

Registered number: 00587487  
Charity number: 307793

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

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

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

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

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**Governors**

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

**Company registered number**

00587487

**Charity registered number**

307793

**Registered office**

Marlborough House School Trust Limited, Hawkhurst

**Head**

Mr E Newton

**Company Secretary**

Mr E Newton

**Independent auditor**

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

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**MARLBOROUGH HOUSE SCHOOL TRUST LIMITED**  
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**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Status of the company**

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

### **Governing body**

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

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

### **Board of Governors**

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

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

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**Governor training**

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

**Organisational management**

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

**Group structure and relationships**

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

**OBJECTIVES AND ACTIVITIES**

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

**Principal Activity**

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

**Strategic Aim and Effect**

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

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

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

**Objectives for the Year**

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

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

**Grant making policies**

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

**STAFF**

**Volunteers**

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

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

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**Remuneration of Employees**

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

**REVIEW OF ACTIVITIES**

**Achievements and Performance**

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

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

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

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

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

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

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

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**FUTURE DEVELOPMENTS**

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

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

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

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

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

**FINANCIAL REVIEW**

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

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

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

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

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

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

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**RESERVES POLICY**

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

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

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

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

**PRINCIPAL RISKS AND UNCERTAINTIES**

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

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

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

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

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

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

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

**GOING CONCERN**

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

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

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

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

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**GOVERNORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, of the School for that period. In preparing these financial statements, the Governors are required to:

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

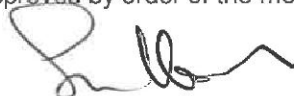
The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies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

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

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



**Mr S J Hodson**  
(Chair of Trustees)

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

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**Opinion**

We have audited the financial statements of Marlborough House School Trust Limited (the 'charitable company') for the Year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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

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**Other information**

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of trustees**

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Ian Weekes (Senior statutory auditor)**

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Riverside House

40 - 46 High Street

Maidstone

Kent

ME14 1JH

Date:

5<sup>th</sup> May 2022

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

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

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

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

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

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

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

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

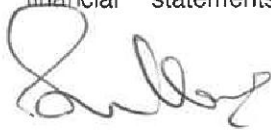
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**BALANCE SHEET (CONTINUED)**  
AS AT 31 AUGUST 2021

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

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



**Mr S J Hodson**  
(Chair of Trustees)

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

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

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

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

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**1. General information**

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

Its registered address is at:-

High Street  
Hawkhurst  
Cranbrook  
TN18 4PY

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

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

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

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

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

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

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**2. Accounting policies (continued)**

**2.2 Income**

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

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

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

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

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

**2.3 Expenditure**

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

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

All expenditure is inclusive of irrecoverable VAT.

**2.4 Government grants**

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

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

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

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**2. Accounting policies (continued)**

**2.5 Interest receivable**

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

**2.6 Tangible fixed assets and depreciation**

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

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

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

Depreciation is provided on the following bases:

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

**2.7 Investment properties**

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

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

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

**2.8 Debtors**

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

**2.9 Cash at bank and in hand**

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

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

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

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**2. Accounting policies (continued)**

**2.10 Liabilities and provisions**

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

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

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

**2.11 Financial instruments**

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

**2.12 Pensions**

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

**2.13 Fund accounting**

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

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

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

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

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

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**3. Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

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

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

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

iii) Property valuations: investment properties are assessed on an annual basis by the Governors. The value of the properties is estimated to be the open market value at the balance sheet date.

**4. Income from donations and legacies**

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

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

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

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

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

**4. Income from donations and legacies (continued)**

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	1,437	1,437
Government grants	102,512	102,512
	103,949	103,949

**5. Income from charitable activities**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Gross fee income	3,473,900	<b>3,473,900</b>
Less: bursaries, scholarships and allowances	(368,710)	<b>(368,710)</b>
Other charges to pupils	103,713	<b>103,713</b>
Registration fees	2,949	<b>2,949</b>
	3,211,852	<b>3,211,852</b>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Gross fee income	3,881,593	3,881,593
Less: bursaries, scholarships and allowances	(600,244)	(600,244)
Other charges to pupils	96,419	96,419
Registration fees	1,200	1,200
	3,378,968	3,378,968

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

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

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6. Income from other trading activities

Income from fundraising events

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

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Lettings	12,162	12,162

7. Investment income

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

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Bank interest	1,238	1,238

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

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

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Teaching costs	2,204,441	<b>2,204,441</b>
Welfare costs	407,859	<b>407,859</b>
Premises	528,582	<b>528,582</b>
Support for schooling	558,959	<b>558,959</b>
Bank interest and charges	27,746	<b>27,746</b>
	<u>3,727,587</u>	<u><b>3,727,587</b></u>

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Teaching costs	2,317,243	2,317,243
Welfare costs	411,420	411,420
Premises	520,049	520,049
Support for schooling	596,944	596,944
Bank interest and charges	24,999	24,999
	<u>3,870,655</u>	<u>3,870,655</u>

**9. Auditor's remuneration**

	<b>2021 £</b>	<b>2020 £</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>12,950</b>	12,350
Fees payable to the Company's auditor in respect of: All non-audit services not included above	<b>2,000</b>	2,850
	<u><b>2,000</b></u>	<u>2,850</u>

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

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

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**10. Staff costs**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,285,081</b>	<i>2,321,093</i>
Social security costs	<b>205,377</b>	<i>208,465</i>
Contribution to defined contribution pension schemes	<b>294,957</b>	<i>343,850</i>
	<b>2,785,415</b>	<i>2,873,408</i>

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<b>No.</b>
Teaching	<b>60</b>	<i>65</i>
Domestic	<b>22</b>	<i>22</i>
Administration	<b>11</b>	<i>11</i>
	<b>93</b>	<i>98</i>

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>-</b>	<i>1</i>
In the band £70,001 - £80,000	<b>-</b>	<i>1</i>
In the band £90,001 - £100,000	<b>1</b>	<i>-</i>

The total remuneration and benefits received by key management personnel during the year was £373,157 (2020: £ 467,647).

**11. Governors' remuneration and expenses**

During the Year, no Governors received any remuneration or other benefits (2020 - £NIL).

During the Year ended 31 August 2021, expenses totalling £NIL were reimbursed or paid directly to Governors (2020 - £815).

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

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

**12. Tangible fixed assets**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2020	6,751,667	96,358	1,009,942	663,691	8,521,658
Additions	62,592	-	5,901	19,192	87,685
At 31 August 2021	<u>6,814,259</u>	<u>96,358</u>	<u>1,015,843</u>	<u>682,883</u>	<u>8,609,343</u>
<b>Depreciation</b>					
At 1 September 2020	1,757,434	93,109	777,635	634,865	3,263,043
Charge for the Year	136,349	669	35,370	28,811	201,199
At 31 August 2021	<u>1,893,783</u>	<u>93,778</u>	<u>813,005</u>	<u>663,676</u>	<u>3,464,242</u>
<b>Net book value</b>					
At 31 August 2021	<u>4,920,476</u>	<u>2,580</u>	<u>202,838</u>	<u>19,207</u>	<u>5,145,101</u>
At 31 August 2020	<u>4,994,233</u>	<u>3,249</u>	<u>232,307</u>	<u>28,826</u>	<u>5,258,615</u>

**13. Investment property**

	Freehold investment property £
<b>Valuation</b>	
At 1 September 2020	1,189,400
Disposals	(670,000)
Revaluation	37,600
At 31 August 2021	<u>557,000</u>

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

Post year end, contracts were exchanged on the sale of the investment property included in the financial statements and the valuation reflects the sales price less costs to sell.

**MARLBOROUGH HOUSE SCHOOL TRUST LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**14. Debtors**

	2021 £	2020 £
<b>Due within one year</b>		
Trade debtors	55,262	29,902
Prepayments and accrued income	29,550	16,190
Grants receivable	-	19,146
	84,812	65,238

**15. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Bank loans	100,000	8,333
Trade creditors	36,707	136,710
Other taxation and social security	50,047	49,044
Fees in advance and deposits	413,909	290,799
Other creditors	40,662	36,192
Accruals and deferred income	16,198	49,276
Advance payment scheme	99,580	100,910
	757,103	671,264

A bank loan was taken out during the prior year in order to assist with the development of a sports hall extension and a further £500,000 CBILS loan was taken out in 2020.

Interest is being charged on the loans at 1.5-2.34% p.a over base rate.

The repayment date of the original loan is the earlier of: A) the date which falls 30 months after the date of the loan or first part of it is drawn, or B) the sale completion date of the final Unit to be sold.

The 'Units' refer to three residential properties owned by the school of which two were sold in the year and part of the loan repaid with the proceeds. Post year end, contracts were exchanged on the sale of the third property and the proceeds, once received, will be used to repay the remaining amount outstanding on the loan.

The CBILS loan is repayable in installments over 6 years.

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

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

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

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

	2021	2020
	£	£
Bank loans	<u>682,929</u>	<u>1,435,851</u>

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

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

**17. Statement of funds**

**Statement of funds - current Year**

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

Restricted funds consist of:

A music fund to be used in awarding prizes to pupils and in purchasing new musical instruments for the school's music department. At the balance sheet date, the balance on the fund was £2,313 (2020: £2,313).

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

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

**17. Statement of funds (continued)**

**Statement of funds - prior Year**

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2020 £</i>
<b>Unrestricted funds</b>					
General Funds	5,306,244	3,496,317	(3,870,655)	737,520	5,669,426
<b>Restricted funds</b>					
Music fund	2,313	-	-	-	2,313
<b>Total of funds</b>	<u>5,308,557</u>	<u>3,496,317</u>	<u>(3,870,655)</u>	<u>737,520</u>	<u>5,671,739</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2021 £</b>	<b>Restricted funds 2021 £</b>	<b>Total funds 2021 £</b>
Tangible fixed assets	5,145,101	-	5,145,101
Investment property	557,000	-	557,000
Current assets	1,001,931	2,313	1,004,244
Creditors due within one year	(757,102)	-	(757,102)
Creditors due in more than one year	(682,929)	-	(682,929)
<b>Total</b>	<u>5,264,001</u>	<u>2,313</u>	<u>5,266,314</u>

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

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

**18. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	5,258,615	-	5,258,615
Investment property	1,189,400	-	1,189,400
Current assets	1,328,526	2,313	1,330,839
Creditors due within one year	(671,264)	-	(671,264)
Creditors due in more than one year	(1,435,851)	-	(1,435,851)
<b>Total</b>	<u>5,669,426</u>	<u>2,313</u>	<u>5,671,739</u>

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

	<b>2021 £</b>	<b>2020 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<u>(443,025)</u>	<u>(374,338)</u>
<b>Adjustments for:</b>		
Depreciation charges	201,199	240,475
Interest paid	27,746	24,998
Dividends, interests and rents from investments	(642)	(1,238)
Decrease/(increase) in debtors	(19,574)	31,761
Decrease in creditors	(5,828)	(464,818)
<b>Net cash used in operating activities</b>	<u>(240,124)</u>	<u>(543,160)</u>

**20. Analysis of cash and cash equivalents**

	<b>2021 £</b>	<b>2020 £</b>
Cash in hand	919,433	1,265,601
<b>Total cash and cash equivalents</b>	<u>919,433</u>	<u>1,265,601</u>

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

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

**21. Analysis of changes in net debt**

	At 1 September 2020 £	Cash flows £	Other non- cash changes £	At 31 August 2021 £
Cash at bank and in hand	1,265,601	(346,168)	-	919,433
Debt due within 1 year	(8,333)	-	(91,667)	(100,000)
Debt due after 1 year	(1,435,851)	661,255	91,667	(682,929)
	<u>(178,583)</u>	<u>315,087</u>	<u>-</u>	<u>136,504</u>

**22. Pension commitments**

The School previously participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff but exited the scheme on 1 May 2021. The pension charge for the year includes contributions payable to the TPS of £195,550 (2020: £306,413) and at the year-end £nil (2020 - £33,245) was accrued in respect of contributions to this scheme.

The charity also makes contributions to defined contribution pension schemes whose assets are held in an independently administered fund. During the year, contributions of £99,407 (2020 - £37,437) were made to the pension scheme with contributions of £900 (2020 - £239) outstanding at the balance sheet date.

**23. Operating lease commitments**

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	17,064	17,064
Later than 1 year and not later than 5 years	11,376	28,440
	<u>28,440</u>	<u>45,504</u>

