropped for the second consecutive year to £47.9 million, down from £49.8 million, which in itself was a drop of £4.6 million from the fee income received in 2018/19 (pre-pandemic). This was due to a combination of factors:-

- further fee reductions due to campus closures and pupils being caught by travel restrictions;
- no annual fee increase despite increased costs and inflationary increases as the Schools were acutely aware of the financial impact the pandemic has had on parents and the wider economies; and
- a significant decrease in pupil numbers at MCM as a direct result of the pandemic and the travel restrictions in place.

The College lost further income during the year due to the reduction in commercial activities: namely the cancellation of the 2021 Summer School as well as not receiving any gift aid from MCEL as they were loss making due to a lot of their activities not taking place as they would have done during the year.

Both Schools continued to undertake a number of measures to try to mitigate where possible the cash flow impacts whilst the campuses were effectively closed.

The other considerable financial impact of the pandemic was MCM's lease restructure which resulted in £1.51 million of unpaid operating interest that now had to be accounted for in advance. Although, this was offset by the levy rebate of £1.54 million which had previously been capitalised. This was also further to the prior year's £2.8 million impairment of MCM's assets as a result of the impact of the pandemic.

Overall the Group recorded an operating surplus of £3.8 million compared with a loss of £1.9 million in the prior year. However, without the substantial investment gains totalling £2.7 million and the furlough grant of £0.677 million, there would have only been a £0.4 million Group surplus. While the College was able to make a small operating surplus, MCM does not have any investments that could take advantage of the bull market and was not fortunate enough to receive any donations or government grants during the year. This resulted in MCM having an operating deficit of £0.6 million, although this compared to an operating deficit of £4.2 million in the prior year.

A total of £6.0 million was committed to capital expenditure during the year, £5.8 million of which took place in the UK. This was considerably less than the budgeted £8.8 million due to the ongoing concerns surrounding the pandemic and resulting supplier and labour shortages.

The £25 million loan note issue has funded £18.3 million worth of capital projects. The remaining £6.7 million is earmarked for the £16.5 million Science and Innovation Centre project with the remaining costs being met through fundraising.

INVESTMENT POLICY AND PERFORMANCE

The College's investments are managed by Rathbones Investment Management Ltd. The investment managers have discretion in the management of the portfolio. The investment policy has adopted total return accounting during the year, with the overall objective to increase the funds value in line with fee inflation and provide up to 3-4% for draw down in support of bursaries.

The investments consistently either meet or exceed the benchmark set, up until the pandemic when the financial markets were indirectly impacted. However, subsequently the investments have exceeded all benchmarks set with unprecedented investment gains (realised and unrealised) during the year of £2.7 million (2020: £358,000 loss), which made up the majority of the Group's surplus during the year.

RESERVES POLICY

At 31 August 2021, the Group held total funds of £105.9 million (2020: £101.8 million). Of the total funds, £13.8 million (2020: £11.3 million) related to restricted and endowed funds and the purpose of these funds is explained in notes 17 and 18 to the accounts. Council adopted total return accounting during the year, which permits more of the endowed funds to be granted if required and this adoption is shown in more detail in note 15.

The Group also holds designated funds of £1.85 million (2020: £1.5 million), which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. The purpose of each fund is described in note 15. In addition to this, activities in relation to Malaysia are shown separately as a fund within the accounts. At 31 August 2021, there was a surplus on these funds of £0.9 million (2020: £2.0 million).

The College holds unrestricted reserves of £88.9 million (2020: £86.9 million). The value of these reserves is more than exceeded by the value of tangible fixed assets at £107.2 million (2020: £104.7 million). The College's development plan which envisages significant further capital expenditure, has been curtailed/postponed to some extent once again as a result of the financial impact of the pandemic. As have MCM's current development plans, whose £1.4 million of reserves are all unrestricted.

The management of funding and working capital is monitored by the Schools' Finance Committees on a regular basis and a number of funding streams are being identified to support the capital requirements for the short and medium term.

The Councils are satisfied that the Schools have sufficient working capital, although the impacts of the pandemic has resulted in the Councils reviewing the long term plans for working capital to ensure there will be sufficient funds should they be required in the future for unforeseen situations such as the current pandemic. This policy is monitored by the Schools' Finance Committees and reviewed at least termly.

The Governing Body considers that the going concern basis remains appropriate for the preparation of the College's accounts even in light of the impact of the pandemic. MCM's Council have reviewed the school's operating and financial position and following a restructure to their Initial Lease Term with the Lessors consider that the going concern basis remains appropriate.

RISK MANAGEMENT

The major risks to which the Schools are exposed, as identified by the Councils, have been reviewed and systems have been established to mitigate those risks. This is an on-going process and the Councils review and update the risk management process at least annually.

The principal risks and uncertainties identified by the Schools include the following:-

- the financial and social impacts of a (global) pandemic;
- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- future governments change the law to remove (charitable) tax breaks (in the UK);
- failure to safeguard the wellbeing and security of pupils and staff;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the Schools' control, such as changes in legislation and pension contributions.

Risk assessments are in place at all levels in the Schools as a result of the pandemic and mitigating actions include daily health questionnaires of all pupils and staff, immediate testing (and results) of anyone displaying symptoms with appropriate isolation measures and PPE across the whole campus are still in place. The IT infrastructure has ensured remote learning continues to be possible in both Schools, be it as a result of a national lockdown, required isolation or travel restrictions preventing campus learning. The health of all the pupils and staff is the Schools' and Councils' main priority as part of the day to day running of the Schools.

Although the College is still very near capacity, the pandemic continues to impact MCM's pupil numbers considerably, largely due to travel restrictions across the country and school closure orders. The Councils for both Schools continue to carefully monitor fee increases in the future to improve affordability and accessibility but at the same time to ensure that the highest standards are maintained in both Schools.

In the UK there is an ongoing risk to changes to independent schools' charitable status, amongst other risks, and hence it is important that the College continues to show its commitment to improving support to other schools and improving accessibility to the education provided at the College, particularly in the number of transformational bursaries being made available, with ambitious targets being set to try and achieve this via the Development office. The College is also looking at contingency planning should tax changes be introduced.

The safeguarding of children is an extremely important area for risk management. Organisations which work with children have a critical role to play in preventing, identifying and reporting cases of safeguarding concern. Both Schools aim to mitigate these risks by paying particular attention to the training of staff and other individuals associated with the organisation about how to identify signs of safeguarding concern, educating the pupils appropriately, implementing robust safer recruitment policies, adopting clear procedures for reporting and recording concerns, and implementing a strong culture of pastoral care within the Schools. Health and Safety is a significant area for risk management. The risks range from fire and infrastructure to personal risks. The level and breadth of activity at the Schools is notable and the risks associated with all activities are managed by thorough planning and risk assessment.

The risk management process identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The key controls used by the Schools to minimise risk include:-

- policies and vetting procedures as required by law for the protection of children;
- formal agendas for the Councils and all Committee meetings, including an annual review of risk management;
- detailed terms of reference for all Committees;
- strategic development planning reviewed annually by the Councils;
- comprehensive budgeting and management accounting;
- external auditors' review including of controls, policies and procedures;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels; and
- expert advice and support from the various professional support teams including Finance, HR, Operations, Health and Safety, and Admissions as well as from qualified and experienced academic staff with dedicated responsibility for safeguarding and pastoral care.

The Councils regularly review the effectiveness of current plans and strategies for managing all identified major risks for both the College and its subsidiaries.

Through their risk management processes, the Councils are satisfied that the major risks identified have been adequately mitigated where necessary.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Council is responsible for preparing the Council's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Practice). The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the Group and of the net movement in funds, including the income and expenditure, of the Group and the College for that year. In preparing these financial statements, the Council are required to:

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

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College and enable the Council to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other applicable laws. The Council is responsible for safeguarding the assets of the Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Haysmacintyre LLP, will be submitted to the Annual General Meeting.

Marlborough College
Wiltshire
SN8 1PA

By order of the Council

Date: 4 December 2021

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2021 which comprise Group Statement of Financial Activities, the Balance Sheets, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charity's affairs as at 31 August 2021 and of the group's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Council's 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements
As explained more fully in the trustees' responsibilities statement, set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity 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.

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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and consider other factors such as payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper recognition of revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted at the year end; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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 charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

17 December 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:							
Charitable activities							
School fees	1	34,100	14,601	(298)	(492)	47,911	49,827
Other trading activities							
Trading Income		940	119	-	-	1,059	945
Other	2a	477	390	-	-	867	1,278
Donations, grants and legacies	2b	675	-	330	571	1,576	3,492
Investments		220	142	45	233	640	875
Total income		36,412	15,252	77	312	52,053	56,417
Expenditure on:							
Raising funds							
Trading costs		795	114	-	-	909	772
Financing costs		992	1,416	9	-	2,417	3,111
Marketing and fund raising		937	55	-	-	992	1,031
Investment management		-	-	7	59	66	58
		2,724	1,585	16	59	4,384	4,972
Charitable activities							
College operating costs:							
Teaching costs		13,931	7,202	27	-	21,160	21,693
Summer School expenses		419	-	-	-	419	545
Welfare		4,733	1,096	5	-	5,834	6,092
Premises		7,256	2,270	-	24	9,550	12,516
Support costs		2,441	1,872	-	-	4,313	3,939
Grants, awards and prizes		-	-	-	74	74	16
Depreciation and impairment		3,323	1,828	-	-	5,151	8,158
		32,103	14,268	32	98	46,501	52,959
Total expenditure	3	34,827	15,853	48	157	50,885	57,931
Net income/(expenditure) before investment gains		1,585	(601)	29	155	1,168	(1,514)
Net gains on investments		(167)	-	307	2,536	2,676	(358)
Net income/(expenditure)		1,418	(601)	336	2,691	3,844	(1,872)
Transfers between funds	14	240	-	(28)	(212)	-	-
Revaluation of other investment assets		18	-	-	-	18	(59)
Exchange (losses)/gains		(33)	(44)	-	-	(77)	(468)
Re-measurement of Pension Deficit		328	-	-	-	328	252
NET MOVEMENT IN FUNDS		1,971	(645)	308	2,479	4,113	(2,147)
Fund balances at 31 August 2020		£86,910	£2,008	£1,545	£11,285	£101,748	103,895
Fund balances at 31 August 2021		**£88,881**	**£1,363**	**£1,853**	**£13,764**	**£105,861**	**£103,895**

Full comparatives for the Statement of Financial Activities are shown in Note 24 on page 48.

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	Group 2021 £'000	Group 2020 £'000	College 2021 £'000	College 2020 £'000
FIXED ASSETS					
Tangible	6	133,894	135,369	107,241	104,746
Investments	8	18,279	15,763	18,403	15,763
		152,173	151,132	125,644	120,509
CURRENT ASSETS					
Listed investments	8	10,275	10,751	10,275	10,751
Stock		535	653	53	42
Debtors	9	6,176	5,178	4,328	3,900
Cash at bank and in hand		15,044	14,648	5,369	5,091
		32,030	31,230	20,025	19,784
Less: Creditors - Amounts falling due within one year	10	(19,196)	(21,954)	(9,704)	(8,545)
Net current assets		12,834	9,276	10,321	11,239
		165,007	160,408	135,965	131,748
Creditors - Amounts falling due after one year	11	(59,147)	(58,660)	(31,597)	(32,052)
NET ASSETS		£105,861	£101,748	£104,368	£99,696
REPRESENTED BY:					
Unrestricted Funds	13	92,097	90,463	90,604	88,411
Restricted Funds	17	41	1,128	41	1,128
Endowed Funds	18	13,723	10,157	13,723	10,157
	12	£105,861	£101,748	£104,368	£99,696

These financial statements were approved by the Council on **4 December 2021.**

..... - Chairman of Council

..... - Chairman of Finance Committee

The accompanying notes are an integral part of these financial statements.

MARLBOROUGH COLLEGE

CASH FLOW STATEMENT (Group)

	2021		2020	
	£'000	£'000	£'000	£'000
Reconciliation of net income to net cash flow from operating activities				
Net income per statement of financial -Activities	3,844		(1,872)	
Depreciation charges & Impairment	5,151		8,158	
Amortisation cost for refundable deposits	243		227	
Gain on sale of tangible fixed assets	(5)		(27)	
Bank interest and investment income	(640)		(875)	
Net gain on investments	(2,676)		357	
Interest payable	2,417		3,111	
(Increase)/Decrease in stock	112		123	
(Increase)/Decrease in debtors	(1,097)		(725)	
Increase/(Decrease) in creditors	(1,756)		(1,334)	
Increase/(Decrease) in lease creditors	2,324		(758)	
Net cash provided by operating activities		**7,918**		**6,385**
Statement of cash flows				
Cash flows from investing activities				
Bank interest and investment income	640		875	
Purchase of tangible fixed assets	(5,961)		(4,980)	
Proceeds from sale of tangible fixed assets	5		57	
Purchase of investments	(5,567)		(2,068)	
Proceeds from sale of investments	5,417		2,043	
Purchase of government securities and corporate bonds	-		(440)	
Proceeds from sale of government securities and corporate bonds	4,000		3,119	
Net cash used in investing activities		**(1,467)**		**(1,394)**
Cash flows from financing activities				
Interest payable	(2,417)		(3,111)	
New entrance deposits received	2,730		3,309	
New fees in advance received	270		384	
Release of fees in advance	(787)		(777)	
Entrance deposits repaid	(2,598)		(3,848)	
Net cash used in financing activities		**(2,802)**		**(4,043)**
Change in cash and cash equivalents in the reporting period		£3,649		£948
Cash and cash equivalents at the beginning of the reporting period		19,612		18,664
Cash and cash equivalents at the end of the reporting period		**23,261**		**19,612**
Analysis of cash and cash equivalents				
Cash at bank and in hand		15,044		14,648
Uninvested cash included in investments		8,217		4,964
Total cash and cash equivalents:		**23,261**		**19,612**

An analysis of net debt is included in note 23.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) – Second Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

Marlborough College meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The functional currency is pounds sterling and the accounts are rounded to the nearest thousand.

b) Going concern

The Council considers there are no material uncertainties about the Group's financial viability and hence its ability to continue as a going concern, despite the ongoing pandemic.

The impact of the pandemic continues to be felt in the UK and around the world but to differing extents and with governments taking different directions to manage its effect. However, the review of the financial position, reserves levels and expected future cash flows and plans gives Trustees confidence the College remains a going concern for the foreseeable future.

MCM's Council performed an assessment of the overall impact of the situation on the School's operations, including the recoverability of the carrying amount of assets, measurements of its assets and liabilities as well as implications to the operating lease and loan to its holding corporation. Despite the ongoing challenges of the pandemic, especially the closed boarders, the Council continue to adopt the going concern basis as they have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability.

c) Critical accounting judgements and estimates

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the College's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements 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.

Certain long term liabilities, including overseas deposits and entrance deposits, have not been discounted on the grounds that the impact of discounting is considered to be immaterial to the financial statements. Where the impact is material, specifically in relation to MCM entrance deposits, the liabilities have been discounted.

Deferred tax assets

Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Malaysian Levy and Stamp Duty

A past event that leads to a present obligation is called an obligating event, where the settlement of the obligation can be enforced by law. For an event to be an obligating event, it is necessary that the entity has no realistic alternative to settling the obligation created by the event. In the 2018/19 financial year, MCM accrued for a levy and stamp duty payable on the lease for land and buildings amounting to £2,109,219 and £70,300 respectively. Following appeal the levy was reduced by the Johor Land Office and as a result £1,542,894 was reversed from property, plant and equipment, which had been capitalised for a period of 23 years.

Impairment of Property, Plant and Equipment

The Schools' assess whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows (cash generating units).

The impairment loss is charged to profit or loss. Any subsequent increase in recoverable amount is recognised in the profit or loss.

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d) Fees and similar income

Fees receivable and charges for services are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College, and include contributions received from Associated Funds for Scholarships, Bursaries and other grants.

e) Donations, gifts and legacies

Donations received for the general purposes of the College are credited to College funds. Where the Council designates donations for specific purposes they are credited to designated funds, to distinguish them from direct school income. Donations subject to specific wishes of the donors are credited to relevant restricted funds, or to endowed funds, where the capital is permanent.

Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

f) Expenditure

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of value added tax is included with the item of expense to which it relates.

g) Leases

The Schools' rentals paid under operating leases, in which substantially all the risks and rewards of ownership are retained by the lessor, are charged to income on a straight line basis over the lease term.

MCM's leases of assets where they assume substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

h) Financial instruments

Only the College has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

i) Tangible fixed assets

The College land and buildings in existence at 1 July 1999 were valued by the Council on the following basis:

- Specialised buildings were valued using depreciated replacement cost. Specialised buildings are buildings such as schools, "where there is no competing market demand from other organisations using these types of property in the locality" and are therefore rarely sold on the open market for single occupation for a continuation of their existing use, except as part of a sale of the business in occupation. Acquisitions of specialised buildings subsequent to 1 July 1999 are depreciated in accordance with the College's normal accounting policies.

- Non-specialised buildings were valued at existing use value. Non-specialised buildings include residential buildings outside the College campus and shops.

- Land related to specialised buildings were valued on an agricultural value basis.

- Land relating to non-specialised buildings were valued at open market value.

The College does not intend to adopt a policy of revaluation. Thus the buildings valuations at 1 July 1999 are frozen subject to any adjustments necessary resulting from an impairment review.

Depreciation is provided to write off the cost or valuation, less estimated residual value, of all fixed assets, except freehold land, over their expected useful lives.

The rates of depreciation are as follows:

Buildings:	
Buildings	10 to 50 years
Building services and fixtures	10 years
Building renovations	15 to 25 years
Computers	4 years
Equipment	5 years
Fixtures and Furniture	5 to 10 years
Motor Vehicles	4 years

j) Fixed asset and current asset investments

Listed investments held as fixed or current assets are included in the financial statements at market value.

The fixed asset listed investments are known as "The College Funds" (previously named The Consolidated Investment Pool) and include monies invested by Designated, Restricted and Endowed funds. These funds are allocated with units which establish their proportion of the overall investment pool. The transactions relating to the consolidated investment pool are then shared out between the funds on a unit basis.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Fees in advance investments are defined as liquid resources for the purposes of cash flow reporting.

Investment properties consist of agricultural land and commercial and retail properties. They are included in the financial statements at their open market value as estimated by professional valuers annually.

k) Stock

Stock is valued at the lower of cost and net realisable value.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash 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.

n) Creditors and provisions

Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Long term liabilities are discounted where the impact is material.

o) Funds

The Statement of Financial Activities is analysed between Unrestricted College Funds, Unrestricted Designated Funds, and Restricted Funds and Endowed Funds. The purpose and accounting treatment of these funds are explained further in notes 13 to 18.

p) Consolidation

The Group financial statements represent the activities of the College consolidated with Marlborough College Enterprises Ltd (MCEL) and Marlborough College Overseas Limited (which incorporates its subsidiary M East Sdn Bhd).

Consolidated financial statements have been prepared for the College and its wholly owned subsidiaries. The turnover and expenditure of the subsidiaries are included within the consolidated statement of financial activities. The assets and liabilities of the subsidiaries are included on a line-by-line basis in the consolidated balance sheet in accordance with FRS102 section 9 – consolidated and separate financial statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising from intra-group transactions are eliminated in the consolidated statement of financial activities.

q) Summer School and the School of English and Culture (rebranded Open Minds in March 2021)

The course take place in the months of July and August each year. Income and expenditure relating to the Summer School and Open Minds is reflected in the year the courses take place and is referred to as "Summer School". Due to COVID, these events were cancelled in 2020 and 2021 and any income received from course fees that were not refunded have been carried over to 2022 in conjunction with next year's planned courses.

r) Employee benefits

Pension costs

The College contributes to the Teachers' Pension Scheme at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. For the purposes of complying with relevant accounting standards, the Teachers' Pension Scheme is accounted for as a defined contribution scheme as the charity is not responsible for, or entitled to receive benefit for, any surplus or deficit of the scheme. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

The College participates in two Pensions Trust schemes that are multi-employer defined benefit schemes: the Independent Schools' Pension Scheme and the Growth Plan. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Schemes are multi-employer schemes where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets. However, the College has been advised by the Pensions Trust as to the deficit repayments due in relation to the schemes. Therefore, in line with the requirements of FRS 102, the College recognises a creditor for the discounted present value of the deficit contributions due to the scheme.

The College also contributes to the Independent Schools' Pension Scheme – Defined Contribution Scheme at rates set by the College. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

MCM's pension benefit schemes comprise a defined contribution plan: a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the year in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

s) Foreign currency translation

The College's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

t) Legal status

The College is incorporated by Royal Charter and registered as an Educational Charity (No. 309486). Its constitution is contained in its Charter and Bye-laws. Its principal address is shown on Page 3.

1. FEES RECEIVABLE

	2021		2020	
	£'000	£'000	£'000	£'000
Full fees for pupils at the Schools		52,930		54,040
Less: Fees paid by associated funds		(371)		(333)
		52,559		53,707
Less: Deductions				
Scholarships	490		149	
Bursaries and other deductions	4,529		4,064	
		(5,019)		(4,213)
		47,540		49,494
Grants from Associated Funds		371		333
Receivable by the Schools		£47,911		£49,827

2a. OTHER TRADING ACTIVITIES

	£'000	£'000
Registration and acceptance fees	417	535
Commission received	39	34
Rental income	121	128
Miscellaneous	283	554
Gain on disposal of tangible fixed assets	7	17
	£867	£1,278

2b. DONATIONS, GRANTS AND LEGACIES

Donations include £677,000 (2020: £1,409,000) received in relation to the Coronavirus Job Retention Scheme implemented by the UK Government from March 2020 as a result of the countrywide lockdown in relation to the global pandemic.

3. ANALYSIS OF TOTAL EXPENDITURE

2021	Staff Costs £'000	Other direct Costs £'000	2021 Total £'000
Costs of raising funds			
Trading costs	280	629	909
Finance costs	-	2,417	2,417
Marketing and fundraising	721	271	992
Investment management	-	66	66
Charitable activities			
College operating costs:			
Teaching costs	19,064	2,096	21,160
Summer School expenses	198	221	419
Welfare	3,813	2,021	5,834
Premises	2,670	6,880	9,550
Support costs	2,030	2,283	4,313
Grants, awards and prizes	-	74	74
Depreciation and impairment	-	5,151	5,151
	£28,776	£22,109	£50,885

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2020	Staff Costs £'000	Other direct Costs £'000	2020 Total £'000
Costs of raising funds			
Trading costs	305	467	772
Finance costs	-	3,111	3,111
Marketing and fundraising	632	399	1,031
Investment management	-	58	58
Charitable activities			
College operating costs:			
Teaching costs	19,399	2,294	21,693
Summer School expenses	245	300	545
Welfare	3,912	2,180	6,092
Premises	2,739	9,777	12,516
Support costs	1,745	2,194	3,939
Grants, awards and prizes	-	16	16
Depreciation	-	8,158	8,158
	£28,977	£28,954	£57,931

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

	2021 £'000	2020 £'000
Support Costs		
Administrative salaries	2,030	1,745
Office costs	599	822
Professional fees	390	291
Other administrative costs	1,172	957
Governance costs	122	124
	£4,313	£3,939

4. EXPENDITURE

	2021 £'000	2020 £'000
Expenditure includes:		
Equipment rental	268	4
Depreciation	5,151	8,158
Auditors' remuneration	49	47
Fees paid to subsidiary auditors	13	13
Council members' expenses reimbursed	-	17
Council members' liability insurance	13	14
Staff Costs		
Wages and salaries	24,108	24,584
Social security costs	1,788	1,749
Other pension costs	2,578	2,599
Redundancy costs	302	45
	£28,776	£28,977

The average number of employees of the during the year were:	Nos	Nos
Teaching staff	278	308
Teaching Support staff	77	73
Non-teaching staff	366	366
Trading activities	11	10
	732	757

The number of higher paid employees was:

Taxable emoluments band:	Nos	Nos
£60,000 - £70,000	48	43
£70,000 - £80,000	34	28
£80,000 - £90,000	10	13
£90,000 - £100,000	4	3
£100,000 - £110,000	2	1
£110,000 - £120,000	1	-
£120,000 - £130,000	1	1
£140,000 - £150,000	1	1
£150,000 - £160,000	2	
£180,000 - £190,000	-	1
£190,000 - £200,000	1	1
£200,000 - £210,000	-	-

The total employee benefits received by key management personnel in the year ended 31 August 2021 were £2,633,231 (2020: £2,445,635).

4. EXPENDITURE (continued)

Pension Schemes

Teachers' Pension Scheme

The College 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 £1,847,658 (2020: £1,899,217) and at the year-end £223,190 (2020: £225,110) 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Pensions Trust – Defined Benefit Schemes

There are 50 active non-teaching staff who are members of the Independent Schools' Pension Scheme (ISPS), a defined benefit occupational pension scheme operated by The Pensions Trust. The employee's contribution is 6.3% and the employer's contribution increased to 16.8% from September 2019. This scheme is closed to new employees.

There is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. Marlborough College has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2020. As of this date the estimated employer debt was £15.98m (PY: £16.20m). This amount is not provided for in the accounts.

There are also three active and three non-active non-teaching staff who are members of the Growth Plan, a defined benefit contribution pension scheme also operated by The Pensions Trust, which also allowed AVC payments, as was the purpose for the current members. This scheme is now closed to new employees. As with the ISPS, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. As at 30 September 2020, the estimated employer debt was £235,805 (PY: £257,000). This amount is not provided for in the accounts.

The three pension schemes are collective defined benefit schemes under section 28 of FRS 102 and accordingly contributions have been accounted for as they fall due as if they were defined contribution schemes, except for the recognition of a creditor for deficit contributions which have been notified to the College. As required by FRS 102, the discounted present value of deficit contributions notified to the College has been included in creditors. As shown in notes 10 and 11, a total of £3,045,000 was included in creditors at 31 August 2021 (2020: £3,373,000).

The annual commitment to make contributions to the three schemes above is £2,944,336 (2020: £2,956,236).

Contributions totalling £339,653 (2020: £341,277) were payable to pension schemes at the year end.

Independent Schools' Pension Scheme – Defined Contribution Scheme

A defined contribution scheme operated by the Pensions Trust is open for members of the non-teaching staff who are not currently in the defined benefit scheme. The contribution rates are 3%, 4% and 6% for employees and 6%, 8% and 12% for the employer.

MCM – Defined Contribution Scheme

Defined contribution schemes operated by Employee' Pension Fund (EPF) and SOCSO (Social Security Organisation) are statutory boards for employees' retirement schemes. The employee contributes are 11% and 0.5% for EPF and SOCSO respectively and the employer contributes 12% for EPF and 1.75% for SOCSO.

5. TAXATION

As a Charity the College is exempt from United Kingdom income tax and corporation tax.

MCM is normally subject to tax but has been granted a tax exemption on 100% of statutory income for a period of 10 years under Section 127(3A) of the Income Tax Act, 1967 commencing year of assessment 2011 which will expire in December 2021.

The amount of deductible temporary differences (which have no expiry date) for which no deferred tax assets are recognised in the balance sheet.

6. TANGIBLE FIXED ASSETS

	COLLEGE			SUBSIDARY COMPANIES			GROUP
2021	Land & Buildings £'000	Equipment £'000	Total £'000	Land & Buildings £'000	Equipment £'000	Total £'000	Total £'000
COST							
1 September 2020	125,138	10,969	136,107	36,636	4,577	41,214	177,320
Additions	5,300	478	5,778	17	166	183	5,961
Disposals	-	(36)	(36)	0	(17)	(17)	(53)
Levy Fee adjustment (note 20)	-	-	-	(1,516)	-	(1,516)	(1,516)
Exchange effects	-	-	-	(962)	(111)	(1,073)	(1,073)
31 August 2021	130,438	11,411	141,849	34,175	4,615	38,791	180,640
DEPRECIATION							
1 September 2020	22,677	8,684	31,361	8,549	2,042	10,591	41,952
Charge for the year	2,588	696	3,284	1,354	513	1,867	5,151
Disposal	-	(36)	(36)	-	(15)	(15)	(51)
Exchange effects	-	-	-	(248)	(58)	(306)	(306)
31 August 2021	25,265	9,344	34,609	9,655	2,482	12,137	46,746
NET BOOK VALUES							
31 August 2021	£105,173	£2,067	£107,240	£24,520	£2,134	£26,654	£133,894
31 August 2020	£102,461	£2,285	£104,746	£28,087	£2,536	£30,623	£135,369

No depreciation was charged on freehold property additions of the Group amounting to £3,981,000 (2020: £5,600,000) as the projects were incomplete at 31 August 2021.

The tangible fixed assets are wholly used for the Group activities.

Capital commitments:	2021 £'000	2020 £'000
Contracted for but not provided in these accounts	£6,042	£2,796
Authorised but not contracted for	£3,478	£4,395

7. INVESTMENT IN SUBSIDIARIES

	2021 £	2020 £
Interest in subsidiary undertakings	£260	£250

The College owns 100% of the following companies' share capital both of which are registered in England and Wales.

Marlborough College (Enterprises) Limited - 02967713

The issued share capital of the company is £150.

Marlborough College (Overseas) Limited - 6407923

The issued share capital of the company is £110 (2020: £100). The company did not trade in the year.

During the year, Marlborough College (Overseas) issued share capital to Marlborough College resulting in 10 ordinary shares being issued at par value with a share premium of £12,351 per share.

The College via Marlborough College Overseas Limited owns 100% of the share capital of M East Sdn Bhd, which is registered in Malaysia.

The results of the College's subsidiary companies are summarised below:

	Enterprises		M East		Overseas	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Turnover	1,065	922	15,252	19,375	-	-
Cost of sales	(866)	(714)	-	-	-	-
Gross profit	199	208	15,252	19,375	-	-
Teaching	-	-	(7,202)	(7,754)	-	-
Welfare	-	-	(1,096)	(1,460)	-	-
Facilities	-	-	(2,270)	(2,593)	-	-
Administration	(200)	(245)	(3,869)	(7,002)	-	-
Operating (loss)/profit	(1)	(37)	817	566	-	-
Gift Aid donation to the College	80	-	-	-	-	-
Actuarial Movement	8	6	-	-	-	-
Interest payable	-	-	(1,443)	(4,709)	-	-
	£87	£(31)	£(626)	£(4,143)	£-	£-

Transactions between the College and its subsidiary undertakings were as follows:

MCEL	£'000	M East	£'000
Payment from the College to MCEL	(125)	Payments from M East to the College:	-
Payment from MCEL to the College	17		

8. FIXED AND CURRENT ASSET INVESTMENTS

2021	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2020	12,265	6,687
Additions	5,567	-
Disposal at opening market value	(4,943)	(4,173)
Revaluation	2,364	(45)
	15,253	2,469
Endowment property	7	-
Cash at bank for re-investment	411	7,806
Rare books	774	-
Investment properties (revalued 31 August 2021)	1,834	-
Investments in subsidiaries	-	-
Market value at 31 August 2021	£18,279	£10,275
Historical costs of listed securities	£10,903	£2,482
Listed securities are represented by:		
UK Government fixed interest		
UK fixed interest and index linked	74	912
Foreign Fixed Interest	856	1,557
UK equities	6,078	-
Foreign Equities	7,604	-
Property	641	-
	£15,253	£2,469

The revaluation of the listed securities stated above is in relation to unrealised gains and losses. In addition to the unrealised gains and losses there were £462,680 of realised losses which are included in the Statement of Financial Activities.

The College's investment properties are valued annually at the end of August by Woolley & Wallis. There was a £nil change in the valuation compared with the valuation at 31 August 2020.

The College's Rare Books are valued annually at the end of August by Dominic Winter Auctioneers. There was a £17,950 increase in the valuation compared with the valuation at 31 August 2020.

The College has a beneficial interest in the Trevalga estate which is administered by independent trustees, whereby the College receives income but has no entitlement to the capital.

8. FIXED AND CURRENT ASSET INVESTMENTS (continued) 2020	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2019	12,405	9,617
Additions	2,068	440
Disposal at opening market value	(2,399)	(3,204)
Revaluation	191	(166)
	12,265	6,687
Endowment property	7	-
Cash at bank for re-investment	900	4,064
Rare books	757	-
Investment properties (revalued 31 August 2020)	1,834	-
Investments in subsidiaries	-	-
Market value at 31 August 2020	£15,763	£10,751
Historical costs of listed securities	£9,165	£6,883
Listed securities are represented by:		
UK Government fixed interest	118	917
UK fixed interest and index linked	1,154	5,770
Foreign Fixed Interest	-	-
UK equities	5,087	-
Foreign Equities	5,192	-
Property	714	-
	£12,265	£6,687

9. DEBTORS – Amounts falling due within one year	Group		College	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fees in arrears and extras	1,349	465	1,349	465
Sundry debtors	29	559	29	547
Prepayments	3,535	2,880	378	346
Trade debtors	1,263	1,274	-	-
Amount due from related companies	-	-	2,572	2,542
	£6,176	£5,178	£4,328	£3,900

10. CREDITORS – Amounts falling due within one year	Group		College	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fees in advance scheme	294	740	294	740
Entrance and overseas deposits	978	1,005	554	394
Trade creditors and accruals	16,126	17,607	7,172	5,681
Lease creditors	54	823	-	-
Other taxation and social security	455	432	410	401
Sundry creditors	947	1,015	941	1,005
Pension deficit payments	342	332	333	324
	£19,196	£21,954	£9,704	£8,545

11. CREDITORS – Amounts falling due after one year	Group		College	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Lease creditors	24,824	23,801	-	-
Fees in advance scheme				
- Amounts due within two to five years	398	468	398	468
Entrance and overseas deposits				
- Amounts due within two to five years	4,266	4,054	2,733	2,465
- Amounts due after five years	1,955	2,296	833	1,157
Loan Note	25,000	25,000	25,000	25,000
Pension deficit payments	2,703	3,041	2,633	2,962
	£59,147	£58,660	£31,597	£32,052

The loan note of £25 million is repayable in stages: £10 million in 2037, £5 million in 2042 and the remaining £10 million in 2047. The loan is unsecured and incurs interest of 3.24% pa which is payable every six months.

12. ALLOCATION OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

2021	Fixed assets tangible £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	133,894	4,186	13,164	(59,147)	92,097
Restricted Funds	-	20	21	-	41
Endowed Funds	-	14,074	(351)	-	13,723
	£133,894	£18,279	£12,834	£(59,147)	£105,861

2020	Fixed assets tangible £'000	Investments £'000	Net current assets £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	135,369	3,902	9,852	(58,660)	90,463
Restricted Funds	-	1,108	20	-	1,128
Endowed Funds	-	10,753	(596)	-	10,157
	£135,369	£15,763	£9,276	£(58,660)	£101,748

13. UNRESTRICTED FUNDS

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
College general funds	86,910	36,412	(34,827)	386	88,881
Malaysia general fund	2,008	15,252	(15,853)	(44)	1,363
College designated funds (note 16)	1,545	77	(48)	279	1,853
	£90,463	£51,741	£(50,728)	£621	£92,097

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2020 £'000
College general funds	84,666	35,500	(34,578)	1,322	86,910
Malaysia general fund	6,165	19,375	(20,389)	(3,143)	2,008
College designated funds (note 16)	1,579	98	(58)	(74)	1,545
	£92,410	£54,973	£(55,025)	£(1,895)	£90,463

14. TRANSFER OF FUNDS

The transfers between funds are listed below.

	2021 £'000	2020 £'000
Unrestricted College		
Revenue Fund	£240	£1,422
Designated College		
Master's Fund revenue	-	-
Master's Fund capital	-	-
Consolidated Trust Funds	-	-
Children of Clergy Fund	(28)	(31)
	£(28)	£(31)
Restricted College		
Master's Fund revenue	(343)	(127)
Other Consolidated Funds revenue	(670)	-
Capital Projects & Bursaries	(55)	(1,149)
	£(1,068)	£(1,276)
Endowed Funds		
Master's Fund capital	1,612	(115)
Other Consolidated Funds capital	(1,901)	-
Cannon Diggle Scholarship Fund	(11)	-
Elstob Scholarship Fund	(26)	-
Gabriel Scholarship Fund	(5)	-
Sir George Abell Scholarship Fund	(4)	-
Barton Scholarship Fund	1,296	-
Bullock & Church Memorial Scholarship	372	-
Consolidated Trust Funds Capital	(477)	-
	£856	£(115)

Transfers between the Designated, Restricted and Endowed Funds and the Revenue Fund represent contributions to Scholarships and Bursaries.

A resolution was passed by Council to reclassify some of the Restricted and Endowed Funds, in line with the Charities Act 2011 and further to Council's original June 2017 Resolution.

15. TOTAL RETURN INVESTMENTS

In December 2020, the Council adopted total applied return, which applies to all the Endowed Funds.

The Endowed Funds investments and movements in the unapplied total return are set out below.

	Endowment	Unapplied Total Return	Total
	£'000	£'000	£'000
As at 3 December 2020	11,011	864	11,965
Movements in the reporting period			
Investment return: dividends and interest	-	233	233
Investment return: dividends and interest reinvested	170	-	170
Investment return: realised and unrealised gains and losses	-	1,647	1,647
Investment management costs	-	(59)	(59)
Total	170	1,821	1,991
Extraction of income from total return (income balance for the 1st year)	-	(233)	(233)
Net movement for the reporting period	170	1,588	1,758
As at 31 August 2021	**£11,271**	**£2,452**	**£13,723**

In the absence of reliable records of the original donation balances, the Council considered that the market value of the investments as recorded at 1 September 2020 were appropriate to be considered as the value of the original gifts. This figure represents the baseline below which disposals may not be made, therefore taking a higher value than the actual donations was considered to be prudent.

As total return was adopted part way through the year, Council determined that the income extracted would equal the income received during the year. In future years a policy of total return at 3.5% is to be implemented but this will be kept under review.

16. DESIGNATED FUNDS

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2021 £'000
Children of Clergy Fund capital	1,349	-	(7)	301	1,643
Children of Clergy Fund revenue	23	28	-	(28)	23
Fees in Advance Lump Sum Fund	173	17	(9)	6	187
Designated Bursaries & Projects	-	330	(330)	-	-
	£1,545	£375	£(346)	£279	£1,853

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2020 £'000
Children of Clergy Fund capital	1,373	-	(6)	(18)	1,349
Children of Clergy Fund revenue	23	31	-	(31)	23
Fees in Advance Lump Sum Fund	183	32	(17)	(25)	173
Designated Bursaries & Projects	-	514	(514)	-	-
	£1,579	£577	£(537)	£(74)	£1,545

Designated Funds

These consist of funds, as described below, which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. At the discretion of the Council, the funds can be applied towards other objectives, as has been the case with the designated bursaries and projects during the year.

- **Children of Clergy Fund**
  The Fund is used to assist the children of clergy to attend the College. The fund receives investment income from its share of listed investments in the Consolidated Fund Investment Pool. Surplus income is transferred to the College in order to assist the College in its obligations towards Children of Clergy bursaries.

- **Fees in Advance Lump Sum Fund**
  This is a scheme whereby parents and others make advance payments, which together with the interest accruing thereon, provides fees for pupils. The advance payments received under the scheme are separately invested by the College. The scheme provides for a set contribution each term towards the pupil's fees, comprising a capital portion and an interest portion.

  The amount due to parents, included in creditors, represents the unutilised balance of lump sum advances. Excess funds are transferred to the College, with the Council's approval, for specific projects and to subsidise scholarships paid by the College.

17. RESTRICTED FUNDS

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
The Master's Fund revenue	418	-	(74)	(344)	-
Other Consolidated Funds revenue	670	-	-	(670)	-
Other Trust Funds	40	1	-	-	41
Capital projects and bursaries	-	571	(516)	(55)	-
	£1,128	£572	£(590)	£(1,069)	£41

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2020 £'000
The Master's Fund revenue	418	115	-	(115)	418
Other Consolidated Funds revenue	670	142	(16)	(126)	670
Other Trust Funds	40	2	(1)	(1)	40
Capital projects and bursaries	-	1,619	(470)	(1,149)	-
	£1,128	£1,878	£(487)	£(1,391)	£1,128

Restricted Funds

These trust funds are subject to specific trusts declared by the donors or with their authority. These include donations towards specific capital projects (the Innovation and Science project plus the Memorial Hall) as well as bursary awards. The depreciation related to these projects, when completed, will be expended through the unrestricted funds as part of the running costs of the College.

- **The Master's Fund**
  It is represented by capital and accumulated income funds, which are expendable in accordance with the conditions imposed by the donors: solely for the purpose of providing bursaries and scholarships to pupils at the College. Total return accounting has meant the income is now accumulated and has been transferred to endowed funds before being expended.

- **Other Consolidated Funds**
  Individual Consolidated Trust Funds originally set up after 12 March 1969, which have now been reclassified following the 2020 Resolution, and now form part of the Master's Fund.

- **Other Trust Funds**
  These comprise Trust Funds whose assets are applied in accordance with conditions imposed by the donors. They differ from the Consolidated Trust Funds as they do not own specified numbers of units in the Consolidated Fund Investment Pool. They instead own specific listed investments.

18. ENDOWED FUNDS

2021	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2021 £'000
The Master's Fund capital	4,804	126	(32)	2,990	7,888
Other Consolidated Funds	1,901	-	-	(1,901)	-
Canon Diggle Scholarship fund	509	11	(3)	107	624
Elstob Scholarship fund	1,948	41	(10)	419	2,398
Gabriel Scholarship fund	244	5	(1)	50	298
Sir George Abell Scholarship fund	274	5	(1)	59	337
Barton Scholarship fund	-	34	(9)	1,668	1,693
Bullock & Church Memorial Scholarship	-	10	(3)	478	485
Other Capital funds	477	-	-	(477)	-
	£10,157	£232	£(59)	£3,393	£13,723

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2020 £'000
The Master's Fund capital	4,893	-	(23)	(66)	4,804
Other Consolidated Funds	1,947	-	(12)	(34)	1,901
Canon Diggle Scholarship fund	518	-	(2)	(7)	509
Elstob Scholarship fund	1,983	-	(9)	(26)	1,948
Gabriel Scholarship fund	248	-	(1)	(3)	244
Sir George Abell Scholarship fund	279	-	(1)	(4)	274
Other Capital Funds	489	-	(4)	(8)	477
	£10,357	£-	£(52)	£(148)	£10,157

Endowed Funds
These trust funds are subject to specific trusts declared by the donors or with their authority. They are represented by permanent capital funds. Income arising from the investments is applied in accordance with the conditions imposed by the donors.

- **The Master's Fund**
  Individual Consolidated Trust Funds that have been consolidated with approval of the Charity Commission are represented by permanent capital funds, with the funds to be applied to bursary and scholarship support.

- **Other Consolidated Funds**
  Individual Consolidated Trust Funds originally set up after 12 March 1969, which have now been reclassified following the 2020 Resolution, and now form part of the Master's Fund.

- **Scholarship funds**
  The Canon Diggle, Elstob, Gabriel and Sir George Abell Scholarship Funds were all established by specific gifts which were to be invested to generate income to provide scholarships to pupils at the College. As part of the 2021 resolution Barton and Bullock & Church Memorial Scholarships funds are now also shown as separate scholarship funds rather than as part of the Master's Fund.

- **Other capital funds**
  More recent Individual Consolidated Trust Funds set up after the Other Consolidated Funds above. These have now been consolidated with the Master's Fund.

19. FINANCE LEASE COMMITMENTS

At 31 August 2021 the Group had the following total commitments under non-cancellable finance leases:	Property and Equipment 2021 £'000	Property and Equipment 2020 £'000
Within one year	678	2,774
Two to five years	4,031	12,801
More than five years	36,236	27,781
	40,945	43,356
Less: future finance charges	(18,259)	(19,535)
Present value of finance lease liabilities	£22,686	£23,821
Representing:		
Within one year	54	823
Two to five years	484	4,950
More than five years	22,148	18,048
	£22,686	£23,821

20. OPERATING LEASE COMMITMENTS

At 31 August 2021 the Group had the following total commitments under non-cancellable operating leases:	Property and Equipment 2021 £'000	Property and Equipment 2020 £'000
Within one year	2,115	2,139
Two to five years	8,459	8,556
More than five years	33,289	35,090
	£43,863	£45,785

During the year MCM restructured the lease with the agreement of the Lessor where the deferment of two quarters lease payments due as at 31 August 2020 has been included in the remaining Initial Lease Term that commenced on 1 November 2020. The new lease structure was set out in a manner of Base Recovery Period or Accelerated Recovery Period should MCM's financial capability permit, subject to the agreement of the Lessor. The total lease amount and lease period remain unchanged except for the final initial lease term of the new lease is in May 2042, instead of February 2042.

21. CONNECTED CHARITIES

The Marlburian Club Charitable Fund

Transactions with the Marlburian Club include:	2021 £'000	2020 £'000
Donations to the College	£66	£63

Marlborough College Foundation

The Master, Prof Sir John Bell, E Elliott, G I Henderson and T Martin-Jenkins were Trustees.

Transactions with the Marlborough College Foundation included:	2021 £'000	2020 £'000
Donations to the College	£537	£1,474

22. RELATED PARTY TRANSACTIONS

Transactions between the College and its subsidiary undertakings are set out in note 7.

As shown within note 4, the College reimbursed travel and other expenses of £217 to one Council Members (2020: £16,818 to twelve Council members). No Council members received remuneration in the current or prior year.

23. ANALYSIS OF NET DEBT

	At 1 Sep 2020 £'000	Movements in Cash Flow £'000	At 31 Aug 2021 £'000
Cash at bank and in hand	14,648	396	15,044
Uninvested cash included in investment	4,964	3,253	8,217
	19,612	3,649	23,361
Loan Note – amount due after 1 year	(25,000)	-	(25,000)
	£(5,388)	£3,649	£(1,739)

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Endowed Funds £'000	Total 2020 £'000
Income and endowments from:					
Charitable activities					
School fees	32,364	18,377	(480)	(434)	49,827
Summer School	-	-	-	-	-
Other trading activities					
Trading Income	799	146	-	-	945
Other	599	629	50	-	1,278
Donations, grants and legacies	1,409	-	464	1,619	3,492
Investments	329	223	64	259	875
Total income	35,500	19,375	98	1,444	56,417
Expenditure on:					
Raising funds					
Trading costs	642	130	-	-	772
Financing costs	903	2,190	18	-	3,111
Marketing and fund raising	925	106	-	-	1,031
Investment management	-	-	6	52	58
	2,470	2,426	24	52	4,972
Charitable activities					
College operating costs:					
Teaching costs	13,891	7,754	34	14	21,693
Summer School expenses	545	-	-	-	545
Welfare	4,632	1,460	-	-	6,092
Premises	7,709	4,784	-	23	12,516
Support costs	2,004	1,935	-	-	3,939
Grants, awards and prizes	-	-	-	16	16
Depreciation	3,327	4,831	-	-	8,158
	32,108	20,764	34	53	52,959
Total expenditure	34,578	23,190	58	105	57,931
Net income/(expenditure) before investment gains	922	(3,815)	40	1,339	(1,514)
Net gains on investments	(167)	-	(43)	(148)	(358)
Net income/(expenditure)	755	(3,815)	(3)	1,191	(1,872)
Transfers between funds	1,422	-	(31)	(1,391)	-
Revaluation of Investment Properties	(59)	-	-	-	(59)
Exchange gains/(losses)	(126)	(342)	-	-	(468)
Re-measurement of Pension Deficit	252	-	-	-	252
NET MOVEMENT IN FUNDS	2,244	(4,157)	(34)	(200)	(2,147)

MARLBOROUGH COLLEGE

England & Wales - Charity number 309486

Accounts

MARLBOROUGH COLLEGE

(Incorporated by Royal Charter and registered as an Educational Charity No: 309486)

REPORT OF COUNCIL

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2020

Haysmacintyre LLP
Chartered Accountants
Registered Auditors

MARLBOROUGH COLLEGE
(Incorporated by Royal Charter and
registered as an Educational Charity No: 309486)

FOR THE YEAR ENDED 31 AUGUST 2020

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MARLBOROUGH COLLEGE

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS

TRUSTEES

The Trustees of the College constitute the Council.

The Council members during the year and up to the date the financial statements were signed were:

The Rt. Revd. N Holtam The Lord Bishop of Salisbury (President)
Giles I Henderson CBE [2 4 6 7 8] (Chairman of Council, Chairman of Development and Nominations Committees)
J K Baker [1 5 7 8] (Chairman of Finance and Remuneration Committees)
The Revd. Charlotte Bannister-Parker [4]
Prof Sir John Bell [4 6] (Chairman of Academic Committee)
S M W Bishop [2 6 7] (retired 13 June 2020)
P A Cameron Watt [1 4 8]
P Coleman [2 3 8]
A J Cooke [2 5]
E Elliott [4 6]
P Freeman [1 3 5] (Chairman of Buildings Committee)
Dr T E Long CBE [2] (retired 13 June 2020)
T Martin-Jenkins [6] (appointed 18 April 2020)
W Mills [1 5 8] (Chairman of International Committee – retired 31 October 2020)
C H Pymont [1] (retired 13 June 2020)
The Revd. Lindsay Yates

International Members of Council:
YAM Tunku Ali Redhauddin ibni Tuanku Muhriz
T D P Kirkwood [1 5] (retired 13 June 2020)

1. Members of the Finance Committee
2. Members of the Nominations Committee
3. Members of the Buildings Committee
4. Members of the Academic Committee
5. Members of the International Committee
6. Members of the Development Committee
7. Members of the Investment Committee
8. Members of the Remuneration Committee

OFFICERS

KEY MANAGEMENT PERSONNEL

The Master	L J Moelwyn-Hughes
Bursar	L J Moelwyn-Hughes (acting from 1 September 2019 to 4 August 2020) S Wilson (interim from 5 August 2020)

Senior Management Team

Second Master	W D L Nicholas
Deputy Head (Academic)	E J Tolputt (to 31 August 2020); D T Clark (from 1 September 2020)
Deputy Head (Boarding)	Lady Cayley (to 13 November 2020); J A Hodgson (acting Deputy Head from 14 November 2020)
Deputy Head (Co-Curricular)	D J Harris (to 31August 2020) W D L Nicholas (acting Deputy Head from 1 September 2020)
Director of Admissions	J A Hodgson

Bursarial Team

Director of Capital Projects	W Roe
Director of Development	J Perrins (to 31 December 2019); S Lerwill (from 1 January 2020)
Director of Enterprises	J Blake
Director of Finance	H Mack
Director of Human Resources	J Barclay
Director of Marketing	J Jordan (from 1 November 2019)
Director of Operations	A Barnes
Head of ICT	M Armitage

Principal Address:
Marlborough College
Wiltshire
SN8 1PA

Marlborough College Malaysia

The Master	A Stevens
Bursar	J Stronach

Address:
Marlborough College Malaysia
Jalan Marlborough
79200 Iskandar Puteri
Johor
Malaysia

MARLBOROUGH COLLEGE TRUSTEES, OFFICERS AND ADVISERS (Continued)

ADVISERS

Bankers:	Lloyds Bank Crest Way Barnwood Gloucester Gloucestershire GL4 3RL
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Auditors:	Haysmacintyre LLP Statutory Auditors 10 Queen Street Place London EC4R 1AG
Investment Advisers:	Rathbones 8 Finsbury Circus London EC2M 7AZ
Insurance Brokers:	DE Ford Poppleton Lane Low Poppleton Lane York North Yorkshire YO26 6GZ

The Council presents its report for the year ended 31 August 2020 under the Charities Act 2011, together with the audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Charter and Bye-Laws and the Charities SORP (FRS 102 – second edition).

STRUCTURE GOVERNANCE AND MANAGEMENT

Status and Administration

The College is an Educational Charity (no. 309486) incorporated by Royal Charter. Its constitution is contained in its Charter and Bye-laws.

The Governing Body

The College's elected members of Council are appointed at the Annual General Meeting of the Council on the recommendation of the Nominations Committee. Members of Council are appointed for three years and are eligible for re-appointment but may not serve for more than nine years in total.

The Chairman is exempt from the above and is appointed for three years. After the initial term the Chairman is eligible for re-appointment for a further term of three years.

Recruitment, Induction and Training of Members of Council

The Nominations Committee, in making recommendations for the appointment of new members of Council, has particular regard to the personal competence, experience and specialist skills of potential candidates. In filling vacancies on the Council, consideration is also given to the skills required to complement those of existing members.

New members of Council are inducted into the workings of the College and there is a comprehensive programme of induction and ongoing training. This includes a day at the College, the purpose of which is to meet the Master and members of staff. The visit also includes a tour of the College and the opportunity to meet some of the pupils. New members of Council receive a pack of documents and information, including the AGBIS Guidelines for Governors.

Members of Council are offered regular organised training briefings from professional bodies, as well as invitations to attend seminars and presentations.

Organisation

The Charter and Bye-Laws require that the rights, powers, duties and functions vested in the Council are to be exercised by the Council Members on its behalf. Accordingly, the Council has the power to decide matters of College policy and to make major decisions affecting the affairs of the College. It is specifically required to determine the tuition fees and to take responsibility for the College's assets.

To enable matters to be considered in detail prior to meetings of the full Council, a Finance Committee, a Nominations Committee, a Buildings Committee, an Academic Committee, an International Committee, a Development Committee, an Investment Committee, and a Remuneration Committee have been established and they each meet at least three times a year.

Implementation of the Council's decisions is the responsibility of the Master.

Mindful of the Charity Governance Code, the College continues to review its processes and procedures to ensure the best possible governance. Following an initial review of governance last year there have been various new initiatives and this will be developed further in the future.

Key Management Personnel

The key management personnel are considered to be the Council, the Master, the Senior Management Team and the Bursarial Team from the College along with the Chairman of Council, the Master and the Bursar from Marlborough College Malaysia (MCM).

Council members give of their time freely and no Council member received remuneration in the year. Details of Council members' expenses and related party transactions are disclosed in note 4 and note 20 respectively to the accounts.

The pay of the key management personnel and all staff is reviewed annually and normally increased in accordance with average earnings to reflect a cost of living adjustment. In view of the nature of the charity, the Council benchmarks against pay levels in other comparable independent schools to ensure that the College remains sensitive to the broader issues of pay and employment conditions elsewhere.

Related Entities

Details of connected charities and subsidiary companies are disclosed in Note 19 of the financial statements.

Connected Charity

The Marlborough College Foundation

The objects of the Marlborough College Foundation ("the Foundation") (registered as an Educational Charity No: 1061798), are set out in a Trust deed dated 4 June 1956. Marlborough College does not control the Foundation, and its accounts are therefore not consolidated into the group accounts of the College.

The main objectives of the Foundation are to provide long-term support to the College by accumulating an endowment fund for bursaries and to act as custodians for money raised to assist with individual capital projects and annual bursary awards. The Foundation does not fundraise directly as this is undertaken by the College's Development department.

Subsidiary Companies

Marlborough College Overseas Limited

Marlborough College Overseas Limited is a subsidiary of Marlborough College. It has one subsidiary, M East Sdn Bhd, a company registered in Malaysia. M East operates Marlborough College Malaysia (MCM), a school based in the Iskandar region of Malaysia.

Marlborough College Enterprises Limited

Marlborough College Enterprises Limited (MCEL) provides a vehicle for the College's non-educational trading and for additional revenue-generating activities.

The Company makes a gift aid donation of its profits to the College under deed of covenant. In 2020 the donation was £0 due to the impact of COVID substantially limiting the trading opportunities for the latter half of the year (2019: £210,000).

Risk Management

The major risks to which the Schools are exposed, as identified by the Councils, have been reviewed and systems have been established to mitigate those risks. This is an on-going process and the Councils review and update the risk management process at least annually.

The principal risks and uncertainties identified by the Schools include the following:-

- the financial and social impacts of a (global) pandemic;
- affordability of fees by parents across the independent school sector;
- future demand for independent education and particularly boarding education;
- future governments change the law to remove (charitable) tax breaks (in the UK);
- failure to safeguard the wellbeing and security of pupils and staff;
- the ability to quickly implement any strategic change and the costs involved in implementation, particularly where the change is outside the Schools' control, such as changes in legislation and pension contributions.

Risk assessments were put in place at all levels in the Schools as a result of the pandemic and mitigating actions include daily health questionnaires of all pupils and staff, immediate testing (and results) of anyone displaying symptoms with appropriate isolation measures and PPE across the whole campus with one-way systems being the main changes. The IT infrastructure ensured it was possible to switch to remote learning when the decision was taken by both Schools to do so. The health of all the pupils and staff is the Schools' and Councils' main priority as part of the day to day running of the Schools.

Although the College is still very near capacity, the pandemic has impacted MCM's pupil numbers considerably, largely due to travel restrictions across the country and school closure orders. Even before the pandemic the Councils for both Schools feel that it was important to contain fee increases in the future to improve affordability and accessibility.

In the UK there is an ongoing risk to changes to independent schools' charitable status, amongst other risks, and hence it is important that the College continues to show its commitment to improving support to other schools and improving accessibility to the education provided at the College, particularly in the number of transformational bursaries being made available. The College is looking at contingency planning should tax changes be introduced.

The safeguarding of children is an extremely important area for risk management. Organisations which work with children have a critical role to play in preventing, identifying and reporting cases of safeguarding concern. Both Schools aim to mitigate these risks by paying particular attention to the training of staff and other individuals associated with the organisation about how to identify signs of safeguarding concern, educating the pupils appropriately, implementing robust safer recruitment policies, adopting clear procedures for reporting and recording concerns, and implementing a strong culture of pastoral care within the Schools. Health and Safety is a significant area for risk management. The risks range from fire and infrastructure to personal risks. The level and breadth of activity at the Schools is notable and the risks associated with all activities are managed by thorough planning and risk assessment.

The risk management process identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The key controls used by the Schools to minimise risk include:-

- policies and vetting procedures as required by law for the protection of children;
- formal agendas for the Councils and all Committee meetings, including an annual review of risk management;
- detailed terms of reference for all Committees;
- strategic development planning reviewed annually by the Councils;
- comprehensive budgeting and management accounting;
- external auditors' review including of controls, policies and procedures;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels; and
- expert advice and support from the various professional support teams including Finance, HR, Operations, Health and Safety, and Admissions as well as from qualified and experienced academic staff with dedicated responsibility for safeguarding and pastoral care.

The Councils regularly reviews the effectiveness of current plans and strategies for managing all identified major risks for both the College and its subsidiaries.

Through their risk management processes, the Councils are satisfied that the major risks identified have been adequately mitigated where necessary.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects

The objects for which the College shall continue to be incorporated are to provide education for students in the United Kingdom or elsewhere, irrespective of faith, that develops independence of mind, individual spirituality based on an understanding of Anglican teaching and respect for other faiths, and an appreciation of the importance of service to the community. The Council members ensure that the charitable purpose of the College is carried out for the public benefit by making education available to students who are sufficiently talented and, where possible, irrespective of financial circumstances.

In pursuing these objectives, the College shall have regard to the social, religious and educational environment pertaining from time to time.

Aims and Objectives

It is the primary aim of the Schools to be the first choice of parents and children who seek an excellent modern education, boarding or day, in a co-educational environment, based on breadth in curriculum, sound discipline, independence of mind, first class facilities and service to the community.

To support this aim the Schools seek to:

- sustain and develop an academic curriculum that challenges pupils;
- sustain, develop and promote the unique value of a co-educational full boarding experience;
- promote and extend co-curricular opportunity;
- promote a sense of belonging to a legacy for life;
- to enable the Schools' pupils to gain admittance to the best universities and courses they can; and
- foster an appreciation of and a sense of stewardship for the Schools' campuses.

Strategies to achieve the Year's Objectives

The Schools' strategies for achieving their objectives during the year were to:

- continue to review the academic curriculum to ensure that it is both broad and challenging;
- continue to benchmark their academic performance in external public examinations and through the use of independent value-added criteria
- achieve targets for pupil numbers and various financial targets including operating surpluses and cash generation;
- encourage the students' spiritual and moral growth, their cultural awareness and physical development by promoting participation in a wide range of activities and through the curriculum;
- continue to improve the Schools' facilities and to protect the (historic) environment through capital projects to improve and enhance the teaching, co-curricular and pastoral facilities throughout the Schools;
- continue to improve the sustainability of the Schools' estate through an ongoing programme of capital investment, particularly at the College where the campus is much older; and
- continue to explore and develop partnerships with maintained schools and academies as well as with the local community.

Grant Making Policy

The College offers academic, art, music, sports and all-rounder means-tested bursary awards and scholarships at 13+ and at 16+. All award holders are eligible to apply for means tested bursary assistance to enable those who, without such assistance, would be unable to take up their awards. These bursaries are re-assessed annually and may change during a pupil's time at the College depending on changes to their financial situation and are awarded up to 110% of the fees. Scholarships and awards are based on educational ability. Scholarships may be supplemented by bursary support up to the full value of fees in cases of proven financial need. The maximum scholarship value is up to 20% of the fees; these are offered in very limited numbers.

The Scholarship Prospectus and Bursary Policy can be viewed on the College's website. They are also available from the Admissions office and are extensively advertised in appropriate national and specialist directories.

The Children of Clergy Fund, supplemented by the College, enables substantial support to be given to the sons or daughters of Clergy. Applications for entry under the Children of Clergy scheme are means tested.

This year the value of bursaries and other awards made to College pupils amounted to £2,886,000 (2019: £2,765,000), or 8.48% (2019: 7.7%) of gross fee income.

MCM offers small bursaries to existing parents who have financial difficulties. During the year MCM awarded £14,000 to nine families.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance

Pupils

The College provides education for boys and girls from the ages of 13 to 18, while MCM provides education from the ages of 3 to 18. This year saw record pupil numbers in both schools, which averaged as follows:-

School	Year	Girls	Boys	Boarders	Day	Av Total
MCUK	**2019/20**	434	559	957	36	**993**
	2018/19	408	557	926	34	**960**
MCM	**2019/20**	485	488	210	763	**973**
	2018/19	455	502	240	717	**957**

However, both schools were impacted by the pandemic, which resulted in a smooth transition to remote learning from 18th March for the last few days of the Lent Term as well as the whole of the Summer Term. The pandemic's ongoing impact on both schools has differed, largely due to the respective UK national and Malaysian national state Government's approach to schools during this time.

The overall capacity of the College is 1,010 pupils spread across 16 boarding houses with the gender balance to a ratio of 55% boys and 45% girls. The College's waiting lists remain strong which gives confidence that the College can operate at (near) capacity for the foreseeable future. However, the Council is mindful that there is still the potential for the pandemic to affect pupil numbers in the years to come as private education generally sees a delayed impact following economic downturns.

Following the second phase of the campus development in MCM there has been a substantial increase in the level of prep school provision with the capacity of the whole school nearing 1000 pupils as well. However, due to the pandemic and the bridge to Singapore being closed ever since, the pupil numbers have decreased by over 100 with a further 100 pupils learning online as they are unable to return from overseas. This is hoped to be a relatively short-term issue and projections show numbers reaching the future capacity of 1,200 within ten years, a couple of years behind the initial pre-COVID projections.

Facilities and Infrastructure Development

There were several major capital projects planned by both Schools during 2019/20, most due to take place during the summer months, but due to the pandemic and the need for an increased level of caution in relation to large financial commitments at this time the majority of these projects have been postponed or scaled back.

The College is in the early stages of an ambitious four-year Innovation and Science project, which is being funded through generous fundraising and partly through use of the private placement money. As a result, this project continued, albeit with some delays due to the construction industry needing to follow social distancing guidelines, and is now due to be finished at Easter 2021. The next phases of two boarding house refurbishments were postponed until next summer and other smaller capital projects and equipment were either scaled back or postponed. This resulted in capital spending being reduced by £8.9 million compared to that originally budgeted for during the year.

Similarly, in MCM, a relatively new campus with the emphasis on development with little need for large refurbishments at this stage, postponed their new Sixth Form Centre project that was due to cost roughly £1.4 million. Other smaller capital expenditure plans that were budgeted to cost more than £100,000 were also postponed/cancelled.

In total, capital expenditure during the year to 31 August 2020 was £4.2 million by the College and £0.78 million by MCM. All of the UK works formed part of the Master Development Plan that was established in 2011 and is currently being updated. It represents a total expenditure to date in excess of £64 million for the College and £5.5m for MCM since its inception in September 2012.

Educational Performance
The College continues to offer an extensive Sixth Form curriculum with students able to participate in A Level, Extended Project Qualification (EPQ) and Cambridge Pre-U.

	MCUK	
A Level	2019/20	2018/19
A* grade	25%	20%
A*-B grades	84%	78%
A*-C grades	97%	92%

	MCUK	
Pre-U	2019/20	2918/19
D1/above A*	9%	4%
D2/A*	32%	23%
D3/A	66%	52%

	MCUK	
(i)GCSE	2019/20	2018/19
9-8/A* grade	50	42%
9-5/A*-B grades	98	95%
9-4/A*-C grades	100	99%

The results from external examinations received in August were once again most encouraging in spite of the challenges presented by COVID and the Government's move to awarding Centre Assessment Grades. At A level 25% of entries were graded at A* and 84% were graded at A* to B, meaning that 45% of pupils scored nothing lower than an A grade in their results. The (I)GCSE results were a similarly outstanding reward for the efforts of pupils and beaks alike. 50% of grades awarded at 9 and 8 standard (A* equivalent) and 98% of all grades at 9 - 5 standard (A*-B). 57% of pupils scored 9 grades at grade 7 or above – an outstanding performance.

MCM's results from the external examinations this year were the best ever, with an average IB points score of 36 points compared to the world average of 29 and the Asia average of 34 points. Entries to universities were again strong, including the first time two places were awarded at Ivy League schools, an important measure for the Malaysian community. The IGCSE results were also excellent with 40% of grades being awarded at A* or equivalent and 66% at A* or A.

Co-curricular
The co-curricular lives of the Schools have continued to be rich, if somewhat curtailed by the lockdown, from the end of the Lent Term. The sporting programmes had been comprehensive and high success was achieved both by teams and individuals. The number of teams fielded in various sports has borne witness to the strength of the community and the willingness of the staff to work hard on pupils' behalf. There has been real excitement about the musical, dramatic and artistic life of the College: a sequence of innovative initiatives has raised the profile and ambitions of the arts at Marlborough.

Public Benefit

The Council was advised of the Charity Commission's general and supplementary guidance on public benefit and fee charging and on public benefit and the advancement of education. The Council has recognised its responsibilities under the Charities Act 2011 and has regard to the guidance issued by the Charity Commission. The Council has taken steps to satisfy the requirements set out therein.

Bursaries
The Council is committed to providing fee assistance for children unable to afford full fees and encourages a culture from those who have received a Marlborough education to do everything possible, within their means, to enable others from all backgrounds to enjoy the same educational opportunity.

A separate Bursary and Scholarship Fund generates income to augment the awards made out of fee income. Council's policy is to continue to increase the value of that fund whenever possible. The Council is examining ways to increase substantially the amount provided for means tested bursaries via non-fee income streams, such as through more endowed funds, fundraising (largely through Marlborough College Foundation), and trading both at home and abroad.

Within the funding available, bursaries of up to 110% of fees are available for those who cannot afford the fees, subject to the candidate meeting the College's entrance requirements. The majority of bursaries are made available on entry to the College, either at 13 or 16, although some funding is available for those with in-year financial hardship. The College is a member of the Springboard Partnership in support of transformational bursaries.

Under its grant making policy (see above) the total number of pupils receiving means tested fee assistance in the academic year, 2019/20 was 82 (2018/19: 80).

Working with Educational Providers & Community Access
Since its foundation in 1843 the College has been committed to playing a full part in the life of the local community and it will continue to do so. The College continues to provide indirect public benefit through its engagement with the local community and working with other educational providers, of which the following are examples:

Swindon Academy

(i) The College has an agreement with the Swindon Academy to provide opportunities for the staff and pupils of the Academy and the College, including the sharing of experience, expertise and, where appropriate, facilities and resources. The Academy is part of the United Learning Trust (ULT). The current link has been in existence for the last 12 years and this continues to grow, particularly with the launch of the Swindon Academy Grammar Stream in September 2016. In a typical academic year, more than 5,000 hours of Swindon Academy (SA) pupil time is spent on site at Marlborough College. A major component of our partnership includes working with SA's Grammar Stream pupils (now Y7 to Y11, extended from Y8 in 2019). However, unfortunately most partnership activities were suspended in March 2020 due to the lockdown but where possible moved to online otherwise will be reinstated at the earliest opportunity.

(ii) Y7 and Y8 SA Grammar Stream continued to visit, weekly, to be taught Latin/Classical Civilisation (Sept 2019 to March 2020). This is the fifth year of this programme involving 120 pupil each week. Some remote lesson continued throughout lockdown.

(iii) A taster day for the above lessons was held for 40 families in September 2019 for those considering applying for the SA Grammar Stream.

(iv) SA pupils attended six residential weekends at Marlborough College, staying overnight on Friday evenings and using the College facilities with emphasis on a particular curriculum area each time. There are usually 12 pupils and two SA teachers attending on each occasion. Due to the refurbishment of a boarding house, this programme was reduced from the usual 12 residentials.

(v) Since the start of the SA Grammar Stream, the College hosted a free week-long academic Year 7 summer school, in conjunction with Imperial College London, for SA Grammar Stream pupils. This challenging boarding experience offers new and demanding academic activities for 60 SA pupils. Feedback confirms that this 'beyond-the-syllabus' summer school helped pupils to develop a number of skills, critical-thinking in particular. The lockdown prevented this from happening in June 2020, but it is hoped that it will be reinstated in June 2021.

(vi) A semi-retired Physics teacher (Partnership Manager) from the College continues to liaise between Marlborough College and Swindon Academy, teaching part-time at the Academy as well as being a Governor there. Marlborough College paid for him to work for 1 day each week at SA (he was furloughed in March 2020). A Maths teacher at the College, who has been greatly involved with the links with partner schools, took up an enhanced role as Director of Partnerships in September 2016 and is continuing to enrich the programme.

(vii) The Director of Partnerships is involved in the Fitzwilliam Project; a project organised by Fitzwilliam College Cambridge to enable SA pupils from disadvantaged backgrounds to go to The University of Cambridge. The highlight of this programme is a one-week course at Fitz with selected Swindon Academy Grammar Stream pupils. Unfortunately, this programme was suspended in March 2020 due to the pandemic but remote activities are planned for 2020/21.

(viii) The College supplies two teacher Governors at Swindon Academy. Each of these Governors spends approximately 200 hours per year on Swindon Academy work. They also provide support with pupil disciplinary hearings, staff complaints and prize giving's. One of these Governors has continued their work throughout lockdown.

(ix) During the winter months 75 Swindon Academy Primary School pupils visited the College's Blackett telescope for a two-hour astronomy activity on four different occasions, and were assisted by two College staff on each occasion.

(x) The SA Biology fieldwork trip to the College has become an annual visit and is assisted by a full-time member of staff at the College as well as a technician. However, the June 2020 fieldwork at the College was cancelled due to the lockdown but it is hoped that it will be reinstated next year.

(xi) The College delivered investigative Science sessions (8 hours in total for 30 Y9 Grammar Stream pupils). One teacher, plus one technician was employed, and the costs were met by the College. Residential visits were included in these visits, so that all pupils experienced one overnight boarding experience. Plans are being made to conduct them at SA until on-site visits at MC are permitted.

(xii) The College hosted ten Swindon Academy trainee teachers for day-long lesson-observation visits between September and March 2020. The College also provided on-going specialist help for one Computer Science teacher.

(xiii) The Wednesday Afternoon Swindon Academy Primary School reading programme continues to be very well supported by Marlborough College pupils, although this had to stop in March 2020 and will resume once site visits to the College are permitted again.

(xiv) The College continued to work with charities and former pupils (for example, Stuart Horne Charity, Momentum Charity) to give SA pupils access to work experience via our former pupils' network. Two pupils were selected and prepared to participate in Outward Bound courses in Canada in the Summer of 2019 (three in 2018). These courses, worth $8000 CAD are paid for by the Stuart Horne Charity. One College teacher works with these pupils from February to July to prepare them for these life-changing expeditions. The 2020 summer programme was suspended due to the lockdown but is hoped to be back in place for the summer programme in 2021.

(xv) One member of the Guidance staff visits Swindon Academy for two hours every Wednesday to help Sixth Formers apply to Higher Education and other courses (switched March 2020 to online help).

(xvi) The annual SA Carol Service took place in the College's chapel in December 2019 but unfortunately due to the pandemic will not be able to happen in 2020.

(xvii) A number of management planning meetings took place via Zoom to plan for the year 2020/2021. The Outreach Team were regularly in touch with the SA Management Team.

(xviii) Zoom Talks – SA pupils were invited to all relevant Zoom talks. A number of pupils did attend some talks, and feedback was favourable.

(xix) Some Latin/Class Civilisation lessons for Y7 and Y8 pupils continued with MC teachers sending work electronically.

(xx) Governing body meetings took place with College representation on the governing body.

(xxi) Year 11 SA pupils entered a research project competition at the College. The final judgement will be in November 2020 with the College providing the prizes.

Swindon Academy (cancelled events due to COVID-19 restrictions)
Summer 2019 term:

- The annual Year 7 Residential Summer School (June 10-12)
- Two Year 9 Residentials (Spanish Department)
- Latin/Classical Civilisation lessons each Monday and Wednesday for 120 Year 7 and 8 Grammar Stream pupils
- Two Year 9 science afternoons (Biology experiments) followed by over-night stays at the College.
- Visit of the College's teachers to Swindon Academy as part of the annual teacher exchange programme
- A day of art, pond-dipping and the Nature Trail for four classes from one of SA's primary schools (120 pupils)
- Weekly guidance help
- Visit of 120 primary pupils for inflatable fun, 'It's a Knockout', to celebrate the end of SATs.
- The Partnership Manager was furloughed and not able to continue his various essential roles based at SA: Governance, teaching (A Level Physics) and mentoring, planning and advising
- Y12 STEM Masterclass
- Two Y11 Humanities revision days
- Year 7 extended visit - Music and Drama
- Y8 residential visit
- Joint Y12 Biology and Geography fieldtrips
- No SA pupils were able to participate in the annual 3-week summer expeditions to Canada with Outward Bound Canada - paid for by the Stuart Horne charity.
- Meet-up day with the Y10 pupils enrolled on the Fitzwilliam College mentoring scheme
- Selection for the next cohort (Y9) of Fitzwilliam Scholars + the Y9 and Y10 Summer School (22nd – 26th June at Fitzwilliam College)

Swindon Academy (Michaelmas Term plans: Sept – Nov 2020)

- The Latin and Class Civilisation lessons have been restarted. These are being delivered by four teachers via Microsoft Teams, to 30 Year 7 pupils, and 60 Year 8 pupils each week
- Guidance assistance will resume to Academy pupils (online)
- Bespoke mentoring/work experience is currently being offered by our OM Club, to SA pupils who request it
- Oxbridge preparation help has been offered to 3 SA candidates
- A Y11 catch-up mentoring programme is being planned in Maths and the three sciences, for Grammar Stream pupils in need of some catch-up work. This will be delivered by senior MC pupils, and one MC teacher
- Specialist support to be offered to five Year 13 pupils (Physics and Chemistry)
- Year 9 Science extension visits were planned to restart in November, with the Partnership Manager delivering them at SA but this has had to be put on hold due to the latest lockdown restrictions

- Three SA pupils have applied for bursaries, and the selection process will be completed in November 2020
- The Y10 Exchange has been postponed until next year, along with many routine partnership events

Links to Pewsey Vale School

The College has maintained strong links with Pewsey Vale School (PVS). A number of Marlborough's Sixth Form Mathematicians have visited the school each Wednesday to teach A level extension material to Pewsey Vale's most able Year 10 mathematicians. Links continue to be forged with PVS's Art Dept and their pupils have visited Marlborough's Art department. Pewsey Vale's Head of English brought a number of pupils to watch Marlborough's performance of 'Othello'. One of Marlborough's decommissioned 17 seat minibuses has been donated to PVS this term. PVS staff have also been invited to attend any of the College's PHSE training sessions this year. One PV pupil has joined the Sixth Form on a bursary scholarship following in his brother's (also from PV) footsteps.
Pewsey Vale is supported in the above by an allocated teacher (Former Housemaster) and the Director of HR who is a Governor.

Links to St Mary's Primary School (Project)

Prior to the lockdown, Marlborough College initiated an innovative science and robotics project with St Mary's PS, Marlborough, using the award-winning Twin Science kits. The ultimate aim of this initiative was to encourage primary school pupils to design unique projects to find solutions to society's problems. The project emerged from our partnership with the Young Guru Academy (YGA), a Turkish based organization; Marlborough College is the first school in the UK to work with YGA in a long-term partnership. YGA cultivates Future leaders who are aware of the world's problems and who are interested in finding innovative technological solutions. Given current restrictions, the project has had to be redesigned, with the science projects being completed using Zoom and a phone app called Twing. One MC teacher and 12 Y12 pupils will devise the programme of events.

Outreach (Community Service)

Every Wednesday afternoon during the Michaelmas and Lent terms approximately 200 pupils take part in a range of Outreach activities which provide a direct service to many aspects of the local community. These include:

(i) Working in Primary Schools (local schools: Preshute Primary, All Cannings Primary School, Kennet Valley Primary School, St Mary's Marlborough)
(ii) Art in the Community – restoration of a wall mural by Art students over a two-term period
(iii) Working in several local charity shops including Cancer Research and Prospect House
(iv) Visiting the elderly and residential homes, including Coombe End, Jane Weston and Merlin Court
(v) Helping with gardening and one-off jobs at St Marys Marlborough
(vi) Riding for the Disabled
(vii) River conservation – working with a local group ARK (River Kennet)
(viii) Brimble Hill - Caring for children with severe learning difficulties
(ix) Charity Think Tank (selecting, promoting and making donations to charities)
(x) Collecting for Christmas hampers (for charities)
(xi) Collections for Swindon Food Bank each Christmas
(xii) Prefects running a stall at St Mary's Primary School Christmas Fair
(xiii) Making and selling ceramics (for charities)
(xiv) Community Clean Up (supporting the town council in their litter picking campaign)

In the Summer Term many of these activities cannot take place and this enables the College to run an after-school club for four Wednesday afternoons catering for approximately 100 local children aged four to seven years old. Unfortunately, although planned and budgeted it was not able to take place this year due to COVID restrictions.

EdClub

The EDCLUB Movement is a pupil-driven programme that seeks to educate children in the Huruma slum in Nairobi, Kenya, through the use of the Internet and Skype, using a computer hub built by an initial fundraising effort by Marlborough pupils. There are now 18 schools involved internationally and numbers continue to grow. In 2019-2020 43 Marlburians were mentoring a group of around 100 Kenyan children on a weekly basis, teaching English, Maths and Science and generating positive and fruitful relationships on either side. As of Michaelmas 2020, 41 Marlburians are signed up to the programme.

In October 2019, The OSCAR Foundation brought a football team of Indian street children to experience a programme of activities at Marlborough College and play football against the College's 1st XI. There have been several large-scale charity events at the College to raise the £10,000 needed to allow this to happen.

Panathlon links

Since 2011, Marlborough College has hosted an annual regional Panathlon event. Panathlon is a national charity that provides sporting opportunities to over 17,000 young disabled people every year. It promotes inclusion in sport. Working in collaboration with both Panathlon and Wiltshire and Swindon Sport (WASP), the College has hosted over 300 young physically and mentally disabled children and trained over 50 of the College's pupils as Panathlon leaders. The College provides 12-14 volunteers to help run each individual sport. The new floor in the Marlborough College Sports Hall is wheelchair friendly which ensures the event will continue in the future. The recent event took place in October 2019. Unfortunately, due to COVID restrictions the event will not happen in autumn 2020 but the College will continue to support in future years.

Observatory

Since 2003, the Head of Astronomy at Marlborough College has run the outreach group 'Friends of the Marlborough Telescope' via the dedicated Observatory website which includes events, lectures and monthly Q&A sessions as well as an annual social event. An annual trip is arranged to a significant establishment in the UK or overseas. Swindon Academy Year 5 students all have the opportunity to visit the observatory for interactive events, spread over a number of evenings. The observatory hosts the UK Astronomy Olympiad Team for Observational training each August and the Observatory is open each week of Summer School for guest visits. Due to the pandemic, there are currently no face to face events at the dome. However, live streaming is taking place instead from the observatory, so events will largely continue to run as advertised.

The Observatory also hosts local Primary Schools, teachers and pupils. There are evenings arranged with various other schools and clubs including Prep Schools, Secondary Schools, Scouts, Guides, U3A and the W.I. Oxford University graduates also help with major public open evenings. Visits will be unavailable until Social Distancing rules lift, however, access to observing evenings and lectures is available via Zoom.

Careers Department

The Careers Department continues to send their weekly Bulletins to Swindon Academy and assist with their pupils' university applications personal statements. In 2019/20 at least one College teacher visited Swindon Academy every week to offer careers advice and to help Sixth Formers apply to Higher Education and other courses.

Music Department

The Music Department continues to offer pupils from St John's Marlborough access to Chamber Orchestra, Music Technology, A level music, Symphony Orchestra and Chamber music subject to COVID-19 restrictions.

Music Scholars gave a recital as part of the Calne festival on Tuesday, 8 October 2019, whilst the Chamber Choir sang at The Arnhem Service, (remembering all those who served at RAF Down Ampney and commemorating the 75th anniversary of Operation Market Garden in September 1944). This was held at All Saints' Church Down Ampney on Sunday 8th September 2019 but unfortunately could not be repeated in 2020.

The Marlborough College Concert Series continues to give a number of free tickets to local residents for each of the concerts. In 2019/20 there were five concerts and a similar number is expected for 2021/22 (the series has been cancelled in 2020/21 due to COVID-19 restrictions). In addition, major orchestral and ensemble performances are free to members of the local community which proves a popular and much appreciated initiative.

Sporting Facilities

(i) The College has entered into a formal agreement with St John's Marlborough enabling the school to use the College's pitches and other sports facilities, for example the AstroTurf pitches, squash courts, netball courts and athletics track, at mutually convenient times.
(ii) The College also hosts a number of Wiltshire Primary Schools' sports festivals at various times of the year and a number of local Primary Schools use the athletics track for their sports days.
(iii) The College's sports and other facilities are extensively used by local sports clubs and regularly by other organisations. Some of the sports include: hockey, rugby, football, squash, tennis, fives and athletics clubs, and organisations such as Wiltshire Hockey, Wiltshire and Dorset Rugby, Wiltshire Cricket, South West Lacrosse, WASP (Wiltshire and Swindon sport) and Southampton Football, Swindon Town Football, Bath Rugby Academies and GoCrea8 Hockey for their holiday coaching camps and in many cases are offered free of charge.
(iv) All charities, educational establishments and Club Junior sections pay a discounted rate for the use of College facilities and in some cases are offered free of charge.
(v) One member of the College staff regularly coaches a junior team at Marlborough Hockey Club and another member helps the St John's squash club when available.

Fundraising

(i) The College raised more than £21,000 during 2019/20 (2018/19: £39,000) for chosen charities through various whole school events and numerous boarding house and pupil initiatives, although due to the pandemic there was very little fundraising opportunities post March. A clear successful fund raiser was the House Carol Services (2019) which raised £8,420 through retiring collections: Thriving Through Venture, CLIC Sargent and Friends of Earlstoke Prison benefited.
(ii) Further money raising events took part at the start of the year (2019) by Lower Sixth students through their £10 challenge with the whole school community event (Ludi Marlburienses) during a weekend in September 2019. In excess of £10,000 was raised for the OSCAR Foundation (Mumbai, India) in support of their U17 tour UK September/October 2019 and COVID-19 relief. A successful target achieved prior to their visit. Free accommodation and feeding were provided during their stay.
(iii) The Prefect team raised £200 for Project Aware (to help support a clean and healthy ocean) by organising a social event for the lower school.
(iv) The Charity Think Tank is going on a Memory Walk on 14 October (2020) to raise money for the Alzheimer's Society. As of 30thSeptember a total of £150 has been raised towards a target of £300. A Just Giving page has been set up. (Marlborough College Charity Think Tank).
(v) The Charity Think Tank are also planning to support the charity, Well Boring, over the year with the plan/target to raise £4,000. This money will go towards the creation of a new well at a school in Kenya which will have the College name on it.

Community Support during COVID-19

Where possible all community support has continued despite the pandemic as outlined above although in some instances, due to COVID restrictions, this may have taken a different guise. Any activities that could not take place as a result of the pandemic are being planned to be reinstated as soon as the pandemic restrictions allow. In the meantime, the College is offering its support in many other ways and this has included:-

(i) The College had offered support to local Primary Schools at the start of the COVID-19 restrictions through the use of outside sporting areas or helping with after school clubs. Due to uncertainty on both sides, this was not taken up.
(ii) The College distributed all perishable food to the local community when the school moved to remote learning on 18th March.
(iii) The Assistant Chaplain organised a group of teachers and their families to offer Primary School families a meal delivery once a day. This was successful and continued until their school returned.
(iv) Led by General Services the College distributed 4,000 PPE gloves to the local medical practise and 2,000 PPE gloves to the local police station.
(v) A parent donation of 4,000 face masks was given to the local GP Practice.
(vi) The College's DT department made 150 PPE face coverings/visors for the local medical practice.
(vii) The College, via its website, offered regular wellbeing tips advice throughout lockdown including fitness exercises that were accessible by anyone visiting the site.
(viii) The College will be supporting two 'Flu Clinics' in conjunction with the local surgery.
    - The facilities for the drive through and walk-in clinics will be set up in the Parade Ground and Water Meadows car park.
    - The provision of such a large clinic for the local community is invaluable and appreciated by the town.

In Malaysia, the community's needs are different to those in the UK. This year the focus continued to be primarily on carrying out more service opportunities with organisations with whom the school can have an ongoing relationship, but it is recognised that raising funds to support them was equally important. Pupils across all three areas of Creativity, Activity and Service (CAS), Senior School Outreach and Prep Outreach took part in fundraising, primarily through sales of drinks and bake sales. Other sources of income during the year have come from events like a Year 7 & 8 disco and a Prep 'Upside Down Day". There were no 'big ticket' fundraising events scheduled for this year, such as the biennial art auction, and the Covid-19 lockdown had a major impact on the opportunities for events/sales, as sporting and other events, such as the Marlborough Miles were cancelled from 18 March until the end of the academic year. However, despite this setback, a number of 'virtual' fundraisers were carried out very successfully. The annual Frugal Lunch held just before lockdown was the single biggest fundraising initiative during the year and such is its success that the Committee is planning to hold it twice a year going forward. The total balance raised during the year was almost £7,000.

Investment Performance and Policy

The College's investments are managed by Rathbones Investment Management Ltd. The investment managers have discretion in the management of the portfolio. The policy is to maintain the capital value of the fund in real terms while generating an income in the region of 3.0% per annum. Under the terms of the investment mandate the capital value of the fund, after the annual withdrawal, should grow in line with the change in the College's fees.

The investments consistently either meet or exceed the benchmark set, up until the pandemic when the financial markets were indirectly impacted. However, the investments have now regained most of their pre-pandemic value and are expected to exceed the benchmark once again.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year ended 31 August 2020 include those of Marlborough College and Marlborough College Malaysia (MCM). Both Schools had record pupil numbers during the year. However, the results for the year were significantly impacted by the pandemic, which resulted in nation-wide lockdowns, including schools, in both the UK and Malaysia for the whole of the Summer Term. Whilst both Schools switched seamlessly to remote learning the decision was taken that the Schools would not charge full fees for the Summer Term with the campuses closed and all the pupils remote learning for the first time. The Schools were also acutely aware that a number of parents would also themselves be facing financial uncertainty as a result of the pandemic. The College reduced fees for all pupils to two thirds of the boarding fee, while MCM offered a 20% day fee rebate for Nursery to Year 2 and 10% to Year 3 onwards, with all boarding fees waived.

The College also set up a Hardship Fund with the help of some generous parents, and with the College's matched funding raised £286,156. All applicants were means tested as per the normal bursary process and by the year end there had been 23 successful parents receiving varying awards that totalled £161,282.

Through the Coronavirus Job Retention Scheme the College received grants of just over £1.4 million following the furlough of the majority of the support staff from April until the end of August. However, with the desire to look after and support all the staff for as long as possible the decision was taken to furlough the staff on 100% of their salary for as long as was financially possible. Unfortunately, MCM was not eligible for any grant from the Malaysian Government.

Consolidated net fee income dropped by £3.4 million to £49.8 million primarily as a result of the Summer Term fee reductions. The College lost £5 million of income as a result of the lockdown: £4 million due to the fee reduction and £1 million due to the reduction in commercial activities: namely the cancellation of the 2020 Summer School as well as not receiving any gift aid from MCEL as they were loss making due to all their activities being cancelled from 23 March (national lockdown) for the remainder of the year. MCM's fee rebates and the lack of boarding income during the Summer Term reduced their income by just over £1.5 million. Consequently, the bursaries were also pro-rated by the same reduction applied to the fees.

Both Schools undertook a number of measures to try to mitigate where possible the cash flow impacts whilst the campuses were effectively closed.

The other considerable financial impact as a result of the pandemic was the impairment of MCM's assets of £2.8 million (discussed in more detail on page 25 under section c of the Accounting Policies). This more than offset the prior year's adjustment of the capitalised £2 million levy which was added to the value of the leased property.

Overall the College recorded an operating surplus of £2.2 million compared with £4.4 million in the prior year. However, without the Government grant and the donations totalling £1.4 million, there would have been a £0.8 million deficit. MCM was not fortunate enough to receive any substantial donations or Government grants during the year resulting in them having an operating deficit of £4.2 million compared to an operating surplus of £1.0 million in the prior year.

A total of £5.0 million was committed to capital expenditure during the year most of which, £4.1 million, took place in the UK. This was considerably less than was budgeted for as the emerging pandemic resulted in the immediate cessation of all capital projects and most expenditure other than the Innovation Centre building in the UK in order to protect available cash resources, particularly given the future financial uncertainty surrounding the pandemic.

The £25 million loan note issue has funded £15.5 million worth of capital projects. The remaining £9.5 million is earmarked for the £16.5 million Science and Innovation Centre project with the remaining costs being met through fundraising.

RESERVES POLICY

At 31 August 2020, the Group held total funds of £101.8 million (2019: £103.9 million). Of the total funds, £11.3 million (2019: £11.5 million) related to restricted and endowed funds and the purpose of these funds is explained in notes 16 and 17 to the accounts.

The Group also holds designated funds of £1.5 million (2019: £1.6 million), which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. The purpose of each fund is described in note 15. In addition to this, activities in relation to Malaysia are shown separately as a fund within the accounts. At 31 August 2020, there was a surplus on these funds of £2.0 million (2019: £6.2 million). The College holds unrestricted reserves of £86.9 million (2019: £84.6 million). The value of these reserves is more than exceeded by the value of tangible fixed assets at £104.7 million. The Council has approved the College's development plan which envisages significant further capital expenditure, although this has been curtailed/postponed as a result of the financial impact of the pandemic. As have MCM's current development plans, whose £2.0 million of reserves are all unrestricted.

The management of funding and working capital is monitored by the Schools' Finance Committees on a regular basis and a number of funding streams are being identified to support the capital requirements for the short and medium term.

The College's Council is satisfied that the Schools have sufficient working capital, although the impacts of the pandemic has resulted in both the Schools' Councils reviewing the long-term plans for working capital to ensure there will be sufficient funds should they be required in the future for unforeseen situations such as the current pandemic. This policy is monitored by the Schools' Finance Committees and reviewed at least termly.

The College's Council considers that the going concern basis remains appropriate for the preparation of the College's accounts even in light of the impact of the pandemic. MCM's Council have reviewed the school's operating and financial position and following a restructure to their Initial Lease Term with the Lessors consider that the going concern basis remains appropriate.

FUTURE PLANS

The specific objectives for the coming year are as follows and incorporate projects delayed in 2019/20 due to the pandemic:

The College

- To build on the College's continuing academic success of the past three years, 2020 being the most successful yet.
- To continue with the implementation of the College's new Strategic Plan and to finalise the revised Master Development Plan.
- To complete the first stage of the College's £16.5 million refurbishment of the Science and Innovation project with the opening of the new Innovation Centre.
- To continue with the College's boarding house refurbishment plan of completing a phase of two boarding house refurbishments annually.
- To continue to support the widening of access to the College through increased provision of bursaries including building upon the increase in contribution levels. Total remissions during 2019/20 were £2.89 million and budgeted remissions for 2019/20 are £3.4 million representing an increase of nearly 18%, and an increase of almost 25% in just two years.

MCM

- Similarly to the College, MCM had its most successful academic results in 2020, and looks to continue to build on this.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Council is responsible for preparing the Council's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accounting Practice). The law applicable to charities in England and Wales requires the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the Group and of the net movement in funds, including the income and expenditure, of the College for that year. In preparing these financial statements, the Council are required to:

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

The Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College and enable the Council to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other applicable laws. The Council is responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to reappoint the auditors, Haysmacintyre LLP, will be submitted to the Annual General Meeting.

By order of the Council

Marlborough College
Wiltshire
SN8 1PA

05 December 2020

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

Opinion

We have audited the financial statements of Marlborough College for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charity's affairs as at 31 August 2020 and of the charity's net movement in funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of trustees for the financial statements

As explained more fully in the statement of trustees' responsibilities set out on page 18, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' 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.

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a year of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Council's 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.

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity; or returns adequate to our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Use of our report

The report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP

Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

18 February 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

MARLBOROUGH COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (Group)

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Restricted & Endowed Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:							
Charitable activities							
School fees	1	32,364	18,377	(480)	(434)	49,827	53,185
Summer School		-	-	-	-	-	1,957
Other trading activities							
Trading Income		799	146	-	-	945	1,433
Other	2a	599	629	50	-	1,278	1,058
Donations, grants and legacies	2b	1,409	-	464	1,619	3,492	1,127
Investments		329	223	64	259	875	1,215
Total income		35,500	19,375	98	1,444	56,417	59,975
Expenditure on:							
Raising funds							
Trading costs		642	130	-	-	772	1,105
Financing costs		903	2,190	18	-	3,111	2,877
Marketing and fund raising		925	106	-	-	1,031	984
Investment management		-	-	6	52	58	58
		2,470	2,426	24	52	4,972	5,024
Charitable activities							
College operating costs:							
Teaching costs		13,891	7,754	34	14	21,693	20,330
Summer School expenses		545	-	-	-	545	1,621
Welfare		4,632	1,460	-	-	6,092	6,467
Premises		7,709	4,784	-	23	12,516	12,080
Support costs		2,004	1,935	-	-	3,939	4,056
Grants, awards and prizes		-	-	-	16	16	38
Depreciation and impairment		3,327	4,831	-	-	8,158	5,175
		32,108	20,764	34	53	52,959	49,767
Total expenditure	3	34,578	23,190	58	105	57,931	54,791
Net income/(expenditure) before investment gains		922	(3,815)	40	1,339	(1,514)	5,184
Net gains on investments		(167)	-	(43)	(148)	(358)	144
Net income/(expenditure)		755	(3,815)	(3)	1,191	(1,872)	5,328
Transfers between funds	14	1,422	-	(31)	(1,391)	-	-
Revaluation of Investment Properties		(59)	-	-	-	(59)	126
Exchange (losses)/gains		(126)	(342)	-	-	(468)	321
Re-measurement of Pension Deficit		252	-	-	-	252	226
NET MOVEMENT IN FUNDS		2,244	(4,157)	(34)	(200)	(2,147)	6,001
Fund balances at 31 August 2019		84,666	6,165	1,579	11,485	103,895	97,894
Fund balances at 31 August 2020		**£86,910**	**£2,008**	**£1,545**	**£11,285**	**£101,748**	**£103,895**

Full comparatives for the Statement of Financial Activities are shown in Note 23 on page 45.

MARLBOROUGH COLLEGE

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	Group 2020 £'000	Group 2019 £'000	College 2020 £'000	College 2019 £'000
FIXED ASSETS					
Tangible	6	135,369	141,277	104,746	103,871
Investments	8	15,763	15,756	15,763	15,756
		151,132	157,033	120,509	119,627
CURRENT ASSETS					
Listed investments	8	10,751	13,456	10,751	13,456
Stock		653	752	42	37
Debtors	9	5,178	4,758	3,900	3,375
Cash at bank and in hand		14,648	14,132	5,091	4,120
		31,230	33,098	19,784	20,988
Less: Creditors - Amounts falling due within one year	10	(21,954)	(23,906)	(8,545)	(10,857)
Net current assets		9,276	9,192	11,239	10,131
		160,408	166,225	131,748	129,758
Creditors - Amounts falling due after one year	11	(58,660)	(62,330)	(32,052)	(32,102)
NET ASSETS		£101,748	£103,895	£99,696	£97,656
REPRESENTED BY:					
Unrestricted Funds	13	90,463	92,410	88,411	86,171
Restricted Funds	16	1,128	1,128	1,128	1,128
Endowed Funds	17	10,157	10,357	10,157	10,357
	12	£101,748	£103,895	£99,696	£97,656

These financial statements were approved by the Council on 5 December 2020

G Henderson
..... - Chairman of Council

..... - Chairman of Finance Committee

The accompanying notes are an integral part of these financial statements.

MARLBOROUGH COLLEGE

CASH FLOW STATEMENT (Group)

	2020		2019	
	£'000	£'000	£'000	£'000
Reconciliation of net income to net cash flow from operating activities				
Net income per statement of financial Activities	(1,872)		5,329	
Depreciation charges & Impairment	8,158		5,174	
Amortisation cost for refundable deposits	227		(29)	
Gain on sale of tangible fixed assets	(27)		(17)	
Bank interest and investment income	(875)		(1,215)	
Net gain on investments	357		(144)	
Interest payable	3,111		2,877	
(Increase)/Decrease in stock	123		(193)	
(Increase)/Decrease in debtors	(725)		(135)	
Increase/(Decrease) in creditors	(1,334)		2,898	
Increase/(Decrease) in lease creditors	(758)		527	
Net cash provided by operating activities		**6,385**		**15,072**
Statement of cash flows				
Cash flows from investing activities				
Bank interest and investment income	875		1,215	
Purchase of tangible fixed assets	(4,980)		(11,109)	
Proceeds from sale of tangible fixed assets	57		23	
Purchase of investments	(2,068)		(1,749)	
Proceeds from sale of investments	2,043		1,527	
Purchase of government securities and corporate bonds	(440)		(196)	
Proceeds from sale of government securities and corporate bonds	3,119		4,150	
Net cash used in investing activities		**(1,394)**		**(9,016)**
Cash flows from financing activities				
Interest payable	(3,111)		(2,877)	
New entrance deposits received	3,309		1,798	
New fees in advance received	384		317	
Release of fees in advance	(777)		(780)	
Entrance deposits repaid	(3,848)		(978)	
Net cash used in financing activities		**(4,043)**		**(357)**
Change in cash and cash equivalents in the reporting period		£948		£6,413
Cash and cash equivalents at the beginning of the reporting period		18,664		12,251
Cash and cash equivalents at the end of the reporting period		**19,612**		**18,664**
Analysis of cash and cash equivalents				
Cash at bank and in hand		14,648		14,132
Uninvested cash included in investments		4,964		4,532
Total cash and cash equivalents:		**19,612**		**18,664**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with 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) – Second Edition, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and The Charities (Accounts and Reports) Regulations 2008.

Marlborough College meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain assets. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The functional currency is pounds sterling and the accounts are rounded to the nearest thousand.

b) Going concern

The Council considers there are no material uncertainties about the Group's financial viability and hence its ability to continue as a going concern, despite the ongoing pandemic.

The impact of the pandemic continues to be felt in the UK and around the world but to differing extents and with governments taking different directions to manage its effect. However, the review of the financial position, reserves levels and expected future cash flows and plans gives Trustees confidence the College remains a going concern for the foreseeable future.

MCM's Council performed an assessment of the overall impact of the situation on the School's operations, including the recoverability of the carrying amount of assets, measurements of its assets and liabilities as well as implications to the operating lease and loan from its holding corporation. At this juncture, MCM have estimated the financial impact on the school results for the next financial year in their impairment estimate. Following this adjustment, the Council continue to adopt the going concern basis as they have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there are no material uncertainties over the School's financial viability.

c) Critical accounting judgements and estimates

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the College's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgements 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.

Certain long term liabilities, including overseas deposits and entrance deposits, have not been discounted on the grounds that the impact of discounting is considered to be immaterial to the financial statements. Where the impact is material, specifically in relation to MCM entrance deposits, the liabilities have been discounted.

Deferred tax assets

Deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Malaysian Levy and Stamp Duty

A past event that leads to a present obligation is called an obligating event, where the settlement of the obligation can be enforced by law. For an event to be an obligating event, it is necessary that the entity has no realistic alternative to settling the obligation created by the event. In the previous financial year, MCM accrued for a levy and stamp duty payable on the lease for land and buildings amounting to £2,109,219 and £70,300 respectively and remain unpaid. Any rebate as a result of the appeal by MCM will be adjusted in the appropriate year.

Impairment of Property, Plant and Equipment

The Schools assess whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. The losses incurred in MCM during the year together with the expected difficult operating environment going forward was identified as an impairment indicator.

The recoverable amount is measured at the higher of the fair values less cost to sell or value-in-use ("VIU") calculations. The fair value less cost to sell or VIU is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the School's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

The pre-tax discount rate applied to the cash flow projections of 8% per annum is derived from the cash-generating unit's post-tax weighted average cost of capital plus a reasonable risk premium at the statement of financial position date of the cash-generating unit.

The following assumptions have been applied in the VIU calculations covering an 8-year to 12-year forecast period:

- Pre-tax discount rate applied to the cash flow projections of 8% per annum is derived from the cost of debt financing of 6% with an equity premium of 2%.
- Revenue growth rate increases proportionately to number of pupils' growth at 3% per annum of increase in fee rates.
- Maximum capacity for MCM of 1,200 pupils achieved in FY2027/28 and FY2031/32 respectively under the Covid-19 scenarios.
- Growth in direct and indirect costs at 2% to 5% per annum.
- Terminal value growth rate is estimated at 3% per annum based on country and industry long-term outlook

As a result of the impairment assessment, the recoverable amount of these assets is lower than the carrying amount and an impairment loss of £2,801,000 has been recorded in the financial statements.

d) Fees and similar income

Fees receivable and charges for services are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the College, and include contributions received from Associated Funds for Scholarships, Bursaries and other grants.

e) Donations, gifts and legacies

Donations received for the general purposes of the College are credited to College funds. Where the Council designates donations for specific purposes they are credited to designated funds, to distinguish them from direct school income. Donations subject to specific wishes of the donors are credited to relevant restricted funds, or to endowed funds, where the capital is permanent.

Government grant income represents the total amount claimed from HMRC under the CJRS. The income is accounted for in the period in which the associated salary payments are made to furloughed staff.

f) Expenditure

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of value added tax is included with the item of expense to which it relates.

g) Leases

The Schools' rentals paid under operating leases, in which substantially all the risks and rewards of ownership are retained by the lessor, are charged to income on a straight line basis over the lease term.

MCM's leases of assets where they assume substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

h) Financial instruments

Only the College has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

i) Tangible fixed assets

The College land and buildings in existence at 1 July 1999 were valued by the Council on the following basis:

- Specialised buildings were valued using depreciated replacement cost. Specialised buildings are buildings such as schools, "where there is no competing market demand from other organisations using these types of property in the locality" and are therefore rarely sold on the open market for single occupation for a continuation of their existing use, except as part of a sale of the business in occupation. Acquisitions of specialised buildings subsequent to 1 July 1999 are depreciated in accordance with the College's normal accounting policies.

- Non-specialised buildings were valued at existing use value. Non-specialised buildings include residential buildings outside the College campus and shops.
- Land related to specialised buildings were valued on an agricultural value basis.
- Land relating to non-specialised buildings were valued at open market value.

The College does not intend to adopt a policy of revaluation. Thus the buildings valuations at 1 July 1999 are frozen subject to any adjustments necessary resulting from an impairment review.

Depreciation is provided to write off the cost or valuation, less estimated residual value, of all fixed assets, except freehold land, over their expected useful lives.

The rates of depreciation are as follows:

Buildings:	
Buildings	10 to 50 years
Building services and fixtures	10 years
Building renovations	15 to 25 years
Computers	4 years
Equipment	5 years
Fixtures and Furniture	5 to 10 years
Motor Vehicles	4 years

j) Fixed asset and current asset investments

Listed investments held as fixed or current assets are included in the financial statements at market value.

The fixed asset listed investments are known as "The Consolidated Investment Pool" and include monies invested by Designated, Restricted and Endowed funds. These funds are allocated with units which establish their proportion of the overall investment pool. The transactions relating to the consolidated investment pool are then shared out between the funds on a unit basis.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

Realised and unrealised gains are accounted for within the Statement of Financial Activities.

Fees in advance investments are defined as liquid resources for the purposes of cash flow reporting.

Investment properties consist of agricultural land and commercial and retail properties. They are included in the financial statements at their open market value as estimated by professional valuers annually.

k) Stock

Stock is valued at the lower of cost and net realisable value.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash 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.

n) Creditors and provisions

Creditors and provisions are recognised where the College has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due. Long term liabilities are discounted where the impact is material.

o) Funds

The Statement of Financial Activities is analysed between Unrestricted College Funds, Unrestricted Designated Funds, and Restricted Funds and Endowed Funds. The purpose and accounting treatment of these funds are explained in notes 13 to 17.

p) Consolidation

The Group financial statements represent the activities of the College consolidated with Marlborough College Enterprises Ltd (MCEL) and Marlborough College Overseas Limited (which incorporates its subsidiary M East Sdn Bhd).

Consolidated financial statements have been prepared for the College and its wholly owned subsidiaries. The turnover and expenditure of the subsidiaries are included within the consolidated statement of financial activities. The assets and liabilities of the subsidiaries are included on a line-by-line basis in the consolidated balance sheet in accordance with FRS102 section 9 – consolidated and separate financial statements. Uniform accounting policies are adopted throughout the group and any profits or losses arising from intra-group transactions are eliminated in the consolidated statement of financial activities.

q) Summer School and the School of English and Culture

The course take place in the months of July and August each year. Income and expenditure relating to the Summer School and the School of English and Culture is reflected in the year the courses take place and is referred to as "Summer School". Due to COVID, these events were cancelled in 2020 and any income received from course fees that was not refunded has been carried over to 2021 in conjunction with next year's planned courses.

r) Employee benefits

Pension costs

The College contributes to the Teachers' Pension Scheme at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. For the purposes of complying with relevant accounting standards, the Teachers' Pension Scheme is accounted for as a defined contribution scheme as the charity is not responsible for, or entitled to receive benefit for, any surplus or deficit of the scheme. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

The College participates in two Pensions Trust schemes that are multi-employer defined benefit schemes: the Independent Schools' Pension Scheme and the Growth Plan. It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the Schemes are multi-employer schemes where the scheme assets are co-mingled for investment purposes and benefits are paid from the total scheme assets. However, the College has been advised by the Pensions Trust as to the deficit repayments due in relation to the schemes. Therefore, in line with the requirements of FRS 102, the College recognises a creditor for the discounted present value of the deficit contributions due to the scheme.

The College also contributes to the Independent Schools' Pension Scheme – Defined Contribution Scheme at rates set by the College. The amounts included within the Statement of Financial Activities, Balance Sheet and Cash Flow Statement are in accordance with FRS 102 section 28.

MCM's pension benefit schemes comprise two defined contribution plans.

Other employee benefits

Short term benefits including holiday pay are recognised as an expense in the year in which the service is received. Termination benefits are accounted for on an accrual basis and in line with FRS 102.

s) Foreign currency translation

The College's functional and presentation currency is pound sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the SOFA.

t) Legal status

The College is incorporated by Royal Charter and registered as an Educational Charity (No. 309486). Its constitution is contained in its Charter and Bye-laws. Its principal address is shown on Page 3.

1. FEES RECEIVABLE

	2020		2019	
	£'000	£'000	£'000	£'000
Full fees for pupils at the Schools		54,040		57,033
Less: Fees paid by associated funds		(333)		(304)
		53,707		56,729
Less: Deductions				
Scholarships	149		164	
Bursaries and other deductions	4,064		3,684	
		(4,213)		(3,848)
		49,494		52,881
Grants from Associated Funds		333		304
Receivable by the Schools		£49,827		£53,185

As part of the above the Marlburian Club Charitable Fund contributed £62,978 (2019 £76,260) to bursaries.

2a. OTHER TRADING ACTIVITIES

	£'000	£'000
Registration and acceptance fees	535	502
Commission received	34	50
Rental income	128	128
Miscellaneous	554	361
Gain on disposal of tangible fixed assets	27	17
	£1,278	£1,058

2b. DONATIONS, GRANTS AND LEGACIES

Donations include £1,409,000 received in relation to the Coronavirus Job Retention Scheme implemented by the UK Government from March 2020 as a result of the countrywide lockdown in relation to the global pandemic.

3. ANALYSIS OF TOTAL EXPENDITURE 2020

2020	Staff Costs £'000	Other direct Costs £'000	2020 Total £'000
Costs of raising funds			
Trading costs	305	467	772
Finance costs	-	3,111	3,111
Marketing and fundraising	632	399	1,031
Investment management	-	58	58
Charitable activities			
College operating costs:			
Teaching costs	19,399	2,294	21,693
Summer School expenses	245	300	545
Welfare	3,912	2,180	6,092
Premises	2,739	9,777	12,516
Support costs	1,745	2,194	3,939
Grants, awards and prizes	-	16	16
Depreciation and impairment	-	8,158	8,158
	£28,977	£28,954	£57,931

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2019	Staff Costs £'000	Other direct Costs £'000	2019 Total £'000
Costs of raising funds			
Trading costs	355	750	1,105
Finance costs	-	2,877	2,877
Marketing and fundraising	523	461	984
Investment management	-	58	58
Charitable activities			
College operating costs:			
Teaching costs	17,634	2,696	20,330
Summer School expenses	714	907	1,621
Welfare	3,762	2,705	6,467
Premises	2,537	9,543	12,080
Support costs	1,904	2,152	4,056
Grants, awards and prizes	-	38	38
Depreciation	-	5,175	5,175
	£27,429	£27,362	£54,791

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

	2020 £'000	2019 £'000
Support Costs		
Administrative salaries	1,745	1,904
Office costs	822	902
Professional fees	291	230
Other administrative costs	957	853
Governance costs	124	167
	£3,939	£4,056

4. EXPENDITURE

	2020 £'000	2019 £'000
Expenditure includes:		
Equipment rental	4	4
Depreciation	8,158	4,951
Auditors' remuneration	47	71
Fees paid to subsidiary auditors	13	15
Council members' expenses reimbursed	17	34
Council members' liability insurance	14	16
Staff Costs		
Wages and salaries	24,584	23,149
Social security costs	1,749	1,701
Other pension costs	2,599	2,536
Redundancy costs	45	43
	£28,977	£27,429

The average number of employees of the during the year were:	Nos	Nos
Teaching staff	308	308
Teaching Support staff	73	70
Non-teaching staff	366	362
Trading activities	10	11
	757	751

The number of higher paid employees was:

Taxable emoluments band:	Nos	Nos
£60,000 - £70,000	37	45
£70,000 - £80,000	28	27
£80,000 - £90,000	12	10
£90,000 - £100,000	4	3
£100,000 - £110,000	1	-
£110,000 - £120,000	-	1
£120,000 - £130,000	1	2
£140,000 - £150,000	1	-
£180,000 - £190,000	1	1
£190,000 - £200,000	1	-
£200,000 - £210,000	-	1

The total employee benefits received by key management personnel in the year ended 31 August 2020 were £2,445,635 (2019: £2,682,000).

4. EXPENDITURE (continued)

Pension Schemes

Teachers' Pension Scheme

The College 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 £1,899,217 (2019: £1,293,889) and at the year-end £225,110 (2019 - £172,871) 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 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.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The Pensions Trust – Defined Benefit Schemes

There are 54 active non-teaching staff who are members of the Independent Schools' Pension Scheme (ISPS), a defined benefit occupational pension scheme operated by The Pensions Trust. The employee's contribution is 6.3% and the employer's contribution increased to 16.8% from September 2019. This scheme is now closed to new employees.

There is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. Marlborough College has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Independent Schools' Pension Scheme based on the financial position of the Scheme as at 30 September 2019. As of this date the estimated employer debt was £16.2m. This amount is not provided for in the accounts.

There are also three active and three non-active non-teaching staff who are members of the Growth Plan, a defined benefit contribution pension scheme also operated by The Pensions Trust, which also allowed AVC payments, as was the purpose for the current members. This scheme is now closed to new employees. As with the ISPS, there is a potential debt on the employer that could be levied by the Trustee of the Scheme. As at 30 September 2019, the estimated employer debt was £257,000. This amount is not provided for in the accounts.

The three pension schemes are collective defined benefit schemes under section 28 of FRS 102 and accordingly contributions have been accounted for as they fall due as if they were defined contribution schemes, except for the recognition of a creditor for deficit contributions which have been notified to the College. As required by FRS 102, the discounted present value of deficit contributions notified to the College has been included in creditors. As shown in notes 10 and 11, a total of £3,373,000 was included in creditors at 31 August 2020 (2019: £3,617,000).

The annual commitment to make contributions to the three schemes above is £2,956,236 (2019: £2,253,950).

Contributions totalling £341,277 (2019: £279,461) were payable to pension schemes at the year end.

Independent Schools' Pension Scheme – Defined Contribution Scheme

A defined contribution scheme operated by the Pensions Trust is open for members of the non-teaching staff who are not currently in the defined benefit scheme. The contribution rates are 3%, 4% and 6% for employees and 6%, 8% and 12% for the employer.

MCM – Defined Contribution Scheme

Defined contribution schemes operated by Employee' Pension Fund (EPF) and SOCSO (Social Security Organisation) are statutory boards for employees' retirement schemes. The employee contributes are 11% and 0.5% for EPF and SOCSO respectively and the employer contributes 12% for EPF and 1.75% for SOCSO.

5. TAXATION

As a Charity the College is exempt from United Kingdom income tax and corporation tax.

MCM is normally subject to tax but has been granted a tax exemption on 100% of statutory income for a period of 10 years under Section 127(3A) of the Income Tax Act, 1967 commencing year of assessment 2011 which will expire in December 2021.

The amount of deductible temporary differences (which have no expiry date) for which no deferred tax assets are recognised in the balance sheet.

6. TANGIBLE FIXED ASSETS

	COLLEGE			SUBSIDARY COMPANIES			GROUP
2020	Land & Buildings £'000	Equipment £'000	Total £'000	Land & Buildings £'000	Equipment £'000	Total £'000	Total £'000
COST							
1 September 2019	121,659	10,736	132,395	39,429	4,582	44,011	176,406
Additions	3,479	705	4,184	262	534	796	4,980
Disposals	-	(472)	(472)	-	(223)	(223)	(695)
Exchange effects	-	-	-	(3,055)	(315)	(3,370)	(3,370)
31 August 2020	125,138	10,969	136,107	36,636	4,578	41,214	177,321
DEPRECIATION							
1 September 2019	20,126	8,398	28,524	4,748	1,857	6,605	35,129
Charge for the year	2,551	737	3,288	1,550	519	2,069	5,357
Disposals	-	(451)	(451)	-	(214)	(214)	(665)
Impairment Loss	-	-	-	2,801	-	2,801	2,801
Exchange effects	-	-	-	(550)	(120)	(670)	(670)
31 August 2020	22,677	8,684	31,361	8,549	2,042	10,591	41,952
NET BOOK VALUES							
31 August 2020	£102,461	£2,285	£104,746	£28,087	£2,536	£30,623	£135,369
31 August 2019	£101,533	£2,338	£103,871	£34,681	£2,725	£37,406	£141,277

No depreciation was charged on freehold property additions of the Group amounting to £5,600,162 (2019: £5,259,949) as the projects were incomplete at 31 August 2020.

The tangible fixed assets are wholly used for the Group activities.

Capital commitments:	2020 £'000	2019 £'000
Contracted for but not provided in these accounts	£2,795,792	£746,516
Authorised but not contracted for	£4,394,758	£8,349,775

7. INVESTMENT IN SUBSIDIARIES

	2020 £	2019 £
Interest in subsidiary undertakings	256	256

The College owns 100% of the following companies' share capital both of which are registered in England and Wales.

Marlborough College (Enterprises) Limited - 02967713

The issued share capital of the company is £150.

Marlborough College (Overseas) Limited - 6407923

The issued share capital of the company is £100 (2019: £100). The company did not trade in the year.

The College via Marlborough College Overseas Limited owns 100% of the share capital of M East Sdn Bhd, which is registered in Malaysia.

The results of the College's subsidiary companies are summarised below:

	Enterprises		M East		Overseas	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Turnover	922	1,405	19,375	20,740	-	-
Cost of sales	(714)	(1,012)	-	-	-	-
Gross profit	208	393	19,375	20,740	-	-
Teaching	-	-	(7,754)	(7,340)	-	-
Welfare	-	-	(1,460)	(1,603)	-	-
Facilities	-	-	(2,593)	(2,659)	-	-
Administration	(245)	(221)	(7,002)	(4,029)	-	-
Operating profit	(37)	172	566	5,109	-	-
Gift Aid donation to the College	-	(210)	-	-	-	-
Actuarial Movement	6	38	-	-	-	-
Interest payable	-	-	(4,709)	(4,070)	(14)	(6)
	(31)	-	(4,143)	1,039	(14)	(6)

Transactions between the College and its subsidiary undertakings were as follows:

MCEL	£'000	M East	£'000
Payment from the College to MCEL	(121)	Payments from M East to the College:	363
Payment from MCEL to the College	17		

8. FIXED AND CURRENT ASSET INVESTMENTS

2020	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2019	12,405	9,617
Additions	2,068	440
Disposal at opening market value	(2,399)	(3,204)
Revaluation	191	(166)
	12,265	6,687
Endowment property	7	-
Cash at bank for re-investment	900	4,064
Rare books	757	-
Investment properties (revalued 31 August 2020)	1,834	-
Investments in subsidiaries	-	-
Market value at 31 August 2020	£15,763	£10,751
Historical costs of listed securities	£9,165	£6,883
Listed securities are represented by:		
UK Government fixed interest	118	917
UK fixed interest and index linked	1,154	5,770
Foreign Fixed Interest	-	-
UK equities	5,087	-
Foreign Equities	5,192	-
Property	714	-
	£12,265	£6,687

The revaluation of the listed securities stated above is in relation to unrealised gains and losses. In addition to the unrealised gains and losses there were £367,318 of realised losses which are included in the Statement of Financial Activities.

The College's investment properties are valued annually at the end of August by Woolley & Wallis. There was a £46,017 decrease in the valuation compared with the valuation at 31 August 2019.

The College's Rare Books are valued annually at the end of August by Dominic Winter Auctioneers. There was a £13,335 decrease in the valuation compared with the valuation at 31 August 2019.

The College has a beneficial interest in the Trevalga estate which is administered by independent trustees, whereby the College receives income but has no entitlement to the capital.

8. FIXED AND CURRENT ASSET INVESTMENTS (continued)

2019	Fixed Asset Investments £'000	Current Asset Investments £'000
Listed securities:		
Market value at 31 August 2018	11,801	13,695
Additions	1,749	196
Disposal at opening market value	(1,527)	(4,150)
Revaluation	383	(124)
	12,406	9,617
Endowment property	7	-
Cash at bank for re-investment	693	3,839
Rare books	770	-
Investment properties (valued 31 August 2019)	1,880	-
Market value at 31 August 2019	£15,756	£13,456
Historical costs of listed securities	£15,425	£14,988
Listed securities are represented by:		
UK Government fixed interest	230	1,139
UK fixed interest and index linked	579	8,478
Foreign Fixed Interest	61	-
UK equities	5,458	-
Foreign Equities	5,268	-
Property	810	-
	£12,406	£9,617

9. DEBTORS – Amounts falling due within one year

	Group		College	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fees in arrears and extras	465	298	465	299
Sundry debtors	559	20	547	15
Prepayments	2,880	4,243	346	408
Trade debtors	1,274	197	-	-
Amount due from related companies	-	-	2,542	2,653
	£5,178	£4,758	£3,900	£3,375

10. CREDITORS – Amounts falling due within one year

	Group		College	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fees in advance scheme	740	723	740	723
Entrance and overseas deposits	1,005	1,086	394	625
Trade creditors and accruals	17,607	19,745	5,681	7,700
Lease creditors	823	482	-	-
Other taxation and social security	432	514	401	453
Sundry creditors	1,015	1,042	1,005	1,042
Pension deficit payments	332	314	324	314
	£21,954	£23,906	£8,545	£10,857

11. CREDITORS – Amounts falling due after one year

	Group		College	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Lease creditors	23,801	26,548	-	-
Fees in advance scheme				
- Amounts due within two to five years	468	871	468	871
- Amounts due after five years	-	-	-	-
Entrance and overseas deposits				
- Amounts due within two to five years	4,054	5,059	2,465	3,013
- Amounts due after five years	2,296	1,549	1,157	-
Loan Note	25,000	25,000	25,000	25,000
Pension deficit payments	3,041	3,303	2,962	3,218
	£58,660	£62,330	£32,052	£32,102

The loan note of £25 million is repayable in stages: £10 million in 2037, £5 million in 2042 and the remaining £10 million in 2047. The loan is unsecured and incurs interest of 3.24% pa which is payable every six months.

12. ALLOCATION OF NET ASSETS BETWEEN FUNDS

The net assets are held for the various funds as follows:

2020	Fixed assets tangible £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	135,369	3,902	9,852	(58,660)	90,463
Restricted Funds	-	1,108	20	-	1,128
Endowed Funds	-	10,753	(596)	-	10,157
	£135,369	£15,763	£9,276	£(58,660)	£101,748

2019	Fixed assets tangible £'000	Investments £'000	Net current assets £'000	Long term Liabilities £'000	Total £'000
Unrestricted & Designated	141,277	3,935	9,528	(62,330)	92,410
Restricted Funds	-	1,107	21	-	1,128
Endowed Funds	-	10,714	(357)	-	10,357
	£141,277	£15,756	£9,192	£(62,330)	£103,895

13. UNRESTRICTED FUNDS

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2020 £'000
College general funds	84,666	35,500	(34,578)	1,322	86,910
Malaysia general fund	6,165	19,375	(20,389)	(3,143)	2,008
College designated funds (note 15)	1,579	98	(58)	(74)	1,545
	£92,410	£54,973	£(55,025)	£(1,895)	£90,463

2019	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2019 £'000
College general funds	80,224	38,756	(34,746)	432	84,666
Malaysia general fund	5,127	20,740	(19,939)	237	6,165
College designated funds (note 15)	1,448	90	(19)	60	1,579
	£86,799	£59,586	£(54,704)	£729	£92,410

14. TRANSFER OF FUNDS

	2020 £'000	2019 £'000
The transfers between funds are listed below.		
Unrestricted College		
Revenue Fund	1,422	208
Designated College		
Master's Fund Revenue	-	-
Master's Fund Capital	-	-
Consolidated Trust Funds	-	-
Children of Clergy Fund	(31)	(46)
	£(31)	£(46)
Restricted College		
Master's Fund Revenue	(127)	(89)
Capital Projects & Bursaries	(1,149)	-
	£(1,276)	£(89)
Endowed Funds		
Master's Fund capital	(115)	(73)
Other Consolidated Capital Funds	-	-
Cannon Diggle Scholarship Fund	-	-
Elstob Scholarship Fund	-	-
Gabriel Scholarship Fund	-	-
Sir George Abell	-	-
Consolidated Trust Funds Capital	-	-
	£(115)	£(73)

Transfers between Designated and Endowed funds and the Revenue fund represent contributions to Scholarships and Bursaries.

15. **DESIGNATED FUNDS**

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2020 £'000
Children of Clergy Fund capital	1,373	-	(6)	(18)	1,349
Children of Clergy Fund revenue	23	31	-	(31)	23
Fees in Advance Lump Sum Fund	183	32	(17)	(25)	173
Designated Bursaries & Projects	-	514	(514)	-	-
	£1,579	£577	£(537)	£(74)	£1,545

2019	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2019 £'000
Children of Clergy Fund capital	1,349	-	(6)	30	1,373
Children of Clergy Fund revenue	23	46	-	(46)	23
Fees in Advance Lump Sum Fund	76	44	(13)	76	183
	£1,448	£90	£(19)	£60	£1,579

Designated Funds
These consist of funds, as described below, which were originally set up to allocate donations of a general purpose towards designated purposes as approved by the Council. At the discretion of the Council, the funds can be applied towards other objectives, as has been the case with the designated bursaries and projects during the year.

Children of Clergy Fund
The Fund is used to assist the children of clergy to attend the College. The fund receives investment income from its share of listed investments in the Consolidated Fund Investment Pool. Surplus income is transferred to the College in order to assist the College in its obligations towards Children of Clergy bursaries.

Fees in Advance Lump Sum Fund
This is a scheme whereby parents and others make advance payments, which together with the interest accruing thereon, provides fees for pupils. The advance payments received under the scheme are separately invested by the College. The scheme provides for a set contribution each term towards the pupil's fees, comprising a capital portion and an interest portion.

The amount due to parents, included in creditors, represents the unutilised balance of lump sum advances. Excess funds are transferred to the College, with the Council's approval, for specific projects.

16. RESTRICTED FUNDS

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2020 £'000
The Master's Fund revenue	418	115	-	(115)	418
Other trust funds	710	144	(17)	(127)	710
Capital Projects & Bursaries	-	1,619	(470)	(1,149)	-
	£1,128	£1,878	£(487)	£(1,391)	£1,128

2019	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2019 £'000
The Master's Fund revenue	318	173	-	(73)	418
Other trust funds	618	216	(35)	(89)	710
	£936	£389	£(35)	£(162)	£1,128

Restricted Funds
These trust funds are subject to specific trusts declared by the donors or with their authority. These include donations towards specific capital projects (the Innovation and Science project plus the Memorial Hall) as well as bursary awards. The depreciation related to these projects, when completed, will be expended through the unrestricted funds as part of the running costs of the College.

The Master's Fund
It is represented by capital and accumulated income funds, which are expendable in accordance with the conditions imposed by the donors.

Other Trust Funds
These comprise trust funds whose assets are applied in accordance with conditions imposed by the donors. They differ from Consolidated Trust Funds as they do not own specified numbers of units in the Consolidated Fund Investment Pool. They instead own specific listed investments.

17. ENDOWED FUNDS

2020	Balance 1 September 2019 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2020 £'000
The Master's Fund capital	4,893	-	(23)	(66)	4,804
Other Consolidated funds	1,947	-	(12)	(34)	1,901
Canon Diggle Scholarship fund	518	-	(2)	(7)	509
Elstob Scholarship fund	1,983	-	(9)	(26)	1,948
Gabriel Scholarship fund	248	-	(1)	(3)	244
Sir George Abell Scholarship fund	279	-	(1)	(4)	274
Other Capital funds	489	-	(4)	(8)	477
	£10,357	-	£(52)	£(148)	£10,157

2019	Balance 1 September 2018 £'000	Income £'000	Expenditure £'000	Transfers & investments gains/(losses) £'000	Balance 31 August 2019 £'000
The Master's Fund capital	4,804	-	(23)	112	4,893
Other Consolidated funds	1,902	-	(12)	57	1,947
Canon Diggle Scholarship fund	509	-	(2)	11	518
Elstob Scholarship fund	1,948	-	(9)	44	1,983
Gabriel Scholarship fund	244	-	(1)	5	248
Sir George Abell Scholarship fund	274	-	(1)	6	279
Other Capital funds	478	-	(3)	14	489
	£10,159	-	£(51)	£249	£10,357

Endowed Funds
These trust funds are subject to specific trusts declared by the donors or with their authority. They are represented by permanent capital funds. Income arising from the investments is applied in accordance with the conditions imposed by the donors.

The Master's Fund
Individual Consolidated Trust Funds set up before 12 March 1969 whose original capital is expendable in accordance with the conditions imposed by the donor.

Other Consolidated Funds
Individual Consolidated Trust Funds set up after 12 March 1969, which have been reclassified following confirmation from the Charity Commission, are now deemed to be represented by permanent capital funds. Income arising from the investments is to be applied to bursary support.

Scholarship funds
The Canon Diggle, Elstob, Gabriel and Sir George Abell Scholarships funds were all established by specific gifts which were to be invested to generate income to provide scholarships to pupils at the College.

Other capital funds
More recent Individual Consolidated Trust Funds set up after the Other Consolidated Funds above, the capital of which cannot be expended.

18. FINANCE LEASE COMMITMENTS

At 31 August 2020 the Group had the following total commitments under non-cancellable finance leases:	Property and Equipment 2020 £'000	Property and Equipment 2019 £'000
Within one year	2,774	2,376
Two to five years	12,801	13,181
More than five years	27,781	33,670
	43,356	49,227
Less: future finance charges	(19,535)	(23,070)
Present value of finance lease liabilities	23,821	26,157
Representing:		
Within one year	823	482
Two to five years	4,950	5,435
More than five years	18,048	20,240
	23,821	26,157

19. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Group had the following total commitments under non-cancellable operating leases:	Property and Equipment 2020 £'000	Property and Equipment 2019 £'000
Within one year	2,139	2,315
Two to five years	8,556	9,281
More than five years	35,090	40,280

20. CONNECTED CHARITIES

The Marlburian Club Charitable Fund

SMW Bishop was a Trustee of the Fund

Transactions with the Marlburian Club include:	2020 £'000	2019 £'000
Donations to the College	63	76

Marlborough College Foundation

The Master, Prof Sir John Bell, SMW Bishop, E Elliott, G I Henderson and T Martin-Jenkins were Trustees.

Transactions with the Marlborough College Foundation included:	2020 £'000	2019 £'000
Donations to the College	1,474	635

21. RELATED PARTY TRANSACTIONS

Transactions between the College and its subsidiary undertakings are set out in note 7.

As shown within note 4, the College reimbursed travel and other expenses of £16,818 to twelve Council Members (2019: £34,765 to eleven Council members). No Council members received remuneration in the current or prior year.

22. ANALYSIS OF NET DEBT

	At 1 Sep 2019 £'000	Movements in Cash Flow £'000	At 31 Aug 2020 £'000
Cash at bank and in hand	14,132	516	14,648
Uninvested cash included in investment	4,532	432	4,964
	18,664	948	19,612
Loan Note – amount due after 1 year	(25,000)	-	(25,000)
	£(6,336)	£948	£(5,388)

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Designated Funds Malaysia £'000	Designated Funds College £'000	Endowed Funds £'000	Total 2019 £'000
Income and endowments from:					
Donations and legacies	1,127	-	-	-	1,127
Charitable activities					
School fees	33,450	19,735	-	-	53,185
Summer School	1,957	-	-	-	1,957
Other trading activities					
Trading Income	1,217	216	-	-	1,433
Other	488	570	-	-	1,058
Investments	517	219	90	389	1,215
Total income	38,756	20,740	90	389	59,975
Expenditure on:					
Raising funds					
Trading costs	886	219	-	-	1,105
Financing costs	770	2,094	13	-	2,877
Marketing and fund raising	897	87	-	-	984
Investment management	-	-	6	52	58
	2,553	2,400	19	52	5,024
Charitable activities					
College operating costs:					
Teaching costs	12,990	7,340	-	-	20,330
Summer School expenses	1,621	-	-	-	1,621
Welfare	4,864	1,603	-	-	6,467
Premises	7,209	4,871	-	-	12,080
Support costs	2,301	1,755	-	-	4,056
Grants, awards and prizes	-	3	-	35	38
Depreciation	3,208	1,967	-	-	5,175
	32,193	17,539	-	35	49,767
Total expenditure	34,746	19,939	19	87	54,791
Net income before investment gains	4,010	801	71	302	5,184
Net gains on investments	(212)	-	106	250	144
Net income	3,798	801	177	552	5,328
Transfers between funds	208	-	(46)	(162)	-
Revaluation of Investment Properties	126	-	-	-	126
Exchange gains/(losses)	84	237	-	-	321
Re-measurement of Pension Deficit	226	-	-	-	226
NET MOVEMENT IN FUNDS	4,442	1,038	131	390	6,001