



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

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 Redhaudhin ibni Tuanku Muhriz

MARLBOROUGH COLLEGE

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
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Marlborough College Malaysia

The Master	A Stevens
Bursar	J Stronach
Address:	Marlborough College Malaysia Jalan Marlborough 79200 Iskandar Puteri Johor Malaysia

MARLBOROUGH COLLEGE

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.

A Level	MCUK		Pre-U	MCUK		(I)GCSE	MCUK	
	2020/21	2019/20		2020/21	2019/20		2020/21	2019/20
A* grade	29%	25%	D1/above A*	12%	9%	9-8/A* grade	57%	50%
A*-B grades	92%	84%	D2/A*	37%	32%	9-5/A*-B grades	98%	98%
A*-C grades	99%	97%	D3/A	81%	66%	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.

COUNCIL'S REPORT (continued)

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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MARLBOROUGH COLLEGE

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

MARLBOROUGH COLLEGE
STATEMENT OF FINANCIAL ACTIVITIES (Group)
FOR THE YEAR ENDED 31 AUGUST 2021


	Notes	Unrestricted Funds £'000	Designated Funds Malaysia £'000	College Funds £'000	Restricted & Endowed Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:							
<u>Charitable activities</u>							
School fees	1	34,100	14,601	(298)	(492)	47,911	49,827
<u>Other trading activities</u>							
Trading Income		940	119	-	-	1,059	945
Other	2a	477	390	-	-	867	1,278
<u>Donations, grants and legacies</u>	2b	675	-	330	571	1,576	3,492
<u>Investments</u>		220	142	45	233	640	875
Total income		36,412	15,252	77	312	52,053	56,417
Expenditure on:							
<u>Raising funds</u>							
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
<u>Charitable activities</u>							
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.
MARLBOROUGH COLLEGE

BALANCE SHEET**AS AT 31 AUGUST 2021**

		Group		College	
	Notes	2021 £'000	2020 £'000	2021 £'000	2020 £'000
FIXED ASSETS					
Tangible	6	133,894	135,369	107,241	104,746
Investments	8	18,279	15,763	18,403	15,763
		<u>152,173</u>	<u>151,132</u>	<u>125,644</u>	<u>120,509</u>
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
		<u>32,030</u>	<u>31,230</u>	<u>20,025</u>	<u>19,784</u>
Less: Creditors - Amounts falling due within one year	10	(19,196)	(21,954)	(9,704)	(8,545)
Net current assets		<u>12,834</u>	<u>9,276</u>	<u>10,321</u>	<u>11,239</u>
		<u>165,007</u>	<u>160,408</u>	<u>135,965</u>	<u>131,748</u>
Creditors - Amounts falling due after one year	11	(59,147)	(58,660)	(31,597)	(32,052)
NET ASSETS		<u><u>£105,861</u></u>	<u><u>£101,748</u></u>	<u><u>£104,368</u></u>	<u><u>£99,696</u></u>
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	<u><u>£105,861</u></u>	<u><u>£101,748</u></u>	<u><u>£104,368</u></u>	<u><u>£99,696</u></u>

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.

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 borders, 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 it 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.

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.

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

NOTES TO THE FINANCIAL STATEMENTS

1.	FEES RECEIVABLE	2021	2020
		£'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
	Costs of raising funds		2021 Total £'000
	Trading costs	280	909
	Finance costs	-	2,417
	Marketing and fundraising	721	992
	Investment management	-	66
	Charitable activities		
	College operating costs:		
	Teaching costs	19,064	21,160
	Summer School expenses	198	419
	Welfare	3,813	5,834
	Premises	2,670	9,550
	Support costs	2,030	4,313
	Grants, awards and prizes	-	74
	Depreciation and impairment	-	5,151
		£28,776	£50,885
		£22,109	

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

2020	Staff Costs £'000	Other direct Costs £'000	2020 Total £'000
<u>Costs of raising funds</u>			
Trading costs	305	467	772
Finance costs	-	3,111	3,111
Marketing and fundraising	632	399	1,031
Investment management	-	58	58
<u>Charitable activities</u>			
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
	<u>£28,977</u>	<u>£28,954</u>	<u>£57,931</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. ANALYSIS OF TOTAL EXPENDITURE (continued)

	2021 £'000	2020 £'000
<u>Support Costs</u>		
Administrative salaries	2,030	1,745
Office costs	599	822
Professional fees	390	291
Other administrative costs	1,172	957
Governance costs	122	124
	<u>£4,313</u>	<u>£3,939</u>

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
	<u>£28,776</u>	<u>£28,977</u>

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
	<u>732</u>	<u>757</u>

The number of higher paid employees was:

	Nos	Nos
Taxable emoluments band:		
£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

2021	COLLEGE			SUBSIDIARY COMPANIES			GROUP
	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
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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	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'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

	Fixed Asset Investments £'000	Current Asset Investments £'000
2021		
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)
	<u>15,253</u>	<u>2,469</u>
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	-	-
	<u>£18,279</u>	<u>£10,275</u>
Historical costs of listed securities	<u>£10,903</u>	<u>£2,482</u>
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	-
	<u>£15,253</u>	<u>£2,469</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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)
	<u>12,265</u>	<u>6,687</u>
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	-	-
	<u>£15,763</u>	<u>£10,751</u>
Historical costs of listed securities	<u>£9,165</u>	<u>£6,883</u>
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	-
	<u>£12,265</u>	<u>£6,687</u>

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
	<u>£6,176</u>	<u>£5,178</u>	<u>£4,328</u>	<u>£3,900</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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
	<u>£19,196</u>	<u>£21,954</u>	<u>£9,704</u>	<u>£8,545</u>

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
	<u>£59,147</u>	<u>£58,660</u>	<u>£31,597</u>	<u>£32,052</u>

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
	<u>£133,894</u>	<u>£18,279</u>	<u>£12,834</u>	<u>£(59,147)</u>	<u>£105,861</u>
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
	<u>£135,369</u>	<u>£15,763</u>	<u>£9,276</u>	<u>£(58,660)</u>	<u>£101,748</u>

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
	<u>£90,463</u>	<u>£51,741</u>	<u>£(50,728)</u>	<u>£621</u>	<u>£92,097</u>
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
	<u>£92,410</u>	<u>£54,973</u>	<u>£(55,025)</u>	<u>£(1,895)</u>	<u>£90,463</u>

14. TRANSFER OF FUNDS	2021 £'000	2020 £'000
The transfers between funds are listed below.		
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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. DESIGNATED FUNDS	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & other gains/(losses) £'000	Balance 31 August 2021 £'000
2021					
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)	-	-
	<u>£1,545</u>	<u>£375</u>	<u>£(346)</u>	<u>£279</u>	<u>£1,853</u>
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)	-	-
	<u>£1,579</u>	<u>£577</u>	<u>£(537)</u>	<u>£(74)</u>	<u>£1,545</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. RESTRICTED FUNDS	Balance 1 September 2020 £'000	Income £'000	Expenditure £'000	Transfers & Other gains/(losses) £'000	Balance 31 August 2021 £'000
2021					
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)	-
	<u>£1,128</u>	<u>£572</u>	<u>£(590)</u>	<u>£(1,069)</u>	<u>£41</u>
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)	-
	<u>£1,128</u>	<u>£1,878</u>	<u>£(487)</u>	<u>£(1,391)</u>	<u>£1,128</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. ENDOWED FUNDS	2021			2020	
	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)	-
	<u>£10,157</u>	<u>£232</u>	<u>£(59)</u>	<u>£3,393</u>	<u>£13,723</u>
2020	2019			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
	<u>£10,357</u>	<u>£-</u>	<u>£(52)</u>	<u>£(148)</u>	<u>£10,157</u>

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.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. FINANCE LEASE COMMITMENTS

	Property and Equipment	
	2021	2020
	£'000	£'000
At 31 August 2021 the Group had the following total commitments under non-cancellable finance leases:		
Within one year	678	2,774
Two to five years	4,031	12,801
More than five years	36,236	27,781
	<u>40,945</u>	<u>43,356</u>
Less: future finance charges	(18,259)	(19,535)
Present value of finance lease liabilities	<u>£22,686</u>	<u>£23,821</u>
Representing:		
Within one year	54	823
Two to five years	484	4,950
More than five years	22,148	18,048
	<u>£22,686</u>	<u>£23,821</u>

20. OPERATING LEASE COMMITMENTS

	Property and Equipment	
	2021	2020
	£'000	£'000
At 31 August 2021 the Group had the following total commitments under non-cancellable operating leases:		
Within one year	2,115	2,139
Two to five years	8,459	8,556
More than five years	33,289	35,090
	<u>£43,863</u>	<u>£45,785</u>

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	2020
	£'000	£'000
Donations to the College	<u>£66</u>	<u>£63</u>

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	2020
	£'000	£'000
Donations to the College	<u>£537</u>	<u>£1,474</u>

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
	<u>19,612</u>	<u>3,649</u>	<u>23,361</u>
Loan Note – amount due after 1 year	(25,000)	-	(25,000)
	<u>£(5,388)</u>	<u>£3,649</u>	<u>£(1,739)</u>

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £'000	Designated Funds Malaysia £'000	College £'000	Endowed Funds £'000	Total 2020 £'000
Income and endowments from:					
<u>Charitable activities</u>					
School fees	32,364	18,377	(480)	(434)	49,827
Summer School	-	-	-	-	-
<u>Other trading activities</u>					
Trading Income	799	146	-	-	945
Other	599	629	50	-	1,278
<u>Donations, grants and legacies</u>	1,409	-	464	1,619	3,492
<u>Investments</u>	329	223	64	259	875
Total income	35,500	19,375	98	1,444	56,417
Expenditure on:					
<u>Raising funds</u>					
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
<u>Charitable activities</u>					
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)